

北京周報

A CHINESE WEEKLY OF NEWS AND VIEWS

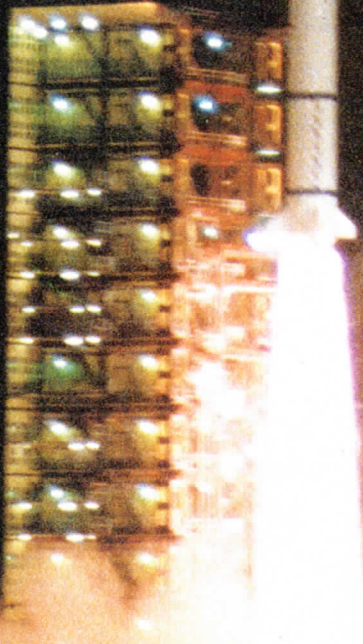
# Beijing Review

Vol. 29, No. 11

March 17, 1986

## TAIWAN: PROSPECTS FOR REUNIFICATION

### CHINA'S BROADCASTING SATELLITE TURNED ON



Laws Protect  
Women's Rights



Father and son having a good time at the fair.  
Yang Liming

Having a taste of traditional local dishes.  
Luo Haibo



## SPOTLIGHT

# Beijing Spring Fair

Flying kites.  
Wang Xinjian

So many toys, too many choices.  
Zhang Jinlai

The gala spring fair at Beijing's Ditan Park. Chen Zonglie



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**COVER:** *Left:* The rocket blasting off with the telecommunications satellite on board. *Upper right:* Ship radars tracking the satellite. *Lower right:* The control unit at the launching centre.

Photo by Zou Yi

## HIGHLIGHTS OF THE WEEK

**Speaking Out On Year of Peace**

In an interview with our correspondents, Zhang Wenjin, President of the Chinese People's Association for Friendship with Foreign Countries and deputy director of the Chinese Organizational Committee for International Year of Peace, dwells on the questions of war and peace, disarmament, regional conflict and the peace movement (p. 20).

**Prospects for Taiwan Mainland Reunion**

*Beijing Review* publishes in this issue three articles by staff members of the Taiwan Affairs Research Institute of the Chinese Academy of Social Sciences, in an effort to answer some questions relating to the recent political and economic situation in Taiwan and the prospects for the peaceful reunification of China. After a detailed analysis, the authors conclude that Taiwan's continued refusal to reunify with the mainland will get the island nowhere. The only reasonable way out for Taiwan, the authors argue, is to embark on the road to reunification by entering into negotiations with the mainland authorities (p. 14).

**Redressing the Distorted Price Structure**

Because of long-term negligence of the law of value and role of the market, China's price structure had been seriously distorted. Following the publication of the Party Central Committee's 1984 document on economic reform, China began redressing its price structure through planned readjustment and market regulation. The reform will require several years of painstaking work (p. 4).

**Satellite Paves Way for Modernization**

The impact of the launching of China's first telecommunications satellite will be felt far beyond the improvement of radio and television reception. It will help pave the way for the development of the nation's space technology and its modernization drive as a whole (p. 5).

**Laws to Uphold Women's Rights**

Inheritance laws and other regulations have been promulgated to address incidences of discrimination and mistreatment of women in many spheres of society (p. 24).

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# Reform Redresses Distorted Price System

by Geng Yuxin

**A**n irrational price system can distort the value of goods just as a warped mirror can a person's image, said the late economist Sun Yefang.

China's commodity prices, which were frozen for many years, were seriously distorted by such a system, due to historical factors and long-time negligence of the law of value and the role of the market in setting prices. Although there have been some changes in the amount of socially necessary labour which constitutes the base of commodity value, and in the relationship between supply and demand, commodity prices have not been altered accordingly. For example, urban residents continue to pay for rationed grains, cooking oil, and rent at the 1950s prices.

The distortion was also reflected in price parities between various commodities; Prices for products of the same category were not fixed according to their quality. What resulted were low prices for agricultural and sideline products, minerals, raw materials and labour services, and high prices for processed goods.

In China, an 18" colour television set costs 1,500 yuan (US\$469), almost equivalent to the price of one ton of beef purchased before the price reform began last year, and 380 kg at the current price. Despite the differences in the two goods, this irrational price ratio would seldom be seen on the international market.

Before the price reform, China had rejected the idea of considering its socialist economy a commodity economy, and people had grown accustomed to the irrational distribution system, which was metaphorically described as "everybody eating from the same big pot." In recent years, however, China has come to regard its socialist economy as a

planned commodity economy which requires exchanges at equal value, and has stressed the principle of distribution to each according to his or her work, which in turn calls for the exchange of equal amounts of labour. Under such circumstances, price reform became inevitable.

In October 1984, the Party Central Committee issued its programmatic document on economic reform. In that statement, price reform was considered a key to the country's reform. Now the distorted prices are being gradually redressed through the combination of a planned readjustment and market regulation, and an operative mechanism is expected to be established, under which commodity prices can promptly reflect commodity values (which are determined by average production cost and average rate of profits) and mirror the change in the relations between supply and demand.

Price reform is an arduous and complex process that involves almost all trades. The reform will lead to an overall readjustment in distribution of national income, and it is obvious that it will require several years of painstaking work.

In 1985, China took a big step towards price reform. To date the reform measures include a purchase contract system, which replaced the state monopoly on the purchase and marketing of grain, cotton and edible oil and lifting price controls on meat, vegetables and other perishable food, all of which are allowed to be sold freely at markets. In addition, the government has decontrolled prices for small articles of daily use, and increased short-distance train fees. This is the first time since the founding of New China that the government has enacted price reform measures that so

directly affect its population's livelihood.

The current price reform will have a far-reaching impact. From the results logged last year, it is clear that China's gain outweighs its loss. Commodity production climbed and the market surged forward. In 1985, the total retail sales value increased by 30.7 percent, and the averaged price index also hit a record high and was up 8.8 percent over 1984. Of the increase, 12.2 percent was in cities and 7 percent was in the countryside. After price hikes are factored in, rural per-capita income still went up 8.4 percent, while those in the cities rose 10.6 percent.

Nevertheless, Chinese consumers, who are used to a stable price environment, have shown concern over the price hikes. If the price rise continues, people will find that their wage increases will be offset by inflation. The price rises have, therefore, become a major topic of conversation among the people.

After making a comprehensive survey of the merits and problems of the price reform, the Chinese government decided to hold off on major reform measures for 1986. Instead, the government has chosen to concentrate on consolidating and improving measures already carried out in the hope of stabilizing commodity prices.

Is such a plan a retreat from the reform because of resistance, as some foreign critics have suggested? No, it is not.

What are the motives behind this decision?

First, it is possible to conduct price reform while holding the lid on prices. The current price reform as a whole is a structural readjustment, which is intended to send some prices up and others down and thus will not lead to an overall price hike.



However, last year the prices for most decontrolled commodities went up, particularly those for nonstaple food, a matter which concerns every Chinese family. The increases sparked dissatisfaction among China's consumers. It is, therefore, imperative to curb prices in order to maintain social order and to reassure the public.

Second, businesses and consumers alike need a period to digest and adapt to the reforms enacted last year.

A business, for example, is facing a new situation: prices of processed products are down, but those for raw materials and fuels are up. In addition, the enterprise must increase its wages and continue paying at least as much in taxes. With such changes, a business needs time to renovate its technology, increase productivity and reduce production costs.

Third, since decontrolling prices for consumer goods, it is now necessary to adopt a number of supplementary measures to consolidate the achievements of the reform. These measures

*(Continued on p. 28.)*

*Issue No. 12 will carry the full text of the communique on the fulfilment of China's 1985 economic and social development plan issued February 28, 1986 by the State Statistical Bureau.*

## Satellite Links China in Modern Orbit

**The accurate orbiting of a telecommunications satellite brings the nation's space technology into active service.**

In the showroom of the Beijing Satellite Ground Station in a western suburb, a group of high-ranking Chinese officials were seated in front of eight colour TV broadcasts from the application communications satellite spon-telecommunications satellite.

It was an on-the-spot gathering for the trial transmission of TV broadcasts from the application communications satellite sponsored by the Commission of Science, Technology and Industry for National Defence (CSTIND).

At 7 pm sharp, when the China Central Television (CCTV) began its nightly news broadcast, colour pictures appeared on the screen, accompanied by clear sounds. The officials were all smiles and the scientists of the commission broke into animated shoptalk. China at last put its own telecommunications satellite into practical use.

The satellite, launched into space by the nation's most advanced three-stage Long March No. 3 carrier rocket on February 1, was successfully guided into permanent orbit on February 20. It is now settled over Sumatra, Indonesia, 35,786 kilometres from the earth.

That night, satellite ground stations nationwide, including those in Gansu, Sichuan, Guizhou, Yunnan, Xinjiang, Tibet and other remote areas also received the CCTV news programme via the satellite, and reported excellent results.

"The successful positioning of the satellite shows that China has fully mastered the design and launch technology of carrier rockets and the techniques of tracking and controlling communications satellites," read a joint message of congratulations to the scientists, engineers and workers

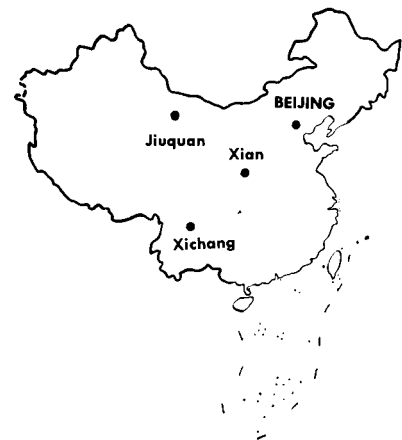
involved in the project from the Central Committee of the Communist Party of China, the State Council and the Central Military Commission. It also showed that China's satellite communications had moved from the experimental stage into one of application, the message added.

"This achievement is of great significance in speeding up the nation's modernization drive and developing its space technology," it said.

The satellite is functioning perfectly for telecommunications, radio and television transmission and will be put into regular service soon, said an officer of the command centre of the commission.

China has launched 18 satellites of various types over the last 26 years. Its first experimental telecommunications satellite was sent into space in April 1984 and also was placed in permanent orbit over Indonesia. The present satellite is a great improvement over its predecessor.

According to officials, the new telecommunications satellite is able to cover all Chinese territory, and will improve China's radio



## News in Brief

**A** meeting marking the 100th anniversary of the birth of Dong Biwu and Lin Boqu was held on March 5 at the Great Hall of the People in Beijing. Both Dong and Lin were born in March 1886. They died in 1975 and 1960 respectively. The two were among China's earliest Communists and were respected senior leaders of the Chinese Communist Party and the People's Republic of China. Dong, as one of the CPC founders, attended the First National Congress of the Party in 1921.

\* \* \*

**D**ing Ling, one of China's leading authors, died in Beijing on March 4 at the age of 82. Ding was born in Hunan Province's Linli County in 1904. Since 1927, she published about 300 novels, short stories, plays, books of non-fiction and essays, totalling more than 2 million words.

\* \* \*

**C**hina's bicycle output is expected to top 26 million during the Seventh Five-Year Plan (1986-90), and residents are going to enjoy ample supplies of bicycles of the most sought-after brands. Emphasis will be put on the manufacture of bicycles catering to special needs, such as those for tourists, children, primary and middle school students, and mothers.

There are roughly 300 small and medium-sized bicycle plants in China, which boasts 210 million bicycles—one third of all the bicycles in the world—averaging one bicycle for every five persons.

## Beijing Honours Working Women

**T**he first week of March was one of honour for women in China.

On March 7, more than 1,500 people gathered in the Great Hall of the People in Beijing for a reception to mark the 76th anniversary of International Working Women's Day. Women diplomats, wives of foreign diplomatic envoys and foreign experts working in China assembled in the hall and pledged to "translate into reality" the main theme of the United Nations Decade for Women at the Nairobi Conference last year: sexual equality, national development and world peace.

"It is my belief that women who make up half of the world's population will continue to assert themselves in winning world peace and national development," said Zhang Guoying, vice-chairwoman and first secretary of the secretariat of the All-China Women's Federation.

and TV reception. With the greater telecommunications capacity, the programmes by CCTV can be received clearly throughout China with aerials six metres in diameter, which means the construction costs of ground stations will be cut greatly and radio and TV transmission will reach the more remote areas.

The new satellite and its launcher were both designed and built in China. Their successful launching indicates China has matured in its technology of carrier rockets and is now able to undertake the business of launching satellites on both the home and international markets, said a source from the department concerned.

According to the latest news from the Ministry of Aeronautics Industry, China will provide

She told the gathering that Chinese women had established friendly relations with 240 international organizations for women and children in more than 120 countries and regions.

"The Chinese women are ready to strengthen unity with sisters in various countries and deepen mutual understanding, friendship and co-operation with them," she said.

Turning to the Chinese women's ability at various posts, Zhang said Chinese women were striving to raise their own competence and explore new approaches in their work with the tenacity of the legendary "foolish old man removing a mountain."

Attending the reception were Chen Muhua, state councillor and president of the People's Bank of China, Kang Keqing, president of the All-China Women's Federation, and Hao Jianxiu, member of the Party Central Committee Secretariat. Mme. Sihanouk of Kampuchea was also present.

On behalf of the All-China Women's Federation and the

launching services on the international market at a preferential price. Half a dozen countries currently are discussing the issue with China. An initial agreement has been reached with Sweden on launching a postal telecommunications satellite. It also has been disclosed that China intends to put its carrier rockets, Long March No. 2 and Long March No. 3, on the international market and offer launching services to foreign customers at a cost 15 percent lower than the average international rate. The Chinese People's Insurance Co. will provide insurance service for the customers at preferential prices as well.

Research on carrier rockets began in China in the 1960s. Today China has established complete sets of launching facilities and measuring and



Wang Xi, chairman of the China Women Journalists Association, talking with a foreign friend at the party celebrating the 25th anniversary of the publication of "Beijing Riview."

Chinese women, Zhang expressed her gratitude to the women diplomats and experts who had come to work in China and who, she said, made valuable contributions to China's socialist modernization drive.

On the same day, under the auspices of the All-China Women's Federation, more than 1,000 working women in the

capital celebrated their day in the auditorium of the Chinese People's Political Consultative Conference. Attending the get-together were 18 honoured colleagues who had come at the invitation of the All-China Federation of Trade Union. They took the floor to speak about their achievements and called on all women to heighten their sense of responsibility and play an active part in the state affairs. They expressed their determination to make new efforts in the Seventh Five-Year Plan (1986-90).

According to a recent survey in *Renmin Ribao* (People's Daily), the number of working women has increased to 43.24 million, or 36.4 percent of the country's total workforce. And one-third of the country's scientists and technicians are women.

Up to now, 14 Chinese female scientists have received their doctorate degrees since 1981, the year the country reintroduced that title. More than 3,500 women technicians have received master's degrees since 1979. One out of 12

controlling systems. There are currently two satellite-launching centres, one in Jiuquan, Gansu Province, at which satellites that operate near earth are launched, and the other in Xichang, Sichuan Province, where earth synchronous satellites take off (see map).

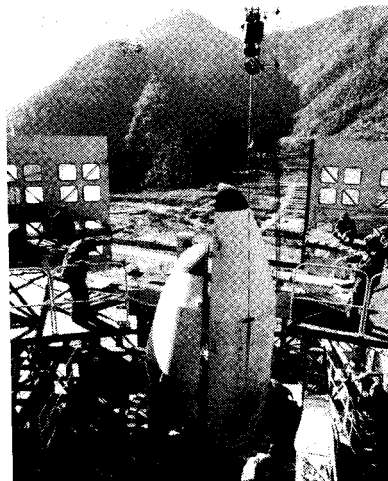
Plans have been made to launch more telecommunications satellites in the future and efforts will be made to lengthen their service life, position them more accurately, and enlarge their capacity, according to Ding Henggao, minister in charge of CSTIND.

Other satellites will be launched to improve the nation's weather forecasting, natural resource surveying and in other areas, he disclosed shortly after the satellite launching.

A long-term programme to develop China's space industry was being discussed, with em-

phasis on self-reliance, the minister said.

The Long March No.3 carrier rocket being prepared to take off. BY ZOU YI



## China & the World

**Chinese President's Five-Nation Tour.** President Li Xiannian arrived in Dhaka, March 8, on a three-day state visit, the first by a Chinese head of state to Bangladesh since its independence in 1971. Bangladesh is the first leg of Li's five-nation Asian and African tour, which will also take him to Sri Lanka, Egypt, Somalia and Madagascar.

**Soviet Hijacker Jailed in China.** The Soviet co-pilot, who hijacked a Soviet passenger aircraft and landed it in Northeast China in December last year, was sentenced to eight years of prison in Harbin, Heilongjiang Province on March 4.

Alimuradov Shamil Gadji Ogly was sentenced by the Harbin intermediate people's court. On December 19, 1985, he hijacked a domestic airliner to western Heilongjiang Province. Chinese authorities returned the 42 passengers and crew members and the aircraft to the Soviet Union soon afterwards.

### Developing Countries Call for Textiles Trade Liberalization.

Representatives of 23 developing countries that export textiles and clothing have co-ordinated their position on protectionism after a five-day meeting in Beijing, according to a press statement issued on March 8.

More than 120 officials attending the meeting of textiles exporters demanded that the developed countries eliminate all forms of discriminatory restrictions to realize free textiles trade as soon as possible.

Chinese with a master's degree is a woman.

Two days earlier on March 6, the Women's Journalists Association was founded in an effort to strengthen relations among women journalists, and protect their rights. At the inaugural ceremony, Wang Xi, former director and editor-in-chief of *Beijing Review*, was elected chairwoman of the association. In her speech she said her organization would work to promote exchanges between women journalists in China and their colleagues in other countries, as well as in Hongkong, Macao and Taiwan. There are 400,000 journalists in China, one-third of whom are women.

by Wang Xianghong

### Meeting Commends Model Workers

Twenty-nine collectives and 251 individuals from the departments under the Central Committee of the Communist Party of China were recently commended for their exemplary performances in the Party consolidation drive.

At a February 5 meeting to commend the performances by collectives and individuals sponsored by the Party committee of the central Party departments, the work units and individuals received certificates of merit. More than 1,000 participants from the central Party departments gave thunderous applause to show their respect for the model workers.

Wang Zhaoguo, member of the Secretariat of the Party Central Committee, described this meeting as a review of the achievements of the central Party units in the drive to build socialist modernization and ethics. "It will play an active part in the construction of the work style of the Party," he said.

While praising these model units and individuals, Wang called



### Severed Fingers Rejoined

Wang Putao, a worker at an air force pilot training school, had her 10 fingers accidentally severed by a paper cutting machine on January 27. When she was rushed into a hospital affiliated to the Fourth Army Medical University, doctors were able to rejoin the fingers on both hands. After more than 20 days of treatment, her hands are recovering, with normal blood circulation. Through physical therapy, Wang is trying to restore strength and function in her fingers.

on them to continue their "positive role in fostering good working style" in the central Party departments, adding that the work of these departments was "vital to the full implementation of the Party's policies."

He called on all office workers of the central departments "to be models in carrying out the Party

policies, to serve the people wholeheartedly so as to build the central departments into efficient, disciplined organizations with a sense of steadfastness in their political orientation and into exemplars for the whole country."

At the end of last year, the CPC Central Committee decided to improve the conduct among both



leaders and rank-and-file members. At that time, all central Party departments were urged to substantially improve in their operations within one year, to set examples for the whole country.

## Bureau Stats In On Economic Boom

**F**or China, the Sixth Five-Year Plan period (1981-85) was characterized by the most impressive economic growth in the history of the People's Republic. An analysis of the figures released in a recent State Statistical Bureau communique (full text to be carried in our next issue) indicates that tremendous changes have taken place in the Chinese economy over the last five years in four fields.

### Ratios Moving Towards Balance.

The series of reforms and readjustments during the 1981-85 period have expedited the development of agriculture, light manufacturing and the service industry, while cutting back on the growth of heavy industry and the rate of accumulation. The result has been a relatively well-balanced ratio between agriculture, light manufacturing and heavy industry. According to recent statistics, agriculture (farming, forestry, sideline occupations and fisheries) accounted for 34 percent of the total industrial and agricultural output value in 1985, as against 30 percent in the previous five-year plan period. Forestry, animal husbandry, sideline occupations and fisheries made up half of the total agricultural output value, and the industrial output value was divided equally between light manufacturing and heavy industry. Service trades and agriculture have gained much ground in the nation's economic setup. The ratio between accumulation and consumption stood at 3:7.

### Commodity Economy Flourished.

According to the bureau statistics, total commodity retail sales

doubled during the Sixth Five-Year Plan period, rising from 210 billion yuan in 1980 to 430 billion yuan in 1985. The total volume of imports and exports registered a 84 percent increase in the intervening years.

### Inter-Regional and Inter-Trade Ties.

During the Sixth Five-Year Plan period, economic and technical co-operation between different regions, industries and trades was on the rise. A total of 7 billion yuan of investment was involved in the more than 70,000 contracts that were signed in 1985 alone, calling for materials worth 16 billion yuan. This has helped to open the once tightly shut doors between regions and industries.

### Economic Forms Diversified.

The private and collective economies, long left to dwindle in cities, have made a comeback significant enough to have an impact on the national economy. The private sector's retail sales in 1985 more than doubled, while the collective economy grew by 18 percent. The state economy, the dominant sector of the national economy, also saw a 13.6 percent increase. Of the total industrial output value, state industry grew 12.9 percent, the collective economy rose 30 percent and the private industry reported a 2.5-fold increase.

## Bronze Bust of Zhou Enlai Unveiled

China's first bronze bust of the late Premier Zhou Enlai (1898-1976) was unveiled in his home town, Huaian, in Jiangsu Province last week.

The bust, 80 centimeters tall, depicts Zhou as a young man at the time when he decided to devote himself to his country. Zhou spent 12 years of his childhood in his hometown.

The bust was made by sculptor Zhang Yibo.

## China, Philippines To Broaden Ties

**V**ice-President and Prime Minister of the Philippines Salvador Laurel said recently in Manila he would like to see closer ties between the Philippines and the People's Republic of China.

Laurel, who is also foreign minister, made the remark on March 5 when he received a Chinese government cultural delegation led by Zhu Muzhi, Minister of Culture. As the first foreign delegation to visit the Philippines since the new government assumed office, Zhu and his entourage arrived in Manila on March 4 at the invitation of the Philippine Foreign Ministry to sign an executive programme of a cultural agreement between the two countries for 1986 and 1987.

Laurel emphasized that the new Philippine government would attach special importance to relations with Asian neighbours, especially the People's Republic of China. "The Philippine people and the Chinese people have never been enemies at all. So there is no reason why we should not be close friends," he added.

Laurel said the Philippines recognizes only one China and that they would stand by that policy. Responding to Zhu Muzhi's invitation to visit China, Laurel said he looked forward to visiting China in the near future.

Zhu Muzhi, on behalf of Premier Zhao Ziyang, conveyed to Laurel and through him to newly elected President Corazon Aquino the Chinese government's sincere desire to develop the relations between the two countries.

The strengthening of relations in political, economic and cultural fields between China and the Philippines is not only in the interests of the two countries, but also conducive to peace and stability in Southeast Asia, he said.

## US Allies Waver on Arms Control

*West European nations are expressing doubt about the new US arms control proposal. None of them want to see threats to their security by conventional forces if a US-Soviet pact eliminating medium-range nuclear missiles is signed.*

**A**fter years of urging the United States and the Soviet Union to come to a nuclear arms accord, West Europeans now suddenly fear such a pact might leave the continent exposed to conventional attacks by the Warsaw Pact countries.

The fear surfaced when United States President Ronald Reagan on February 22 proposed the elimination of US and Soviet medium-range nuclear missiles in Europe and Asia in the next three years. His proposal was made in response to Soviet leader Mikhail Gorbachev's proposal on January 15 which called for complete dismantling of all nuclear weapons by the year 2000.

Reagan's proposal is nothing new, but simply a revised version of his "zero option" programme put forward at the US-Soviet intermediate forces negotiations in 1981. According to the proposal, the Soviets would dismantle their medium-range missiles targeted on Western Europe, and the United States would drop its plans to deploy its similar weapons, the Pershing II and cruise missiles.

Although Washington and Moscow differ on such a pact, US Arms Control and Disarmament Agency Director Kenneth Adelman said last month that the two countries were likely to make some progress in this area at their intermediate-range nuclear forces talks. As a result, US allies are becoming nervous over the prospect of losing the protective shield provided by the installation of US missiles.

To offset the Soviet superiority in medium-range nuclear missiles, the NATO (North Atlantic Treaty Organization) countries decided in 1979 to deploy 572 US cruise and Pershing II missiles in five West European countries.

Over the past two years, nearly 300 of these missiles have been deployed in Britain, the Federal Republic of Germany, Italy and Belgium. The Netherlands, which is assigned to deploy 48 cruise missiles according to NATO's plan, has decided to deploy the US missiles.

British Prime Minister Margaret Thatcher, a staunch supporter of US policy towards the Soviet Union, expressed her concern about the US proposal while meeting Paul Nitze, special arms-control adviser to President Reagan. Nitze said nuclear weapons were a "necessary evil" that could prevent conventional wars in Europe when he visited Western Europe earlier last month.

Urging Reagan not to lose sight of the overall context of West European security, West German Chancellor Helmut Kohl warned that if intermediate-range missiles were removed from Europe, it would only enhance the importance of the Soviets' SS-22 and SS-23 short-range missiles. From bases in the Soviet Union these missiles can strike West Germany, and from forward positions in the German Democratic Republic they can hit most of Western Europe.

He insisted that any agreement to be concluded between the two superpowers should limit and, if possible, reduce the numbers of

Soviet short-range missiles.

West German Foreign Minister Hans-Dietrich Genscher said last month that "the removal of nuclear weapons would bring us not more but less security— unless at the same time political conditions were steadied and the conventional balance of power was stabilized."

France, which has consistently followed an independent nuclear policy, is critical of the possible signing of a US-Soviet agreement on freezing the number of British and French nuclear missiles or their plans to modernize them with more warheads.

Since the end of World War II, the defence strategies of the NATO countries have relied heavily on the US nuclear deterrent, which has been regarded as an effective check against Soviet attacks on Western Europe.

The West European countries argue that at a time when the Soviet Union still has a vast numerical superiority in troops at its disposal in Europe, it would be a precarious move by the United States to withdraw its medium-range missiles from the continent. If the two superpowers reached an agreement on the elimination of medium-range missiles in Europe, Moscow could then use its conventional arms superiority to intimidate Western Europe.

According to the figures published by the Western press, the Warsaw Pact countries have deployed about 1.16 million troops in Central Europe, 160,000 more than the NATO troops stationed there.

Western Europe, where the two big military blocs—NATO and the Warsaw Pact—confront each other, has been the focus of contention between the superpowers in their global strategies. What steps Western Europe will take in response to the US proposal remain to be seen. But one thing is certain. None of the West European countries will allow threats to their security if such a US-Soviet pact is signed.

**by Chen Nanxi**

## Urgent Steps to Curb Looming Debt

*Something has to be done to cope with the looming debts in Latin America which are undermining growth and stability in the region.*

**T**he nations of Latin America face urgent pressure to solve their debt problems to avoid a crisis far more serious than the one in 1982, declared the Cartagena Group of major debtor nations on February 28 after its meeting in Uruguay.

Plunging oil prices and stagnant production have resulted in sharply reduced revenues among the exporters, sapping their ability to repay debts. Last year alone, Latin American nations lost US\$6 billion on the world's raw material market. If oil prices remain depressed, Mexico, Venezuela and Ecuador, the leading oil producers in the region, will lose more than US\$10 billion this year.

In addition to oil, almost all other Latin American exports are being touched by falling prices. The Latin American Economic Commission said in a recent study that the prices of 18 Latin American primary products have actually fallen by 16.5 percent compared with prices in 1980, a new low since the great depression of the 1930s.

The wave of trade protectionism rising in the United States and other Western industrial countries has also cast a shadow over Latin American exports. In 1985, the subsidies provided by the Western industrial nations to their own manufacturers resulted in a loss of US\$65 billion in Latin American nations. On the international market for farm products, they suffered not only a 40 percent fall in prices, but also a drastic cut in exports to the US and European Economic Community countries, because of an overload of Western farm products competing on the market.

Moreover, the Latin American steel, shoe and textile industries are finding it more difficult to gain access to the markets of developed countries.

Yet another dilemma for Latin America is the drain of capital from the region into the hands of the Western nations. Last year, repayment of interest and principal on debts forced Latin American nations to divert more than US\$30 billion, or 36 percent of all their export earnings, to creditor nations. The repayment rate, though it has slowed down in the past year, still outstrips their growth rate. On top of this, local investment has been cut by one-third, compared with that of 1980.

Faced with the harsh truth, Latin American nations are stiffening their stance when they explore ways to resolve the looming debt affair. Some have called for the renegotiation of foreign debts on the premise that

their economic growth is ensured. Some have requested that debt repayment be based on payment ability. Still others have urged more radical joint action to grapple with the problem.

The International Creditor Bank and other financial agencies, awed by the resistance of the debtor nations and looking out for their own interests, are now working on debt renegotiation. The International Creditor Bank struck a deal with Venezuela last month for a rescheduling of its debts. Prior to this, International Monetary Fund had signed an agreement to provide Argentina with additional credit. Brazil and Mexico are negotiating with the commercial banks for more credit. Other Latin American nations have also requested the restructuring of their debts.

Nevertheless, a fundamental solution to the Latin American debt problem is nowhere within reach. The monitoring committee of the Cartagena Group in Uruguay late last month urged the creditor nations to lower their interest rates, and indicated that some Latin American debtor nations would have no choice but to take concrete measures to protect their economic interests.

**by Xiao Fangqiong**

### WEST GERMANY-FRANCE

## Growing Bilateral Ties

*Bonn and Paris are making efforts to build on their "year of German-French relationship" designed to inspire European unity.*

**N**ew momentum in cooperation between the Federal Germany and France has been gaining ground since 1986 was proclaimed the "year of German-French relationship" by foreign ministers from both countries on January 7.

One of the agreements reached on February 27-28 in Paris summit meeting between the two West

European nations was that in the future their foreign ministers will confer with each other on important foreign policy decisions. They also agreed to double their current number of foreign minister meetings to four times annually. On top of this, officials in both countries' foreign ministries, who are in charge of policy, economies and cultural

affairs, will meet once a month.

France's recent agreement to a West German proposal for war-time consultation indicates a substantial advance in Paris-Bonn connection in security and defence. According to the proposal, a conference between the president of France and the chancellor of Federal Germany would be required if France were to use strategic weapons within the West German border. However, the final decision will remain in the hands of the French president.

The two nations are also contemplating the establishment of a bilateral institute aimed at coordinating French-German technology development policies.

As for the European space-shuttle plan advocated by France, the West Germans have agreed to participate. This complete turn-about demonstrates the great importance Bonn has attached to its co-operation with Paris.

The dedication of France and Federal Germany to improve bilateral co-operation is based on many considerations. First, improved East-West relations. There was a dialogue between the superpowers, though their differences remain. Responding to the slightly improved world situation, Paris and Bonn have expressed their willingness to unite to curb the arms race. Better East-West relations, said Federal Germany's Foreign Minister Hans-Dietrich Genscher, are not only the duty of the superpowers, but also of Europeans themselves.

France and the Federal Germany have also made efforts to inspire European construction. West German Chancellor Helmut Kohl and French President Francois Mitterrand have agreed that joint French-German efforts are a necessary pre-condition to European development.

The domestic political situations in both countries also have made it necessary for the two governments to step up co-operation. The National Assembly election in France falls on

March 16, and general elections in Germany are scheduled for January next year. Both countries are faced with severe unemployment, about 8 percent in Federal Germany and 10.5 percent in France. Although the co-operation efforts of the two governments do not directly have

any influence over creating jobs, it will yield favourable impressions for the strong-willed French voters and cater to the wishes of West German voters who are demanding detente between the superpowers.

by Fang Xiangsheng

## DENMARK

### Referendum Backs EEC Treaty Reforms

*After Danish voters approved a package of measures to reform the founding Rome Treaty of the European Economic Community, the Danish foreign minister joined his Italian and Greek counterparts on February 28 in signing the reform package. All EEC member states have now agreed on the package.*

Denmark passed on February 27 a referendum accepting a package of measures to reform the founding Rome Treaty of the European Economic Community (EEC). With 56.2 percent in favour and 43.8 percent against, the Danish people showed where their leanings were. Danish Foreign Minister Uffe Ellemann-Jensen signed the EEC treaty reform package in the Hague on February 28.

Last year the member nations of the EEC issued a reform package of the 1957 Treaty of Rome, which founded the EEC. The package called for creating an unhampered internal market by 1992, a restriction on the veto power of individual states on certain EEC issues, and for greater strength of the European Parliament. However, on January 21 the Danish Parliament approved an opposition Social Democratic resolution rejecting the EEC reform package. It called on the Danish government to go back to the negotiation table with the other member nations to review the reforms. When this resolution in turn was rejected by other EEC members, the Danish government proposed to hold the national referendum that finally approved the package.

The faction in favour of the EEC reform package was led by the ruling Conservative People's Party. It stressed that to uphold the reforms would help safeguard Denmark's vested interests within the EEC, while to oppose them would signify the first step of withdrawal from the EEC and eventually hurt the Danish economy.

The anti-reform faction headed by the Social Democratic Party contended the measures would increase the power of the European Parliament in Strasbourg and damage Denmark's sovereignty.

Denmark has great economic interest in the EEC. Since Denmark joined in 1973, it has brought in an aggregate of 34 billion kroner (about US\$4.2 billion) from EEC exports and subsidies. A country which is highly dependent on its exports, Denmark exports 50 percent and 60 percent of its agricultural and fish products. And 40 percent of Danish industrial products is sold on the EEC market.

The stated aim of the EEC reform is to strengthen the political, economical and technological ties among the member nations by pushing the EEC to become a real common market.

This, of course, would only benefit the Danish economy. Although the Danish referendum is purely consultative, it is assumed that if the majority of the Danish voters opposed the reform package, it would be difficult for the country to get further support from the EEC Council of Ministers.

Denmark joined the EEC when the Social Democratic Party was in power. Except the Danish party, all the Social Democratic Parties of other EEC member states favour the reform. Some old-time Danish Social Democrats and their party parliamentary members denounced their party's stand, however, and publicly stated they would vote in favour of the reforms. The pillar of the Social Democratic Party, the Federation of Trade Unions, called on its members to adopt a neutral stand, neither opposing nor supporting the reform package, although its leaders allowed the individual trade unions to decide for themselves.

The Radical Party, which has co-operated with the government on economic policies, but stood on the side of the opposition, was also bogged down with controversy and decided to let its followers make their own choice in the referendum.

The minority government, led by Prime Minister Poul Schluter of the Conservative People's Party, and comprised of the Liberals, Centre Democratic Party, Christian People's Party and Conservative People's Party, has witnessed one crisis after another over the past three years. Although it has achieved significant results in reviving the economy, the country still faces great difficulties. The lopsided international deficit amounted to 28 billion kroner in 1985, an unprecedented figure in Danish history. Playing on this crisis, the Social Democratic Party had tried to force the government out of office through its opposition to the reform package. But the latest

results of the referendum will undoubtedly strengthen the po-

RWANDA

## Building Economy Slowly But Surely

*While larger African countries rich in natural resources are barely breathing, this small landlocked central African country is building its economy through self-reliance and foreign assistance.*

**W**hile the woes of hunger in Ethiopia and widespread drought and famine throughout the African continent have made all the headlines in the last few years, the tiny central African nation of Rwanda has managed to quietly come out ahead by building its economy over the last decade.

Since 1980, many African countries have been bogged down in economic crisis, while Rwanda has steadily kept pushing its economy on its government's "peace, unity and development" policy put forth by President Maj-Gen Juvenal Habyarimana.

While Rwanda is still among the most underdeveloped countries listed by the United Nations—its scarce in natural resources and landlocked geographically—the former Belgian colony has undertaken a policy that combines self-reliance and foreign assistance, with positive results.

Its gross domestic production increased at an annual rate of 5 percent during 1975-80. This growing trend slowed down to 0.6 percent by 1983 because of the Western economic crisis. But soon things began to pick up again and the growth rate has returned to 4.6 percent.

Rwanda maintains foreign currency deposits of US\$100 million to US\$200 million. Its average production output per capita went from US\$171 in 1978 to US\$280 in 1984.

Rwanda bases its development on agriculture, the top priority in the country. The government's third Five-Year Plan (1982-86)

sition of the minority government.  
**Liu Xumin**

allocated a quarter of its total investment budget for agriculture. With a high population scattered indiscriminately throughout the tiny mountainous country (about 26,338 sq. km.), Rwanda traditionally counted each family as a basic work unit, therefore promoting individualism instead of collectivism.

In recent years, the government has made loans to the farmers, supplied improved varieties of seeds and has promoted the price of farm products, steps that have stimulated the productivity of the farmers. In the last several years, grain output has climbed by 4.2 percent annually, higher than the population growth rate (3.7 percent).

The government has begun to attract foreign investment by introducing foreign capital to set up joint and single ventures to complement its domestic economic development. On top of this, Rwanda receives hefty assistance from Belgium, the European Economic Community and the United Nations organizations. Outside aid assisted Rwanda in developing its highway network, which has improved the provincial connections and therefore the national economy.

Down in the southwestern corner of the country, stands a tea processing factory built in 1981 under the assistance of the European Economic Community. Tea export has now become a major industry (annual production: 8,000 tons) and markets have been found in many countries.

by Bao Shishao

# Taiwan: Prospects for Reunification

*After reading the article "Formula for China's Reunification," "Beijing Review" issue No. 5, some readers have written expressing their hope to understand the recent political and economic situation in Taiwan and the prospects for the peaceful reunification between Taiwan and the mainland. "Beijing Review" asked staff members of the Taiwan Affairs Research Institute of the Chinese Academy of Social Sciences in Beijing to prepare the following three articles in an effort to answer some of the related questions.*

## An Appraisal of Island Situation

by Yao Yiping and Liu Yuan

**W**hat are the Kuomintang authorities in Taiwan counting on when they continue to reject the proposed peaceful reunification with the motherland? Externally, they have been dependent on the United States, and internally, they have enforced an autocratic rule while relying on their economic strengths. Here we will analyse the present politico-economic situation in Taiwan, and observe the prospects for the peaceful reunification of China.

### Theoretical Basis

The Kuomintang authorities in Taiwan maintain their rule by relying on two political theories. One is called "legally constituted authority" which means that their government has been elected according to the "constitution of the Republic of China" and that the Taiwanese government has inherited the "legally constituted authority" of the "Republic of China" founded under the leadership of Dr. Sun Yat-sen, the forerunner of the Chinese democratic revolution in 1911. This explains why the Kuomintang government has all along maintained its so-called central organs "representing the will of the people" formed in 1948 on the mainland. There are more than 1,000 delegates to the "National Assembly" and more than 300 members of "Legislative Yuan," but many of them, more than 76 years old on the average, are no

longer able to attend to daily office work.

The second political theory is based on the enforcement of martial law. The Kuomintang authorities published the "War-time Emergency Regulations for Punishment of Activities Jeopardizing the State Security" on December 25, 1947, when it suffered defeats during the civil war launched against the Communists. By virtue of martial law, the Kuomintang imposed military rule, depriving the Chinese people of their right to democracy and freedom. Today, more than 36 years after it retreated to Taiwan, the Kuomintang continues to

follow these emergency regulations.

These two political theories by which the Kuomintang maintains its rule are very unpopular and therefore hard to be kept up. As delegates to the "National Assembly" and members of the "Legislative Yuan" have passed away one after another, the Kuomintang government will find it increasingly hard to maintain its nominal "legally constituted authority." As for the tight public security measures, they will eventually be put away by the mounting demands of the Taiwan people for freedom and democracy and by the growth and decline of different political forces on Taiwan Island and within the Kuomintang itself.

Members of the middle class, which has arisen since the 1970s as

**On October 25, 1971, the 26th Session of the General Assembly of the United Nations endorsed a resolution on restoring the legitimate rights of the People's Republic of China in the United Nations.**



an important social force in the Taiwan community, are demanding political rights commensurate with their economic position. Democratic movements that reflect their political demands, though meeting with repeated setbacks, are not in the least waning. Non-party forces also attack the Kuomintang autocratic rule, demanding the abolition of tight government controls and media censorship. It has been speculated that these democratic movements will eventually develop into an important influence on Taiwan's political future.

Within the Kuomintang itself, there has been a "successor crisis" and the intense power struggle centred around the question of successor has continued unabated since 76-year-old President Chiang Ching-kuo fell ill in 1981. Foreign observers predict that the post-Chiang Kuomintang centre of power will be a pluralistic organ fraught with intense power struggle, thus rendering the Kuomintang less powerful and affecting Taiwan's political stability.

**International Isolation**

Since the United Nations recognized the People's Republic of China as the sole legitimate government of China in 1971, the international community has come to acknowledge Taiwan as a part of China, causing the Taiwan authorities to lose their "sovereign status." The People's Republic of China now has established diplomatic relations with 133 nations, while the Taiwan authorities have diplomatic ties with only 23. People have every reason to believe that the number of countries having diplomatic relations with Taiwan will diminish. Although the Taiwan authorities have spared no efforts to carry out the so-called "essential diplomacy" by economic means, their efforts will not help lift themselves from their international isolation or change their deteriorating situation. Their isolation not only has exerted tremendous negative influence on them psychologically,

but has created many difficulties in developing their exchanges with related countries in the fields of technology, culture and sports. Sometimes, Taiwanese even have problems in procuring entry visas for travel abroad.

To extricate themselves from isolation, the Taiwan authorities in 1981 were compelled to agree to participate in the Olympics in the name of "China, Taipei" and not

patible with the Taiwan authorities' basic policy that there is only one China, Taiwan is part of China, and the Taiwanese government is "representative of all of China." If the plural systems were put into effect, the Kuomintang authorities' basic policy would no longer exist.

Everything considered, the Kuomintang authorities, weighed down with difficulties both at

**Bai Xianyong (centre), a Taiwan scholar residing in the United States, having a picture taken with Shu qiao (second from right) and other dancers from Shanghai on August 30 last year in Hongkong after a performance.**

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to use the national flag or anthem of the Republic of China. This has become dubbed the "Olympic pattern." Conservative Kuomintang forces contend that acceptance of this pattern would mean Taiwan agreed to accept its status as a local government of China. Therefore, when this pattern is applied to other international organizations, the Taiwan authorities become nervous and try hard to boycott them. But if the pattern is rejected, what is the alternative ahead for Taiwan? Some armchair strategists in Taiwan suggest a state pattern with plural systems. That is, establishing a legitimate power to represent Taiwan. But this is actually nothing more than a refurbished "two Chinas" pattern. This pattern, however, is incom-

home and abroad, have been driven into a corner with no exits. The longer they drag their feet over the peaceful reunification of the two sides, the tighter that corner will become.

**Economic Weaknesses**

Taking a look at the economic situation in Taiwan, an observer may at first see a success story, but with deeper study he will discover its fundamental weaknesses.

The period between 1964 and 1973 is known as the "golden age" for Taiwan's economy, which grew at an annual rate of 11 percent. In the 1974-83 period, although the economy suffered two serious recessions, its growth rate still remained a steady 7.4 percent. Since September 1984,

however, all major economic weather vanes indicated lagging performance serious enough to throw the economy into a new recession. Taiwan is currently experiencing a reduction in export and investment, as well as a slowdown in industrial production. According to the Taiwan authorities' statistics, the real economic growth rate in 1985 was only 4.7 percent, a 6.2 percent drop from that of 1984.

Taiwan's economic development is handicapped by its shortage of natural resources. In the 1960s and 1970s, Taiwan's industry was limited to the labour-intensive processing of primary products. Its structures of capital and technology long remained in a backward state; its industry and trade patterns were lopsided; textiles and the production of household electrical appliances were the mainstay of industry. Eighty percent of Taiwan's textiles were exported; its manufactured goods were sold mainly on the United States' market, accounting for 50 percent of its total exports. So, whenever the United States economy is in a slump, the Taiwan economy becomes stagnant as well.

What the Taiwan economy basically needs is an overall readjustment and updating of its enterprises. But today when Taiwan is economically and technologically weak, it is hard for it to achieve the above goal. Worse still, Taiwan is facing cut-throat competition on the international market, its economic future is uncertain.

A major political factor, called a "confidence crisis" by the Taiwan press, is another factor influencing Taiwan's economic growth. People on the island fear that once Chiang Ching-kuo dies, serious political unrest will ensue, and that the return of Hongkong to China in 1997 will divest Taiwan of its status as the third largest exporter, even though the Chinese government has declared that Hongkong's return will not hinder Taiwan's economic ties with this major free port. In particular, the

murder of Chinese-American writer Liu Yiliang (Henry Liu) by Taiwanese agents in October 1984, and last year's corruption scandal of the Taibei No. 10 Credit Co-operative, have caused the Taiwan people to lose faith in the authorities, rendering the business people reluctant to invest in industry and commerce. Taiwan's Vice-Minister of Economic Affairs Wang Jianhsuan wrote in a Taiwan periodical: "When in crisis, other countries respond with a sense of responsibility, whereas we respond with evasion and escape. Is there any entrepreneur who does not have saving deposits in foreign banks? At least 80 percent to 90 percent of them have."

### The Only Way Out

From the above political and economic analysis it must be concluded that the continued refusal of Taiwan to reunify with the mainland will get the island nowhere, and may eventually lead to the toppling of the present regime to be followed by a critical, chaotic situation in Taiwan. In case this happens, the government of the People's Republic of China would do everything possible to defend the sovereignty over its territory, Taiwan Province.

The Chinese government has made it clear that its policy towards Taiwan is peaceful reunification based on the formula "one country, two systems." For the present, the Kuomintang and the Chinese Communist Party

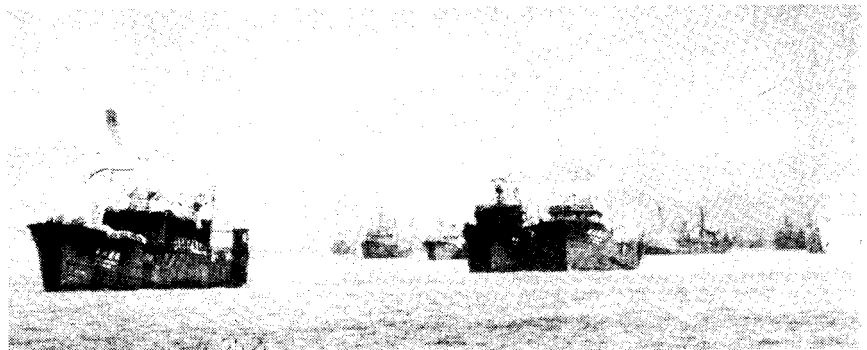
should conduct negotiations on an equal footing, so as to put into effect the exchange of mail, trade, air and shipping services between the mainland and Taiwan. This policy has received warm support from all Chinese people, including those compatriots in Taiwan, and overseas Chinese.

Although the Taiwan authorities stick to their Three No's—no contact, no compromise and no negotiations—and their Three Refusals—refusal to exchange mail, trade and air and shipping services, they have avoided being too definite in their remarks. For example, some of Taiwan's top officials have repeated in recent years that reunification of China as soon as possible was the common aspiration of the entire Chinese people. Sun Yun-hsuan, former president of Taiwan's Executive Yuan, once said, "So long as the mainland's political, economic, social and cultural gap gradually narrows, the barriers to peaceful reunification will diminish."

The Taiwan authorities, following its tactic of making changes in some fields and no changes in others, have made limited modifications in certain aspects of their policies relating to the mainland.

In entrepot trade for example, the Taiwan authorities pursue a policy of "non-interference," on the ground that it is hard to control those Taiwan goods already exported to a certain region and then resold elsewhere. The Taiwan authorities also allow some specified mainland goods to

Taiwan fishing boats taking shelter from a storm at Zhejiang Province's Shenjiamen Harbour.



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be sold indirectly to Taiwan.

As for personnel exchanges, the Taiwan authorities allow their non-governmental organizations to participate in international academic, scientific and technological and cultural conferences and sporting events together with their counterparts in the mainland under the "no avoidance, no concessions" principle. They have even relaxed control of entry into Taiwan of those compatriots residing in Hongkong and Macao or in foreign countries, who once visited the mainland and now want to visit Taiwan.

Some of Taiwan's official newspapers and magazines have carried articles giving specific suggestions on reunification. For example, the magazine of *Voice of Free China*, carried an article in its June 1982 issue, suggesting that reunification be carried out by three steps: Both sides should first "push through reforms so as to eliminate barriers to reunification." In the second step, both sides must agree to open up trade, and their postal and transportation services to seek "common ground and mutual understanding." In the third step, the paper said, the two sides should come to the negotiation table and convene a national assembly to adopt a constitution and realize reunification.

The Taiwan authorities have made some changes in their approach as evidenced by these examples; of course they have done all this not out of their willingness. These changes only

indicated that they are hard-pressed by the current circumstances and that they have been unable to continue their policy of coping with the changing situation with unchanged tactics. In the face of growing demand for reunification through the joint efforts of the people living on both sides of the Taiwan Straits, the Taiwan authorities will find it increasingly

difficult to maintain their Three No's and Three Refusals. It must be recognized that the mainland Chinese do not wish the Taiwan authorities to drive themselves to a corner, but only hope they will comply with popular feelings, go with the tide of history and take the initiative to embark on the road that leads to peaceful reunification.

## Gratifying Changes Since 1979

by Guo Xiangzhi and Li Shuiwang

**P**romoted by the Chinese Communist Party's policy of peaceful reunification of the mainland and Taiwan, the long-standing confrontation between both sides of the Taiwan Straits has begun to see some relaxation since 1979. Some encouraging changes that have taken place over the last seven years are as follows.

**Peaceful Reunification has become a major nationwide concern.** Many compatriots in Taiwan and overseas Chinese alike, especially those who are professionals and intellectuals, have been actively working towards a united China in these past several years. Pushed by a high sense of patriotism, they have gone beyond the barriers of forbidden political zones to hold seminars and symposiums on the future of Taiwan. Some of them have even crossed oceans to attend similar activities on the mainland. During these gatherings, they have expressed strong opposition to the prolonged national division and have cited painful examples that the split has brought to their motherland as well as to their families. Some have reminded the Taiwan authorities that they must not depend on foreigners and that the most realistic way is to rely on their fellow-countrymen, the Chinese people, for the prosperity of their motherland.

From the developments that have taken place on the mainland in recent years and the successful solution of the Hongkong question, some Kuomintang members

and sympathizers have come to see the determination of the Chinese Communist Party to achieve modernization of the country, and its sincerity towards achieving a peaceful solution of the Taiwan question. They believe they know where the future of Taiwan lies, and therefore maintain that now is the time for the mainland and Taiwan to enter into negotiations.

At a recent academic symposium in the United States, a noted Taiwan scholar talked about the significance of the political and economic reforms sweeping across the mainland. Leaders of the Chinese Communist Party, he said, by learning from the bitter lessons of the "cultural revolution," had switched their priorities to the four modernizations: agriculture, industry, national defence and science and technology. Since the mainland has made great strides in these areas in the last decade, the Taiwan scholar argued, people have seen "the Chinese culture reassert its value and vitality on the mainland," adding that herein lies "the hope for China" and "the solid foundation for its reunification."

In the meantime, some people who used to stand for Taiwan's "independence" or "self-determination" also have begun to understand that it is no longer wise to depend on external forces and it is impossible for Taiwan to become independent. They indicated that so long as the Chinese Communist Party was sincere in and capable of solving the ques-



tion of reunification, Taiwan should enter into negotiations with it. Some of them even proposed that Taiwan practise democratic autonomy in line with the "one country, two systems" principle.

### **Demand for Exchanges Between Both Sides Becomes Stronger.**

To promote the course of national reunification, people of different social strata on both sides of the Taiwan Straits and those living abroad hope that both sides will reduce hostility and resume normal people-to-people exchanges. Those in the cultural circle demand that Taiwan begin exchanges with the mainland first in the academic, cultural, sports and music fields. Industrialists and businessmen hope to invest in the mainland and restore and develop trade there. Some Taiwanese are already doing business with their counterparts on the mainland, ignoring the Kuomintang threats and embargoes.

To help the Taiwanese gain a better understanding of life on the mainland, Taiwan newspapers, radio and TV stations have made fairly objective reports and documentaries about the mainland's achievements in science, technology, culture and sports. Taiwan publishing companies have printed many works by mainland writers; cultural institutions have sponsored art exhibitions on the mainland; local Taiwanese TV and radio stations have included programmes introducing prevalent customs in various mainland provinces.

In March 1980 when a West German freighter was berthed at the Jilong (Keelung) Port of Taiwan, seamen from the Chinese mainland working on the ship were invited by the Jilong Branch of the Taiwan Seamen's Trade Union to go sightseeing in Taibei. These mainland sailors found themselves wrapped up in warmth and hospitality. In January 1982 when Taiwan played host to the Fifth Women's World Softball Game, many Taiwan compatriots strongly demanded the Taiwan authorities send invitations to the

players in the mainland. And in July 1984 when the athletes from the mainland were hotly contesting their foreign counterparts at the Los Angeles Olympic Games, the Taiwan authorities, fearing that the outstanding performance of athletes from the mainland might exert adverse influence on the Taiwan people, ordered the local TV station to cut shots of these Chinese athletes. This aroused strong opposition from the Taiwan public. Many of them denounced this act of the Taiwan authorities in letters, cables and articles, stressing that the outstanding performance of the athletes from the mainland at the Los Angeles Olympic Games represented the glory of the 1 billion Chinese, the Taiwan people included. Since then the Taiwan authorities have slightly relaxed these types of restrictions. And in recent years, an increasing number of Taiwan Chinese have come to the mainland to tour or visit friends and relatives. A number of them have even settled down on the mainland.

**Trade Grows Between Both Sides.** In 1979, the year in which the Message to Taiwan Compatriots sent out from the mainland was published, the value of the indirect trade between the

mainland and Taiwan was less than US\$80 million. But it grew to US\$300 million in 1980 and US\$460 million in 1981. Due to some internal and external factors, it dropped to US\$220 million and US\$249 million respectively in 1982 and 1983. In the last two years, however, the indirect trade between the two sides has been booming, largely because people in the industrial and commercial circles in Taiwan regard their trade relations with the mainland as a major way to get out of the economic recession in the capitalist world. It has been reported that such trade was valued at US\$567 million in 1984. In the first half of 1985, their trade volume reached US\$600 million and the trade volume is believed to have reached US\$1 billion for the whole year.

All in all, it is clear that the situation prevailing on both sides of the Taiwan Straits is developing in the direction favourable to the realization of national unity. Though there remain serious obstacles, we believe the day will not be far off when the long-cherished dreams of national reunification and family reunion will come true so long as the Chinese people at home and abroad work hard with one heart towards this common goal.

## **A Review of CPC-KMT Co-operation**

by Li Wen

In 1911, the Kuomintang headed by Sun Yat-sen, the forerunner of democratic revolution, led a nationwide uprising to overthrow the last feudal rule of the Qing Dynasty. The result was the founding of the Republic of China. However, the new political power was soon usurped by warlords, and the Kuomintang was thrown into confusion.

At that time, Dr. Sun Yat-sen turned his hopes to the Communist Party of China, which was founded in 1921. He was sure that "in the struggle, he could rely on their [the Communists'] definite

thoughts and dauntless courage."\*

The Communist Party actively responded to Sun's willingness to co-operate and in return offered him and the Kuomintang a great deal of help. After a year of preparations, Sun Yat-sen himself presided over the Kuomintang's First National Congress held in Guangzhou on January 20, 1924. The focus of the congress was to reorganize the Kuomintang, and it

\* From the *Selected Works of Soong Ching Ling*.

was there that the Kuomintang's first constitution was adopted alongside a declaration. These documents adopted the Communists' demands for fighting against imperialism and feudalism. The congress made new interpretations of the Three People's Principles—Nationalism, Democracy and the People's Livelihood—and put forth a three-tiered policy of co-operating with the Soviet Union and the Communist Party and assisting workers and peasants. Many Communists joined the Kuomintang as individuals. Li Dazhao and two other Communists were elected members of the Kuomintang's Central Executive Committee. Mao Zedong, Lin Boqu, Qu Qiubai and four other Communists were chosen as alternate members of the committee. This marked the beginning of co-operation between the Communist Party and the Kuomintang.

Front gate of the Huangpu (Whampoa) Military Academy.



Through the joint efforts of the Kuomintang and the Communist Party, the Huangpu (Whampoa) Military Academy was founded in 1924, with Chiang Kai-shek as its president and Zhou Enlai as director of the Political Department of the Academy. The National Institute of Peasant Movement was also set up in 1924 and Mao Zedong was appointed

the head of the institute. During this period of Kuomintang-Communist co-operation, the revolutionary armed forces put down a reactionary riot among merchants in Guangzhou, and frustrated a rebellion launched by warlord Chen Jiongmeng in south China. It was during this time that the workers' and peasants' revolutionary movement against imperialism and feudalism gained momentum.

The most resounding victory in their common struggle was achieved in the Northern Expedition. In less than one year, the revolutionary armed forces occupied the Changjiang (Yangtze) River basin and most of the Huanghe (Yellow) River valley.

Unfortunately, Sun Yat-sen died on March 25, 1925. The Kuomintang rightists, headed by Chiang Kai-shek, betrayed the revolution on April 12, 1927, by massacring large numbers of

Communists and putting down the movements of workers and peasants. This led to the breakup between the Kuomintang and Communists.

In the following 10 years, China was locked in civil war, during which time, the Kuomintang attempted to eliminate the Communists and their armed forces. Taking advantage of the

civil war, the Japanese invaded China. In 1931, they occupied three northeastern provinces, and further attempted to annex the entire country. At this time, China was faced with a choice of life or death. The Communist Party called for a truce between the two rival parties to fight together against foreign aggression, and later suggested the establishment of a united front against the Japanese.

On December 12, 1936, General Zhang Xueliang and Yang Hucheng detained their supreme commander Generalissimo Chiang Kai-shek in Xian, in an attempt to force Chiang to accept their anti-Japanese position. The Communist Party immediately sent Zhou Enlai to Xian to mediate—a successful move that led to a peaceful settlement of the Xian Incident. In March 1937, Zhou Enlai negotiated with Chiang Kai-shek and Chen Lifu, and another agreement of co-operation between the two parties was concluded.

The War of Resistance Against Japan began on July 7, 1937, when the Japanese attacked Lugou Bridge (also known as Marco Polo Bridge), in the southwestern suburbs of Beijing. It was followed by the Kuomintang soldiers' stand against Japanese aggression in Shanghai on August 13.

On August 25, the Communist-led Red Army was reorganized into the Eighth Route Army under the leadership of Chiang Kai-shek. On September 22, the Kuomintang's Central News Agency issued a declaration on Kuomintang-Communist co-operation, which the Central Committee of the CPC had earlier handed to the Kuomintang. The following day, Chiang Kai-shek made a statement in which he recognized the legal position of the Communist Party, marking the beginning of the second co-operation between the Kuomintang and the Communists.

The second phase of co-operation, though not without conflicts and setbacks, lasted for eight years while the war raged on

# Speaking Out on 'Year of Peace'

*The United Nations has declared 1986 the International Year of Peace. "Beijing Review" staff reporters Zheng Fangkun and Li Li interviewed Zhang Wenjin, president of the Chinese People's Association for Friendship with Foreign Countries and deputy director of the Chinese Organizational Committee for International Year of Peace. Zhang, a veteran diplomat, was formerly a vice-minister of foreign affairs and ambassador to the United States.*

**Beijing Review: How would you assess the current situation of world peace and disarmament?**

**Zhang Wenjin:** The hottest issue facing the world today is the prevention of war and maintenance of world peace. People can only carry out their daily work in peaceful surroundings, whereas war cannot but hinder the nations' economic and social development and bring their people disaster.

We feel the prospects for peace are better than ever before for the following reasons:

After the two world wars and the continuing unrest and chaos, people have come to see their danger and dire consequences of war and have therefore become more determined than ever to do their part for the defence of world peace.

As the sophisticated arms race

develops, people are realizing that if there were another world war, it would undoubtedly surpass the horrors of the previous two and leave the world in a complete state of disaster.

It used to be the case that small countries could do little to prevent wars launched by the big powers and were forced to silently accept their aftermaths. Numerous medium and small countries have won independence since World War II. They have a greater say in international affairs, and hope for a peaceful environment where they can develop their national economy. As the third world grows stronger, the forces for peace grow stronger as well.

Common people can now play a bigger role in preventing war. In the past wars have silently crept up on people. Today they are better

informed on the unrest and disturbances in other parts of the world because of the mass media. They are thus better equipped to organize themselves to guard against the spread of tension that could eventually lead to world war.

In short, the forces that prevent war are gaining strength. However, the danger of world wars should not be underestimated. The world nowadays is still troubled with regional conflicts and wars, most of which the superpowers have either manipulated or become directly involved in for their own purposes. There is always the danger that some of these regional wars, once mis-handled, may light up a world conflagration. But a world war is unlikely to break out if the forces for peace are fully mobilized.

to drive out the invaders. However, that co-operation was undermined by the Kuomintang only one year after the surrender of the Japanese in 1945. In early 1946, the Kuomintang troops launched an all-out offensive against liberated areas led by the Communist Party. The return to civil war resulted in the collapse of the Kuomintang and the birth of New China in 1949.

Reviewing the history of the co-operation between the two parties makes it clear that when the Kuomintang and the Communists co-operated, the state thrived, the revolutionary forces were victorious and the people led better lives.

The two periods of co-operation were all initiated and promoted by the Communist Party, but sabotaged by Kuomintang members.

In recent years, top leaders of the Communist Party have appealed again and again for a third phase of co-operation and the peaceful reunification of Taiwan and the mainland through negotiations.

Co-operation is necessary. The concept of a "united" China has long been regarded as fundamental to running a healthy, stable country. Chinese civilization—one of the oldest in the world—has proven that territorial splits in China are temporary, and that a

united China is one that has stood and will stand a long time.

Sun Yat-sen devoted his entire life to the unification of his country. He said: "Unification is the hope of all Chinese people. If unity is realized, the Chinese people will be delighted. If it fails, the Chinese people will suffer." The Communist Party of China is now in all its sincerity seeking the peaceful reunification of the motherland. The Taiwan authorities also have publicly expressed their desire to see a united China.

Co-operation is also possible. Taiwan is currently weighed down by difficulties at home and abroad. The political and

Disarmament is a key link to the peace issue. The more sophisticated the military techniques become, the greater the threat of war. Currently, the two superpowers have an absolute advantage in arms, which no other nation can match. This arms race between the Soviet Union and the United States not only hurts the development of world economies, but also heavily burdens their own economies. But for various reasons, it has not been easy to get them to take disarmament seriously. Though they meet occasionally and have come up with some agreements in the course of their negotiations, these compromises are merely in non-substantial fields. Real disarmament, we feel, should be carried out in substance, such as reduction of nuclear arms that, if used would lead to mass annihilation.

**BR: In terms of world peace, what are the key issues to which we should attach importance?**

**Zhang:** I think the threat of world war stems mainly from intense rivalry between the two superpowers. This finds expression in the arms race and in their worldwide intervention. For the

sake of world peace, the superpowers must accomplish the following:

They must first initiate disarmament, particularly in the number of weapons of mass destruction.

Then they must cease their interference in the regional hot spots, withdraw their troops from those regions, and let the people of those countries resolve their own problems and stabilize the situation there.

**BR: How does China evaluate the spreading peace movement within many countries, and where does China stand?**

**Zhang:** The peace movement is varied in its composition and demands. There are religious, feminist and student organizations that differ in ideology, but are striving for the same end result. To analyze the nature of these groups, one must assess their respective theses and aims. But this is irrelevant when we speak of peace. We hope that broad international unity will forge ahead to prevent war.

**BR: How can China as a large country contribute to world peace?**

**Zhang:** Possessing one-fourth of the world's population, China can and should play a significant role in the defence of peace. We should act in two ways. One is to adhere to the peaceful stand. China will never harm the interest of other nations, nor will it allow any country to harm the interests of China. We insist on developing relations with other countries under the five principles of peaceful coexistence. We will not compromise our principles for any selfish interests. Furthermore, China must develop and become strong as soon as possible, strong in the material sense first and foremost. China has developed some strength, but not enough to contain the aggressors worldwide, and certainly only in regions nearby.

**BR: What activities does China plan to involve itself in the International Year of Peace?**

**Zhang:** As the organizational committee, we will make the significance of the "peace year" widely known through the mass media. We will try every means to sponsor various activities, to show our support for peace and to strengthen our relations with people in other parts of the world.

economic crises in Taiwan are mounting. For a long time, the Kuomintang authorities were content to rule just a part of the divided country—Taiwan Province—but now the situation is changing, and they find themselves at an historical turning point. Many far-sighted members of the Kuomintang have come to accept that holding to a part of Chinese territory cannot ensure long-term security, and insisting that national division will only lead to self-destruction.

The concept of "one country, two systems" put forward by Chinese leader Deng Xiaoping has laid down a solid foundation

for the reunification of the country. The signing of the Sino-British declaration on the Hong-kong question in late 1984 was applauded by people around the world. This move has produced incalculable influence on the issue of reunification between Taiwan and the mainland.

The Communist Party of China adheres to the principle of seeking truth from reality. The Party has always respected Sun Yat-sen, founder of the Kuomintang, and recognizes the Kuomintang as a long-standing political party that has made substantial contributions to the modern democratic revolution in China. Therefore,

the Communist Party hopes both sides will relinquish past enmity and come together once again to make further contributions to the rejuvenation of the country. In July 1983, Deng Xiaoping said: "We want to fulfil the cause left behind by our predecessors. If the Chiangs and all those who have devoted themselves to the cause of reunifying China can accomplish this cause, they will find themselves better recorded in history."



# New Laws Uphold Women's Rights

*Although China's constitution guarantees women's equal rights, incidences of discrimination against and maltreatment of women in many spheres of society continue to come to light. The recently promulgated Inheritance Law is one of the attempts by policymakers to address specific abuses.*

by Our Correspondent Li Ning

The fundamental principle of equality between men and women has been upheld by the Chinese government ever since the founding of the People's Republic in 1949. Each of the four constitutions formulated since then has contained clauses ensuring basic rights for women. The Constitution adopted in 1982 states explicitly that women in China have equal rights in all spheres of life, whether political, economic, cultural or social, and that their rights and interests will be protected by the state.

Legal stipulations guaranteeing women's rights have led to great improvement in the political, economic and social status of women in China since 1949. However, traditional attitudes of male chauvinism, which predominated in China for several thousand years, have yet to be entirely eliminated; they are manifested in the continued existence of discrimination against and maltreatment of women.

Policymakers, alerted to specific incidents by trade unions, women's groups and the Communist Youth League, have become increasingly aware of the problem of abuses against women's rights and interests and a number of laws and regulations accordingly have been promulgated to specifically address problem areas.

## Inheritance Rights

When a woman married in the old days, she was required to

transfer her loyalties to her husband's family. A daughter, therefore, had no right to inherit from her parents, nor had a widow any rights to retain her husband's property if she remarried.

Although such feudal traditions violate women's rights and have been discredited, their residual influence is still felt in society. It was to combat this influence that the Inheritance Law of the People's Republic of China was adopted last April; since it was promulgated, many women have been encouraged to bring their grievances to court or mediating organs where they were swiftly resolved.

One example is the case of Wang Guifen of Fangshan County, Beijing. Brought up by her grandfather after the death of her parents, she was in line to inherit the old man's assets when he died. When Wang's uncle, thinking that as a senior middle school student Wang was too young to fight back, tried to force her to sign over to him her right to the inheritance, Wang, however, brought the matter to the county people's court and wrote a letter to the Beijing Municipal Women's Federation for help. The federation assisted her in obtaining a lawyer, who successfully defended her claim based upon the state inheritance law.

In another incident a widow surnamed Hao from the Chongwen District of Beijing brought a lawsuit against her only son to the

local court. Under contention were the houses left behind by her husband but which were later registered in the name of her son. When local authorities announced that the property would be requisitioned for a construction project, mother and son quarrelled over the reparations the government would pay. The son refused to share the money with his mother. However, with the help of her lawyer, the widow finally won the suit.

Taihu Township Women's Federation in Tongxian County, Beijing, made a survey of 4,490 families and found that in 86 of them, or 2 percent, their members were frequently squabbling and the disputes mostly stemmed from questions of inheritance. In many cases, the woman's right to inherit was violated or a widow who remarried was denied her right to keep her former husband's property. Such figures are typical of incidences of encroachment upon the legal rights and interests of women.

## Local Laws

Results of a survey conducted in Beijing, Shanghai and Tianjin indicated that 65 percent of the women interviewed think "inequality" is common in promotion and hiring practices in the workplace and in admissions policies in schools.

Officials have responded to reports of discrimination by

promulgating local laws in defence of women's rights in various provinces, municipalities and autonomous regions.

A notable example is the law entitled "Regulations Concerning the Protection of Legitimate Rights and Interests of Women and Children" promulgated in the Ningxia Hui Autonomous Region. The various articles of the law prohibit discrimination against women in promotion and job assignment and in the allocation of apartments by the work units, protect the rights of mothers of female babies, guarantee inheritance rights of widows, and assure freedom from coercion in marriage. Violations of the law will be punished.

Local laws like the one adopted in Ningxia are expected to be effective in solving problems involving discrimination against women. Whether a state law on the legal rights and interests of women is ultimately enacted will depend upon the situation that prevails after the implementation of local laws.

In China today, women account for 50 percent of the rural

population and are a major force in the development of the rural economy. In Jiangxi, for example, there are more than 190,000 specialized household enterprises run by women, accounting for about 30 percent of the specialized household enterprises in the province. In the suburbs and counties of Beijing, 70 percent of the women are involved in commodity production. These working women have discovered that knowledge of the law can help them do a good business.

### Knowledge Essential

Wang Ruiming, a woman farmer from Beijing's Tongxian County, grew two *mu* (1 *mu* equals one-fifteenth of a hectare) of watermelons last year. Ignorant of the legal requirement, she failed to secure a purchase contract from the local co-op, with the result that the co-op would not transport her melons to the market.

To help rural women like Wang, the legal counselling office of Tongxian County sends people to explain the Economic Contract

Law to female cadres, who in turn are asked to explain it to women farmers. This effort has helped them understand the intricacies of contract business.

### Legal Counselling Office

March 1985 saw the opening of the No. 8 Legal Counselling Office of the Dongcheng District in Beijing, the first in China to be devoted to women's rights. Designed to provide legal assistance to women and children, it is staffed with 16 lawyers, 15 of whom are women.

In the first six months of its opening, the office received 454 clients from Beijing and other places. Of these clients, 237, or 52.1 percent, came for marriage and family problems; 31, or 6 percent, for women's inheritance problems; 27, or 5.9 percent, for problems of child support or care of the aged; and the remaining 159, or 36 percent, for advice concerning arbitration and criminal and economic matters.

One of the clients was Liu Cailin, a woman worker from a textile mill in Pinggu County, Beijing. Married several years earlier to a middle school teacher, Liu financially supported her husband when he started attending university soon after their marriage. Before he graduated, however, the man sowed discord between his mother and his wife and then on the basis of that demanded a divorce. Liu felt she had more than enough reasons to refuse the demand and went to the legal counselling office for help. After careful investigation, her lawyer, Zhang Guiwen, advised Liu to accept the divorce demand, saying that her husband had purposely started the quarrel as an excuse to divorce her and change his residence to the city. When she came to understand that it was her husband and not her mother-in-law who was at fault, Liu consented to the divorce. Zhang then notified the university of Liu's ex-husband's perfidy; the authorities there decided he should be sent not to the city but back to the county school where he used to teach.

Legal counselling officer lawyer Wang Yang receives a client.



# Travel in China Made Easier for Foreigners

## Law on the Control of Entry and Exit for Foreigners Facilitates Tourism and Business Trips.

Today foreigners may travel freely to all the open cities and counties in China without a travel permit.

Foreigners that invest in China may apply for long-term or permanent residence in China.

Foreigners leaving China are not required to apply for exit visas.

These are some of the new stipulations in the Law of the People's Republic of China on the Control of the Entry and Exit for Foreigners which went into effect on February 1.

The new law was enacted to meet China's open policy and to promote China's international exchanges. Compared to the Provisions for the Management of Foreigners' Entry, Exit, Transit, Residence and Travel promulgated by the State Council in 1964, there are substantial changes in, as well as supplements to, those stipulations concerning foreigners' residence and travel in China and their exit procedures.

**Entry and Exit Procedures Are Simplified.** The new law has abolished the requirements for foreigners to apply for exit visas when leaving China. It stipulates: "Foreign nationals leaving China are only required to present valid passports or other related documents."

The new law also relaxed controls over entry procedures. It stipulates: Foreigners who are going to enter China shall apply to the Chinese diplomatic missions, consulates or other organizations in foreign countries authorized by the Ministry of Foreign Affairs for visas. Under specific circumstances, they may also apply to the designated visa offices. The visa offices in Shanghai, Beijing, Tianjin, Xiamen, Fuzhou, Dalian,

Kunming, Guilin, Hangzhou and other prefectures and ports of entry already began to issue visas at the beginning of 1985.

**Foreign Investors May Reside in China.** This important stipulation in the law indicates China's determination to adhere to the open policy. It states: "Foreigners that invest in China or are engaged in economic, scientific and technological or cultural cooperation with Chinese enterprises or institutions in accordance with Chinese law, and other foreigners that need to live in China for a long time may acquire the status for long-term or permanent residence, subject to the approval of the competent authorities of the Chinese government."

**Restrictions on Travel Are Relaxed.** In the past, foreigners intending to visit China's inland areas had to apply for travel permits. To suit its expanded exchanges with other countries, in 1982 China opened 29 cities and counties where foreign visitors are not required to apply for travel permit. By the end of 1985 the number of open cities and counties increased to 107. Another 137 were opened on February 1 this year, raising the total number to 244 (see "Chinese Cities and Counties Open to Foreign Visitors," p. 25). Actually foreigners now can visit most of China's cities, scenic spots and tourist resorts with only a valid visa or identification for permanent residence.

Foreigners intending to visit areas that are not open must still apply for travel permits from the local public security organs. According to Cao Luhe, director of the Bureau of the Management

of Entry and Exit under the Ministry of Public Security, with China's growing development, more areas will be open in the future.

Other stipulations of the new law include:

### 1) Administrative Agencies. —

The Chinese diplomatic missions, consulates and other representations in foreign countries authorized by the Ministry of Foreign Affairs shall be the agencies of the Chinese government to deal with the entry and transit applications of foreigners in other countries.

—The Ministry of Public Security, the local public security organs authorized by the Ministry of Public Security and the local foreign affairs authorities authorized by the Ministry of Foreign Affairs shall be the agencies of the Chinese government to deal with the entry, transit, residence and travel applications of foreigners in China.

### 2) The Chinese Government Protects the Legal Rights and Interests of Foreigners in China.

The personal freedom of foreigners shall not be violated. Foreigners in China are obliged to observe Chinese law. Foreigners shall not be allowed to leave China under these circumstances: If he is found to be a defendant in a criminal case, or is a criminal suspect charged by the public security organs; if he comes under the notice of the people's court that he has been involved in an unclosed civil case; and if he has committed an offence against Chinese law that has not been dealt with and the competent authorities find it necessary to detain him for investigation.



## Chinese Cities and Counties Open to Foreign Visitors

**T**here are now 244 open cities and counties in China where foreigners may travel freely without having to apply for travel permits.

They are:

Beijing Municipality

Tianjin Municipality

Shanghai Municipality

Hebei Province: Qinhuangdao, Shijiazhuang, Chengde, Baoding, Tangshan, Handan and Zhuoxian.

Shanxi Province: Taiyuan, Datong, Linfen and Yuncheng.

Inner Mongolian Autonomous Region: Hohhot, Manzhouli, Tongliao, Baotou, Erenhot, Hailar, Dongsheng, Xilin Hot, Zalantun and Dalad Qi.

Liaoning Province: Shenyang, Dalian, Anshan, Fushun, Dandong, Jinzhou, Yingkou, Fuxin, Liaoyang, Benxi, Tieling, Chaoyang and Panjin.

Jilin Province: Changchun, Jilin, Yanji, Siping, Liaoyuan, Tonghua, Baicheng and Antu (Changbai Mountain Natural Preserve).

Heilongjiang Province: Harbin, Qiqihar, Daqing, Jixi, Jiamusi, Mudanjiang, Hegang, Qitaihe, Yichun and Wuda Lian Chi.

Jiangsu Province: Nanjing, Suzhou, Wuxi, Lianyungang, Nantong, Changzhou, Yangzhou, Zhenjiang, Xuzhou, Huaiyin and Yancheng.

Zhejiang Province: Hangzhou, Ningbo, Shaoxing, Wenzhou, Jiaxing, Huzhou, Jinhua, Jiaojiang and Putuo (Putuo Mountain tourist zone).

Anhui Province: Hefei, Wuhu, Huangshan, Bengbu, Tunxi, Maanshan, Anqing, Huainan, Huaibei, Chuzhou, Chaohu, Shexian, Fengyang, Jingxian and Jiuhua Mountain tourist zone.

Fujian Province: Fuzhou, Xiamen, Quanzhou, Zhangzhou and Chongan.

Jiangxi Province: Nanchang, Jiujiang, Jingdezhen, Yingtan, Jinggangshan and Ganzhou.

Shandong Province: Jinan, Qingdao, Yantai, Taian, Weifang, Zibo and Jining.

Henan Province: Zhengzhou, Kaifeng, Luoyang, Anyang, Xinxiang, Xinyang, Nanyang, Puyang, Pingdingshan and Wenxian.

Hubei Province: Wuhan, Yichang, Shashi, Xiangfan, Xianning, Danjiangkou, Huangshi, Jingmen, Ezhou, Shiyan and Jiangling.

Hunan Province: Changsha, Hengyang, Yueyang, Xiangtan and Zhuzhou.

Guangdong Province: Guangzhou, Foshan, Zhaoqing, Shenzhen, Zhuhai, Shantou, Haikou, Zhanjiang, Zhongshan, Jiangmen, Shaoguan, Maoming, Huizhou, Chaozhou, Sanya, Meixian.

Dongguan, Gaoyao, Qionghai, Anding, Qionghai, Wanning, Tunchang, Chengmai, Lingao, Danxian, Wenchang, Baoting, Baisha, Qiongzong, Lingshui, Ledong, Dongfang, Changjiang, Xingning, Huiyang, Boluo, Heyuan, Lufeng, Haifeng, Huidong, Xinxing, Yunfu, Sihui, Fengkai and Deqing.

Guangxi Zhuang Autonomous Region: Nanning, Guilin, Beihai, Liuzhou, Wuzhou, Binyang, Guiping, Rongxian, Guixian, Beiliu, Xingan and Luchuan.

Sichuan Province: Chengdu, Chongqing, Leshan, Wanxian, Yunyang, Fengjie, Wushan and Zhongxian.

Guizhou Province: Guiyang, Anshun, Zunyi, Kaili, Liupanshui, Shibing, Qingzhen, Zhenyuan, Huangguoshu Waterfall scenic spot.

Yunnan Province: Kunming, Dali, Yuxi, Chuxiong, Qujing, Tonghai, Jinghong, Menghai, Simao and Lijiang Naxi Autonomous County.

Tibet Autonomous Region: Lhasa.

Shaanxi Province: Xian, Xianyang, Yanan, Baoji and Hancheng.

Gansu Province: Lanzhou, Baiyin, Jiayuguan, Jiuquan, Tianshui, Linxia, Yongjing, Dunhuang and Xiahe.

Ningxia Hui Autonomous Region: Yinchuan and Zhongwei.

Xinjiang Uygur Autonomous Region: Urumqi, Shihezi, Turpan and Kashi.

Qinghai Province: Xining, Huangzhong (Taer Temple), Golmud and Gonghe.

## Doctors Urged to Quit Smoking

**"RENMIN RIBAO"**

(People's Daily, Overseas Edition)

China's doctors should take the lead in quitting smoking, the Chinese Medical Association (CMA) declared recently.

The association, an organization of Chinese medical workers, also called for a ban on smoking in public places, including hospital wards and waiting rooms.

Smoking has been proven harmful to health in many ways, particularly by inducing lung cancer and heart disease. China's recent increase in lung cancer, other pulmonary diseases and cardiac troubles has been closely linked to smoking. A recent survey

conducted by the CMA showed that smokers had 10 times the chance of acquiring lung cancer than did non-smokers, smokers' chances were four times greater for chronic bronchitis and three times for coronary disease.

The association called on its members and all medical personnel in China not only to quit smoking, but to persuade others to stop the "harmful habit."

Nearly 34 percent of Chinese people older than 15—including many doctors—smoke cigarettes, according to an earlier nationwide survey of about 500,000 people, which was conducted by the Central Committee for the Patriotic Sanitation Campaign from January to August 1985.

On March 15, 1984, Deng Pufang and Wang Luguang founded the China Welfare Fund for the Disabled after several months of painstaking efforts. Later, Deng, sitting in a wheelchair, visited the State Planning Commission, the Ministry of Education, the Ministry of Labour and Personnel Affairs, and the Ministry of Civil Affairs to urge them to agree to enrolling 301 disabled students into the institutions of higher learning in 1984. The welfare fund has also appealed to the Ministry of Civil Affairs and the General Administration of Customs to pass two regulations on tax reductions and exemption for individual undertakings run by the disabled and on customs reductions for imported goods needed by disabled persons and their organizations. In addition, the welfare fund has published a magazine, *San Yue Feng* (Wind in March) and is now making efforts to establish a modern rehabilitation centre for the disabled.

## Give Them Cheaper Rooms

**"JINGJI RIBAO"**

(Economic Daily)

There is a severe shortage of cheap and medium-priced hotels for foreign tourists in Beijing.

In the more than 50 hotels open to foreigners, 28 percent of the rooms are de luxe class. But nearly half of the rooms in hotels under construction come under this category.

Last year, Beijing travel services received 380,000 foreign, overseas Chinese or Hongkong and Macao tourists. Seventy percent of them sought rooms priced at less than 100 yuan a day, but of 14,000 rooms available, more than 50 percent charged more than that. In hotels under construction or planning, only 11.5 percent of rooms were priced below 100 yuan.

## Deng Pufang and His Cause

**"WENHUI YUEKAN"**

(Wenhui Monthly)

In the spring of 1968, when the "cultural revolution" was in full swing, Deng Pufang, then a student at Beijing University, was persecuted by the cohorts of Lin Biao and the gang of four because of false charges against his father, Deng Xiaoping, today's top Chinese leader. As a result, his two legs were permanently damaged and today he remains crippled. As he lay in his hospital bed back then, he got to know Wang Luguang, suffering from a serious traffic accident that was to leave him a paraplegic. Just prior to the Spring Festival of 1971, Deng Pufang was sent to a relief centre for the disabled on the outskirts of Beijing. Crowded into a damp and dark room with 10 others, Deng made waste-paper baskets with his hands, earning a few yuan a

month for pocket money. Later, he was sent to stay with his parents who were then under house arrest in Jiangxi Province. It was only after Lin Biao died in an air crash in September 1971 that he returned to Beijing for proper treatment.

When the "cultural revolution" came to an end in 1976, Deng Pufang took a wheelchair to work at the Dongfeng TV Sets Factory. In 1980, his health further deteriorated. In October, he was sent to Canada for two major operations. They saved his life, he could sit straight, but still could not bend to pick up or reach for things. The Canadian doctors suggested he stay on in Canada in a famous rehabilitation centre and offered to cover all the expenses. Deng politely refused, but what he saw at the centre made him determined to set up a modern rehabilitation centre back home.

As the nation's capital, Beijing must have some luxury accommodation, but a reasonable ratio would be between 20 percent and 30 percent of the total. When this percentage is exceeded, de luxe hotels have difficulty filling their rooms during off seasons.

Many foreign tourists are ordinary people with relatively low incomes. They come to China to enjoy the country's sights and enjoy its rich culture, and to go home with low-priced arts and crafts as souvenirs. They prefer simple, cheap accommodation. If the country lacks low and medium-grade hotels, a great number of tourists will find it difficult to make the visit.

The hotel industry is underdeveloped in China. Of total tourism revenues, only 18 percent comes from room charges, a much lower proportion than that of developed countries. One way to boost the business would be to set up more one or two-star hotels.

Hotel room costs in Beijing are priced independently by the management. The prices of some rooms have been floating from between 40 and 80 yuan to between 60 and 100 yuan. Some hotels and guest houses ascend to the de luxe rank by merely having their suites renovated and equipped with colour TV sets and refrigerators, while the service itself is not improved.

## County Party Head Apologizes

**"HEBEI RIBAO"**

(Hebei Daily)

The radio station in Linxi County in Hebei Province recently broadcast a letter from an old woman who was critical of the county Party committee. Hua Fuheng, Party secretary of the county, noted the criticism and apologized for the behaviour that sparked it.

Hu Xiuying, the woman who wrote the letter, said during the War of Resistance Against Japan, her home was used as a contact point for underground Party members. Her husband, she said, was killed by the Japanese because he had been protecting Party members. Recently, officials of the department of civil affairs in Linxi County asked Hu to come to the county government office in order to renew her preferential treatment certificates given to revolutionary martyrs' families.

Hu said, however, because of her advanced age and ailing

health, she was unable to make the trip. She asked someone to write a letter of criticism to the county Party committee on her behalf. In the letter, she said, "I'm old and not in good health. How can I make the 40-kilometre trip to your office? During the war, the cadres who stayed at my home were very modest and warm. They even helped me with household chores. I found if I did not see them for a few days I missed them. Now, you enjoy a good life and seem to have forgotten us common people. Years go by between your visits to us. By writing this letter, I just want to tell you one thing: Cadres should not detach themselves from the people. It is understandable that you forget me. You should never, however, forget the people."

Hua Fuheng was deeply moved by Hu's letter. The next day, he went to Hu's home to apologize in person. Later, he conducted a self-criticism at a meeting of the county's cadres. He then wrote an article of self-criticism, which he later gave to the county broadcasting station for publication.

## Foundation Boosts Research

**"RENMIN RIBAO"**

(People's Daily)

The decision by the State Council to establish a natural science foundation has recently brought warm praise in the Chinese press.

Establishing this foundation is both a reform of our scientific and technical system and a strategic measure to encourage the smooth development of fundamental research.

Traditionally, such projects were separately administered and funds allocated by different departments. The new foundation will centralize the administration of projects' approval and fund allocation.

Research, application and technical exploitation are the component parts of science and technology. The state will continue increasing funds for fundamental research according to the country's financial conditions. But funds administration will break away from the old system, which led to duplication of effort and waste. Promising young scientists did not receive proper support. The foundation will overcome these shortcomings.

The new funds system is a nationwide academic administration system controlled by democratic management of scientists and experts. It aims to promote a nationwide competition for the best research items, according to the state's overall programme for science and technological development. It will boost fundamental research and help it develop in world science.



## Aids to Foreign Countries

**C**hina will offer 253 economic and technical aid projects to 67 countries in 1986. Of these, 98 are construction projects, and 101 technical and management co-operative projects. Forty projects will be put into operation before the end of this year.

In 1985, China provided 212 aid programmes to 67 countries. Thirty-six were completed in the same year, such as the People's Parliament Hall in Cape Verde, the Friendship Stadium in Senegal, the chemical fertilizer plant in Bangladesh, the Malwanagama Farm in Sri Lanka, highways in Madagascar and the People's Democratic Republic of Yemen, the Political Institute in Somalia, a sugar refinery in Togo, and the Cantchungo Hospital in Guinea-Bissau. The commission of these projects has helped to develop the national economy of the recipient countries and improve the people's life.

An economic and technical co-operation programme now under way in Mali, Sierra Leone, Nigeria and a dozen other countries has been fruitful. The programme includes labour co-operation, technical services, joint investment and management and production co-operation. Management-production co-operation yielded substantial economic results at the Sierra Leone sugar refinery, the Malian

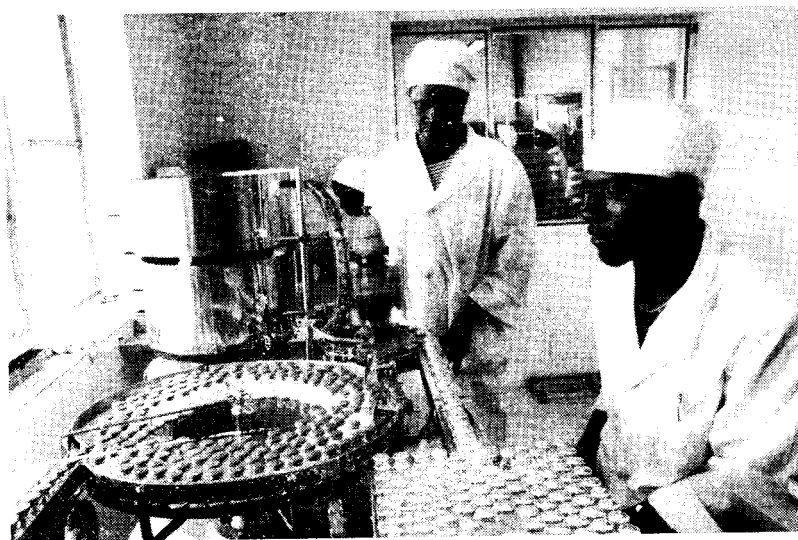
pharmaceutical plant and the Mbarali State Farm of Tanzania. The Malian plant wiped out its deficits and made a profit of US\$400,000 in one year.

China sent 120,000 tons of relief grain to 31 African countries in 1985. Some 1,200 Chinese doctors and nurses worked in 42 countries and regions.

China's foreign aid programme began in 1950. It provided aid to 17 countries in the 1950s, 35 countries in the 1960s, and more than 70 countries in the 1970s.

China's economic and technical aid is either interest-free or given gratis. The Chinese government maintains that aid is reciprocal — if China provides aid to third world countries, those countries will eventually come to the support of China.

**Workers in the Malian Pharmaceutical Plant built with Chinese aid.**



## US Firms Successful in Xiamen

**F**our Sino-US joint ventures and co-operative enterprises have gone into operation during the past six years, since the city of

Xiamen in Fujian Province was declared one of China's four special economic zones six years ago.

## Notes From the Editors

*(Continued from p. 5.)*

include strengthening market management, curbing random price hikes and unclogging channels of commodity circulation. In some big cities like Beijing where vegetable and foodstuff prices become unreasonably high, measures should be taken to counter the hikes by opening new sources of goods, and

improving the management of state-owned shops, which should take the lead in setting prices at reasonable levels.

No doubt, a successful implementation of these measures will help China consolidate the achievements in the reform, accumulate its strength and create favourable conditions for furthering the reform in the next two years.

To prevent a drop in living standards because of the price

reform, China has made it an important principle to ensure a gradual improvement of the people's livelihood along with economic development. China will adhere to this principle throughout the reform. Through this and its other benefits, the reform has won the support of the people.

With the reform's initial achievements and with the people's support, China has no reasons for retreat, only for advance.

The Xiamen Tobacco Factory, a venture with the Reynolds tobacco International Company of the US, has manufactured and sold filter-tip "Camel" cigarettes worth US\$10 million since its inauguration in October 1980.

The Xiamen Beverage Factory, jointly run with the Coca-Cola Company turned out 27 million bottles of Coca-Cola in the first year after going into production in October 1984 and earned a profit of US\$800,000.

The Xiamen Pleasure Boat Company produced jointly with the Celestial Yacht Company 32 yachts for export and earned US\$4.3 million in net profit.

A radar equipment co-operative factory has obtained a profit of US\$500,000 in 18 months.

Initial success has convinced US investors of the favourable environment in Xiamen. Reynolds has invested another US\$10 million in a new venture, the Huamei (Sino-US) Cigarette Company, which will open by the end of this year. Its annual production is expected to be 30,000 cases of cigarettes, with 5,000 cases for export.

By the end of 1985, Xiamen had signed contracts with US businessmen for 10 joint ventures and co-operative enterprises. The American firms have laid out US\$21.7 million. Areas of co-operation include the production of micro-processors, cancer testing agents, high-grade detergents and water-solvent paints as well as providing international technical consultancy services.

## Shanghai to Host Port Exhibition

Preparations have begun in Shanghai for the March 1987 International Exhibition of Port Facilities.

Co-sponsored by the China Ports and Harbours Association and the Hop Lee International

Services Co. of Hongkong, the exhibition will offer academic seminars on modern port management and technology.

Exhibits will cover loading facilities, port construction and communications equipment, navigation and technical instruments.

Sponsors of the exhibition say they will use displays, models, photos and videotapes to provide information on modern port technology.

## Ship Orders From Cuba

Three China-made freighters will soon join Cuba's merchant fleet.

Construction began at the Shanghai Shipyard on February 24. According to the contract, the three container ships, each with a deadweight capacity of 12,600 tons, or carrying 724 standard containers, will be built in accordance with international standards. What's more, they can easily be changed into bulk cargo vessels by taking down the racks. The engine room will be fully automated. New auto-devices will guide the ship's docking movements. The 6,660-hp energy-saving engine provides a cruising speed of 15 nautical miles.

The first of the three will be ready for operation by the end of October 1987.

## Shanxi Logs Export Record

North China's Shanxi Province chalked up a record in 1985 by exporting US\$226.8 million worth of goods. The province's exports accounted for 2.2 percent of its total industrial and agricultural output value, a gain of 0.4 percent over the preceding year.

The largest coal producer of China, Shanxi exported 3.4

million tons of coal, or about half of China's coal export, to about 12 countries and regions including Japan, Britain, France, Thailand and Hongkong.

At the same time, its imports of investment and technology have also climbed to 80 items worth a total of US\$55.38 million. The province exports commodities to 48 countries and regions on the five continents and has conducted business with 19 firms in seven countries. In addition, Shanxi has contracted two projects in Central Africa.

## Package Tour In Northwest

Package tours will be offered to foreign tourists to Northwest China beginning this year, according to local tourist officials.

By going through formalities only once, tourists will be able to travel along the Silk Road, ancient roads between the Tang Dynasty and western region, the Qinghai-Tibet highway and the tomb of Qin Shi Huang. They will also be able to travel along a special route covering Qinghai Lake, Qaidam Basin, Salt Lake, the head of the Yellow and Yangtze rivers and the Dunhuang Grottoes.

Northwest China covers Shaanxi, Qinghai and Gansu provinces, and the Ningxia Hui and Xinjiang Uygur autonomous regions.

An office was set up recently by the five provinces and autonomous regions to co-ordinate the tourist reception and transport work in the region.

In 1985, the area received 100,000 tourists, including 10,000 foreigners.

According to the co-ordination office, the five provinces and regions will also co-operate in opening the international tourist market, connecting their tourist routes with other places of China and training tourist guides.

## Opera Opens Door To Tang Dynasty

Performers from the southeastern Province of Fujian recently visited Beijing, where they staged a *liyuan* opera dating back to the Tang Dynasty (618-907). The *liyuan*, or pear garden, refers to an orchard that Emperor Xuan Zong

of the Tang Dynasty designated as the location for operas during his reign. The orchard later became the first national performing arts academy devoted to teaching music, dance and opera, and later became the namesake of the opera

form that it spawned.

The *liyuan* piece performed recently by the Fujian actors for Beijing audiences was entitled *Li Yaxian* after its legendary main character, a call girl with the same name, Li Yaxian. In the tale a young scholar on his way to the capital to take an imperial examination encounters Li Yaxian, and falls in love with her at first sight. Because the scholar refuses to leave Li Yaxian, he forgoes the chance to take the examination and takes up residence at the brothel where Li is in. Staying at the brothel the scholar eventually loses all his money to its owner. He is later driven out of the home and becomes a beggar, wandering from place to place. Just as he is on the verge of death from hunger and exposure, Li Yaxian finds him. Under her care and encouragement, the young scholar regains his health and later passes the imperial examination and

## Swiss Dancers Delight Beijing

The artists of the Basel Ballet from Switzerland won acclaim from Beijing audiences with their natural and lively entertainment in a relaxed manner, during their two performances in February.

*La Fille Mal Gardee*, a traditional ballet that has been staged by many countries for about 200 years, impressed Chinese audiences the most. It was about a pretty farm girl, Lise, who is in love with a farm boy, Colas, and marries him, instead of being the wife of Alain, a rich man's son, against her mother's will. The Swiss dancers also presented such modern ballets as *Transfigured Night*, *Concitato*, *Concerto Barocco* and *Cheese*.

The audiences were enthralled not only by their flawless technique, but their emotional involvement and character creation as well.

The 45-year-old choreographer and artistic director of the troupe, Heinz Spoerli, said that he tried not to force one dancer to carry the load of an entire ballet. He maintained that the total performance was important, and movement was used to make a statement, not just to gain an effect.



## Scientists Discover Ancient Rift Valley

A group of Chinese scientists recently announced the discovery of a mineral-rich ancient rift valley around the city of Dukou (where Panzhuhua is) and Xichang County, Sichuan Province. The scientists said that after more than 12 years of research, they could now give convincing evidences of the existence of a valley with reportedly dozens of large and medium-size mineral beds and several hundred small mineral beds and mineral spots in this complicated geological structure, known as a rift valley. Rift valleys, which are of unique geological formations, always abound with mineral resources.

In 1973, Cong Bolin and others of the Geology Research Institute of the Chinese Academy of Sciences first pointed out the probability of existence of a rift valley in China. Their claim was



The image of Li Yaxian in "Liyuan" opera.

becomes an official, ending the story on a happy and hopeful note.

This particular opera, which has long been popular in Fujian Province, also pleased its audiences in Beijing. Set to music

that is pleasant and graceful, the opera requires the actors to delve into the inner worlds of the two characters through restrained acting. As one opera-goer said, it is not only the story that attracts large audiences, but the quality of the acting and the humorous dialogue. Though *Li Yaxian* has been adapted to other opera forms, *liyuan* opera artists present the opera in its unique style. With its combined singing and dancing, the opera is lively, upbeat and, because of the love between Li and the scholar, it is also romantic.

In ancient times, a certain ball-kicking game was popular among the nobles. In the brothels, in order to attract the wealthy and powerful, the prostitutes were encouraged to master the game. In one scene in the opera, Li Yaxian, who became an adept kicker, expresses her love for the scholar by skillfully manipulating a ball. Her nimble movements nearly simulate a dance with the ball

bouncing up and down. The scene is always warmly applauded.

In another memorable scene after the scholar is forced to resort to begging, four other beggars perform *lianhualuo*, a comical dance with singing. The scene is a poignant one. Though the beggars tremble from the cold, they sing, "It's good time to have some fun. The more I sing, the warmer I become." As they dance, they rhythmically flap their forearms at their sides. Their performance, the mixture of poverty and destitution with joy and comedy, is effective in elucidating the scholar's plight and his character.

So far 70 *liyuan* operas have been recorded according to the oral versions passed down from generations of old artists. Their preservation has made for hours of unique entertainment for audiences across the country, while also contributing to people's understanding of the nation's artistic past.

first taken seriously in 1982 when the "Pan-Xi Rift Valley Formation and Evolution" was included in the academy's key research projects. The Geology Research Institute, with the aid of other departments, finished the project in three years.

In December 1985, an expert committee was formed to assess the results of the project. In reviewing the survey's data, the committee attested to the validity of the claim of the existence of the rift valley.

## Link Found Between Hormone, Diseases

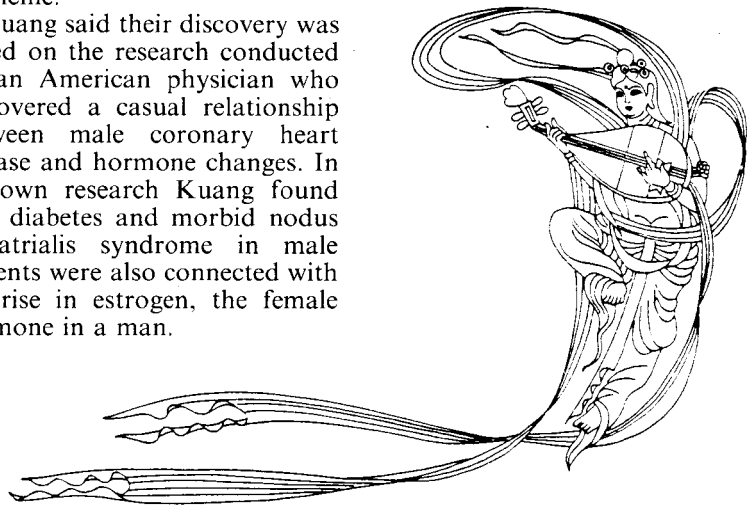
**H**ypertension, diabetes and morbid nodus sinoatrialis syndrome in men are closely connected to the change in male sex hormone and arise in female sex hormone.

According to a group of Chinese scientists led by Kuang Ankun, a doctor of traditional

Chinese medicine, and honorary chairman of Shanghai Internal Secretion Research Institute, the three diseases can be linked to weak kidneys, the chief culprit of imbalanced hormone secretions. The relation between inadequate kidney function and these diseases has been studied for hundreds of years in traditional Chinese medicine.

Kuang said their discovery was based on the research conducted by an American physician who discovered a casual relationship between male coronary heart disease and hormone changes. In his own research Kuang found that diabetes and morbid nodus sinoatrialis syndrome in male patients were also connected with the rise in estrogen, the female hormone in a man.

Kuang's theory has led to effective prevention and treatment for these troublesome diseases through traditional Chinese medicine and deep breathing exercise. Many male patients regain a hormone balance after their kidneys' function improved.



## A Foreigner's Guide to Investment in China

*Foreign Investment in China: Questions & Answers*, published by Foreign Languages Press, is a valuable guide for foreigners, overseas Chinese and compatriots in Hongkong and Macao interested in investing in China.

Written by Chu Baotai, deputy director of the Foreign Investment Administration of the Ministry of the Foreign Economic Relations and Trade, the book, which has been published in English and Chinese, contains answers to 103 questions that foreign investors may have about China.

Absorbing foreign capital and importing advanced technology and equipment constitute an important part of China's open policy and its modernization.

The open policy was first carried out in four special economic zones in Guangdong and Fujian provinces. This was followed by the opening of 14 coastal cities and Hainan Island to the world. In 1985, the government opened three more zones for the same purpose — the Yangtze River Delta, the Pearl River Delta, and the Zhangzhou-Quanzhou-Xiamen region in the southern part of Fujian Province. In addition, eight ports in Guangdong, Liaoning and Shandong provinces were also opened last year. This year, the government will open more ports, including the one at Nanjing. The point of opening additional cities and ports is to encourage more foreign business people and overseas Chinese to invest in China. Apart from opening these areas, the government will also provide investors with an attractive investment environment and preferential contract terms.

Those considering investment

in China will want to know, first of all, whether their capital will be protected by law. In addition, they will also want to know whether they will be allowed to remit profits back home, whether they will be guaranteed workers and raw materials, and whether their products will have ready markets. In short, potential investors need to know as much as possible about the investment climate in China, about the nation's policies and its methods of foreign investment. These questions and many more are answered in this book.

Since opening to foreign trade, China has adopted various approaches to foreign investment. These forms now include joint ventures; co-operative business operations; co-operative development; co-operative construction; co-operative production; enterprises owned exclusively by foreign capital; compensatory trade; processing materials supplied by clients and the assemblage of parts and components supplied by them; leasing; debentures; and loans. In this book each of these approaches, particularly joint ventures, is explained in great detail.

Chinese-foreign joint ventures first appeared in 1979 after the publication of the Law of the People's Republic of China on Chinese-Foreign Joint Ventures. Because many Chinese and foreigners are not familiar with the joint venture and how it operates, Chu Baotai's book elaborates on how to establish a joint venture, its organizational structure and management system, and the procedure for having a joint venture proposal approved.

*Foreign Investment in China* points out that the Law of Chinese-Foreign Joint Ventures

does not require control over the joint venture by the Chinese participants, and that it permits a larger contribution from foreigners than from the Chinese. The proportions of the shares are worked out through negotiation and defined in the joint venture contract. The Chinese government encourages a majority foreign share in those ventures including large investments, new technologies brought in by the foreign participant, and the likelihood of growing expert staff.

The Chinese side encourages foreign investors to transfer more new technology or to contribute technology as part of the investment. The Chinese government, however, does not wish to see industrial property rights being dominated by the foreign side. Contributing industrial property and technology as investment must be in compliance with the following standards. (1) Producing products that are badly needed in China or that are popular on the international market; (2) Improving product quality and raising productivity; (3) Economizing on raw materials and energy. In general, foreign investors are asked to provide advanced technology and equipment, which, when combined with the advantages of the Chinese side, will enable the joint venture to compete on the international market.

The book also provides statistics showing the growth and trends of foreign investment in China. From 1979 to 1984, the total amount of foreign investment in joint ventures, co-operative business operations, enterprises owned exclusively by foreigners, and compensatory trade reached US\$10 billion.





There now are 3,000 joint ventures, co-operative business operations and exclusively foreign enterprises across China. The businesses are in shipping, mining, transportation, energy resources development, machine building, electronics, nonferrous metal processing, textiles, foodstuffs, medicine, automobiles, telecommunications equipment, building materials, steel, timber, chemicals, leather, animal feed, chemical fertilizers, furniture, animal husbandry, breeding, botany, tourism, leasing and offshore oil drilling.

Because China's open policy is a long-term basic state policy, treatment of foreign investors will grow increasingly favourable. In addition, the Chinese government is placing more emphasis on improving the infrastructure, including electricity and water supply, telecommunications and highways in order to facilitate productive investment. It is estimated that during the Seventh Five-Year Plan period (1986-90), the number of joint ventures in China will grow, and market economic results will be remarkable.

Chu Baotai is a veteran economic administrator. Since the inauguration of the open policy in 1979, Chu has been in charge of overseeing foreign investment in China, and has participated in the nation's foreign investment policy research and its formulation of related laws and regulations.

In the book, drawing on his vast experience and knowledge of the field, Chu answers questions on policies and technical details. *Foreign Investment in China* includes the Law of the People's Republic of China on Chinese-Foreign Joint Ventures and the regulations for its implementation as two appendices. The book is available in China for 10 yuan (RMB) at foreign language bookstores, and can be purchased from abroad by sending orders to Post Office Box 399, Beijing.

by Baowen

## Europe Shakes Pingpong Throne

The Asian men's table tennis team, led by China's world champion Jiang Jialiang and third-ranked national champion Chen Longcan, was buried by the European team with two wins to six defeats in the first intercontinental table tennis tournament held in Italy and Holland on January 7 and 9 this year.

The dramatic upset jolted Chinese pingpong fans out of their complacency. Within table tennis circles there was much concern that the training of China's team might be flawed and its world status compromised.

Since table tennis has been accepted as a sport for the 1988 Olympic Games, many countries have begun to prepare their teams seriously. In particular, European countries, such as Sweden and Poland, have encouraged their table tennis stars abroad to return home and join the national team. Table tennis, once ignored more or less by the Western press, often have become front page news these days. During the intercontinental tournament, box-office turnouts rose to a record high in pingpong history.

Viewing the sport globally, Asia and Europe have the best seeds. Excellent European players are scattered among a dozen different countries while Asian seeds mostly come from China, North Korea, South Korea, Japan and Hong-kong. Although, generally speaking, Asia's players rank a cut above Europe's, many of them could not be picked for the Asian team due to a regulation limiting recruitment to two players from each country.

The major reason for the Asian team's debacle was the progress made by European men players after the 38th World Table Tennis Championship in 1985. Andrzej Grubba, Poland, and Mikael Appelgren, Sweden, are two prime

examples. Their serves were hard for the Chinese players to return. Grubba is good both at quick attack and precise placement. He can serve and return both forehand and backhand. His near-perfect standing position—at the middle of the table—makes it hard for others to pierce his defence. Although he is not a particularly tricky server, Appelgren has an exceptionally deft wrist, which gives him unexpectedly accurate placement and attack.

Ever since all the seven golds in the 36th World Table Tennis Championship in 1981 were bagged by China, the performance of Chinese players became the standard to which all others aspired. Many countries videotaped Chinese teams in action and scrutinized every detail so as to work out a counter strategy.

China's men's team, however, overlooked the aggressive challenge from Europe, and slacked off in their training and experimentation with new techniques. World champion Jiang Jialiang, for example, spent much of his time engaged in an endless string of tournaments and social activities, and neglected his systematic training, to say nothing of the pursuit of technique breakthroughs. Having been the world top team for more than 20 years, China's table tennis circles became overly confident.

China's men's team coach Xu Shaofa said he was surprised that Europe caught up so rapidly. He had thought China wouldn't have to fear a threat until the 39th or 40th World Table Tennis Championship.

China's team captain Li Furong pointed out if China wanted to maintain its dominance in next year's 39th World Table Tennis Championship, the team would have to "get its act together."

## More on Reunification

I was very pleased with your articles "Taiwan—Tugging at Chinese Heartstrings" and "Formula for China's reunification," in *Beijing Review* issue No.5. There are more than 50 minority nationalities on China's mainland, and each of them maintains its own traditions, customs and culture. They live happily in China's big family, and the government shows them great concern. Their contentment shows that the Chinese people are peace-loving and have a broad vision of the future. In my opinion, China's mainland and Taiwan could be reunified.

A nation that is separated in two parts unable to contact each other, as are the mainland and Taiwan, should reunite.

Such a separation hinders the happiness of hundreds of millions of people, and I sincerely wish it is changed. One country, two systems and mutual-prosperity is possible. As a reader of *Beijing Review* and a friend of China, I hope the reunification of your country will soon be realized. This reunion will depend on the Chinese people's intelligence and wisdom as well as on that of other peace-loving people.

*Eiji Watanabe*  
Tochigi, Japan

## Applause for Issue No.1

The inside back cover of *Beijing Review* issue No.1, 1986, was nice; it brought out the true features of traditional Chinese painting. Also, Duan Liancheng's south China travelogue was very interesting, and his vivid descriptions well depicted the daily lives of the Chinese people.

From the article, readers are led to believe that since correcting ultra-left policies, the Chinese people have become happier. The author did not, however, forget to criticize the criminal acts that have accompanied the open policy,

economic reform, and the pursuit of more profits. He was also right in emphasizing building cultural civilization and combating cultural decadence. His description of the appropriate relations between material and cultural civilization was also informative and well reasoned.

I also liked the article commemorating Zhou Enlai, in which readers were given details of historic events, and of Zhou's leadership abilities in foreign affairs. Both the topic and the content of this article were superlative.

*Heinz Gunther-Foerster*  
Biele Feld, F.R.G.

I would like to congratulate *Beijing Review* on its issue No.1 of 1986. The special article commemorating Zhou Enlai was inspiring.

Also, the exclusive interview with Qian Qichen was interesting. It said just what I wanted. The article in the "International" column about Afghanistan and the travelogue "Sunshine and Shadows" only added to issue No.1's appeal. I hope all future issues of *Beijing Review* will be as remarkable as this one.

*Rainer Seidelmann*  
Dusseldorf, F.R.G.

## Social Participation for the Disabled

After reading "Welfare Benefits 100 Million Needy" in issue No. 5, I realized a major difference between China and Japan.

In Japan, we consider the social security of disabled people but ignore their need to participate in social life. Your country pays attention to this need by finding suitable jobs for the disabled people and by letting them discover their abilities. It is important for disabled people to participate in social life, and your country, by allowing them to do so, is extraordinary.

It is necessary to provide satisfactory social security for the

disabled. A country should do research in this matter and establish social security programmes. But, it is important to let them know the "pleasure of life," and only through productive labour can they learn what that pleasure is.

I hope you will publish more articles on such welfare programmes.

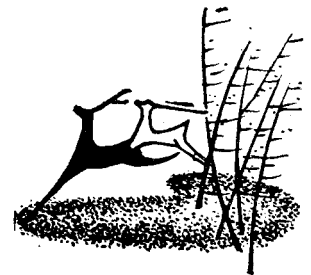
*Tadao Ichitani*  
Toyonaka, Japan

## A Few Suggestions

I believe your magazine should grab more readers' attention if you made some improvements. For example, you could add more colour photos. As for the content, it would be good to publish more articles on current affairs. Reports on controversial issues are also interesting and encourage your readers to respond to your ideas. you should issue your opinions without censorship and thereby add life to your articles and any ensuing debate on their contents. This is the principle of democratic discussion, of which I am sure you are capable.

You could also try to popularize your magazine with advertisements. In addition, you should send one or two copies of every issue to the largest libraries in the world. You probably do not know there is no *Beijing Review* in all the libraries of Tunisia. Finally, you should ask for more criticism and advice from your readers, so as to improve the magazine.

*El Fani Mohamed*  
Sousse, Tunisia



# ART PAGE



An Old Temple.



北京有些胡同的商店面市的  
很窄有时比普通一亩地还窄  
因此只好向上发展. 显得很高.

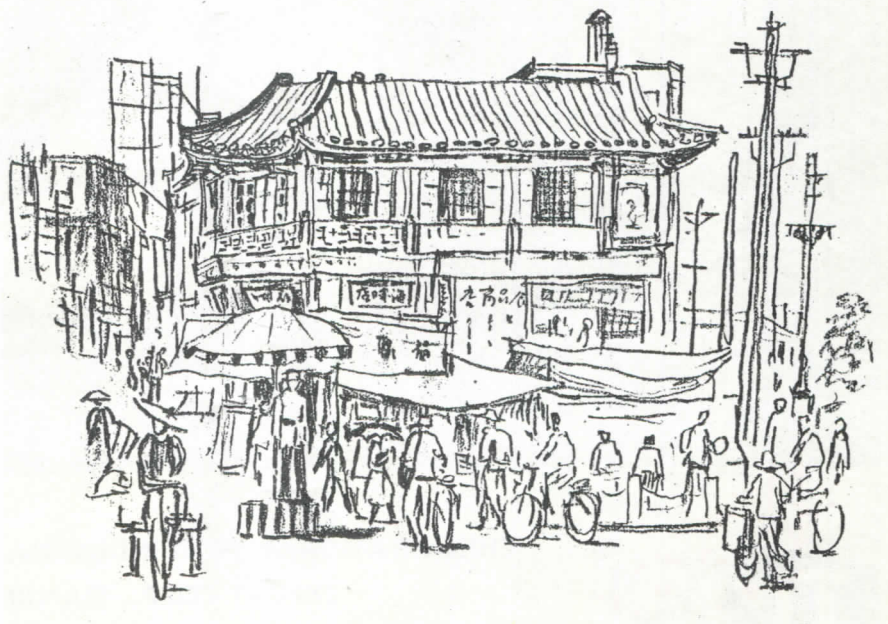
A Street.



A Park.

## Sketches by Yu Peng

Yu Peng, born in Dalian, Liaoning Province, in 1921, is a retired art teacher of a Beijing middle school. His speciality is old Beijing, including its ancient buildings, lanes and shopping areas.



A Crossing.

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