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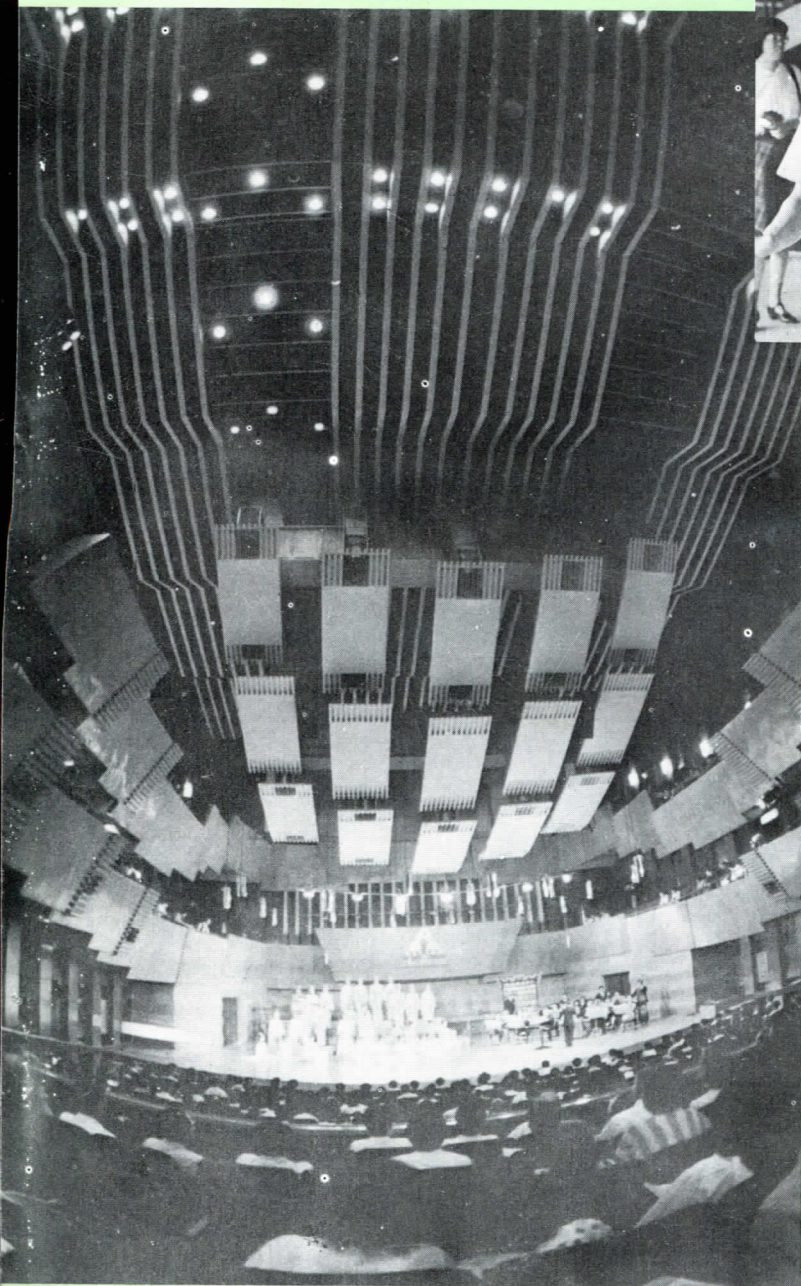
*Mao Lives on in the  
Hearts of the People*



**DENG XIAOPING  
ON MAO ZEDONG**



# SPOTLIGHT



Beijing Concert Hall.

## Beijing Concert Hall

The first concert hall in China considered to reach international standards of architectural design and acoustic effect opened in Beijing in January this year. Beijing Concert Hall has 1,182 seats.



Chinese conductor Li Delun (middle) and other musicians visiting Beijing Concert Hall.



The well-known 82-year-old conductor Herbert Zipper from the United States directing local symphony orchestra in Beijing Concert Hall.

The refreshment room in Beijing Concert Hall.



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**COVER:** Mao Zedong and Deng Xiaoping (1959).      **Hou Bo**

## HIGHLIGHTS OF THE WEEK

### Mao Zedong Still Fresh in the Memory

■ On the 10th anniversary of Mao's death, *Beijing Review* finds that Mao is still well remembered, but as a man not a god to be worshipped. In spite of his mistakes in late life, Mao is still considered by many to have been the great leader of the Chinese people (p. 15).

### China Follows Its Own Road

■ A researcher of Party literature discusses Mao's most important legacy: the spirit of self-reliance and opposition to foreign interference which so strongly characterized the path along which he guided the Chinese revolution to victory (p. 18).

### Deng on Mao

■ A compilation of Deng Xiaoping's quotations on Mao's role in the Chinese revolution.

Deng says that in the evening of Mao's life, particularly during the "cultural revolution," Mao made mistakes which brought the nation many misfortunes. But Deng also says that for the most part Mao accomplished great things and without him the Chinese people would, at the very least, have spent much more time groping in the dark (p. 14).

### First Bankruptcy Shocks China

■ The shock waves of China's first bankruptcy—the Shenyang Explosion Prevention Equipment Factory—have spread throughout the nation (p. 25). The egalitarian practice of "everybody eating from the same big pot" has been made obsolete, leading people to rethink their interpretation of socialism. *Beijing Review* explains the draft bankruptcy law now under discussion at the current session of the NPC Standing Committee (p. 4).

### Mrs. Aquino's Six Months in Office

■ A review of Corazon Aquino's six months as president of the Philippines. The former housewife has led her country in economic and foreign relations improvements, but political instability still plagues her regime (p. 11).

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# Bankruptcy Law to Come Out

China's first Law on Bankruptcy (draft), after repeated revisions, has been submitted for final examination and approval to the Standing Committee of the Sixth National People's Congress which held its 17th session on August 27. Designed exclusively for state enterprises, the draft law will be adopted and promulgated as expected.

According to the draft law, a state enterprise in serious deficit due to poor management and unable to clear its debts in a set time will be declared bankrupt upon application by the creditors, except in the following circumstances: if the supervisory government department of the enterprise adopts measures, financial subsidies included, to help service the debts; or if the enterprise raises guarantees to have its debts paid off within six months of the creditors' bankruptcy application.

The draft law stipulates that the state government will provide for workers and staff of a bankrupt enterprise until they have found new jobs; the legal representatives of the enterprise and people who are directly responsible for the failure will be disciplined, and if they have been found guilty of committing a crime, they will be held responsible for it.

Using the law to deal with businesses which go bankrupt is a common international practice, but it is unprecedented in modern China, and is a milestone in the development of China's current economic structural reforms.

In the past the Chinese held that "bankruptcy is a capitalist notion, which is incompatible with socialism." It is therefore understandable for people to hold conflicting views on the matter. But most people see this a historic

progress, not a retrogression; and pragmatic enough to face reality.

Although nobody in China has ever denied the fact that some enterprises have been in serious trouble for a long time and are unable even to service their debts. But it is traditionally understood that a socialist enterprise should not be allowed to go broke even if it is already in a hopeless state.

Under the old overcentralized economic system, no one except the state was in a position to take the responsibility for the bankruptcy of enterprises, and the state used to hand out financial aid year after year to keep the failing enterprises going. Even if an enterprise was ordered to close down, the state would have to take care to have its assets and staff transferred to another enterprise. The Chinese experience shows that the egalitarian practice of "everyone eating from the same big pot" actually fueled the process leading to bankruptcy.

In 1985 the Chinese government spent a total of 48 billion yuan subsidizing various kinds of domestic deficits, representing 20 percent of that year's state incomes (233.4 billion yuan). Much of this went on deficits caused by the distorted price system and other factors quite unrelated to the enterprises themselves. We deem such subsidies absolutely necessary, but government subsidy to shore up poorly managed enterprises is irrational.

Through the reform of the national economic structure over the past few years, more and more people have come to understand that the socialist economy is still a commodity economy in nature and it is inevitable that some enterprises should fail and be eliminated in competition with

others. Many NPC deputies and specialists have appealed to the government to deal with deficits not by providing financial subsidies to poorly operated enterprises without end.

As part of the reforms, the state has devolved various kinds of decision-making power to enterprises. While enjoying the power to share and use state assets, enterprises also assume certain responsibilities and obligations. Final responsibility for these rights and obligations lies with the factory director (or manager) who is the "legal person" for his factory. This has paved the way for enterprises to have complete financial responsibility.

It is stipulated in the General Principles of the Civil Code of the People's Republic of China promulgated last April that the "legal person" of an enterprise may stop operation when the enterprise is declared bankrupt in accordance with the law; representatives of the "legal person" of state enterprises may assume responsibility for civil liabilities with the property the state has handed them. This has laid the legal foundation for the enacting of the Law on Bankruptcy.

So far, four cities—Shenyang, Wuhan, Chongqing and Taiyuan—have issued bankruptcy notice to six of their enterprises. According to the latest news, with the exception of the Explosion-Prevention Equipment Factory in Shenyang which has already been declared bankrupt, the remaining five enterprises have shown improvement with the all-out effort of their workers and staff. This lends weight to the claim that the Law on Bankruptcy will be more of a surgical scalpel than a lethal weapon for ailing enterprises. ■



## Check on Capital Spending Under Way

**A**ware of the continued rise in capital spending, the Chinese government is now trying to stem the tide. A check is being conducted on all building work, large and small. "This is an urgent matter at the moment," said the State Planning Commission in a circular on August 25.

The commission said a number of schemes must be halted or postponed in order to concentrate efforts on important state projects to ensure the sustained development of the national economy.

According to the state plan, the scale of investment in fixed assets, including spending on new equipment and technology, must be smaller this year than last when there was a massive increase in capital investment. However, the commission said, statistics recently collected by the State Statistics Bureau show that capital investment in the first seven months of this year actually totalled 42.3 billion yuan (about US\$11.4 billion), 7.3 percent more than during the same period last year, and investment in equipment and new technology was 15.2 billion yuan (US\$4.1 billion), up 45.1 percent.

More than 100,000 building projects are under way throughout the country. But the number involving ordinary processing industries is still too great, using up valuable financial and material resources needed for big government schemes.

Capital construction began getting out of control because many localities and departments continued to use extra-budget funds for their own projects, defying government warnings. In the first seven months of this year 4.4 billion yuan (about US\$1.2 billion) of such funds were used, equal to about 10 percent of the budgeted figure.

Leaders in some areas who lack

training in modern methods of management tend to go single-mindedly after the construction of new factories rather than devising ways to get their existing factories to perform better, thus further aggravating the problem by diverting funds earmarked for other purposes.

To bring the situation under control, the government circular called on officials to halt or postpone projects that are unnecessary or not urgently needed, and to press ahead with schemes that will yield a good economic return. It also orders a halt to works that are not included in the 1986 state plan.

With regard to construction programmes related to energy, transportation and raw material production, auxiliary projects should be, first of all, accelerated. Such programmes should be

postponed if the auxiliary construction cannot be completed on time.

Construction work for processing industry should also be stopped or postponed if supplies of energy and raw materials cannot be guaranteed.

Other projects that should be stopped or postponed include:

- Major road construction works that use up large areas of farmland or involve the demolition of large numbers of houses;
- Office buildings, guest houses or luxury hotels; and

- Unplanned tourist facilities.

The circular stipulated new tourist projects that are truly necessary can only be started after it has received the approval of the General Administration for Travel and Tourism of China.

The check-up, scheduled to be completed by October, will be led by a special team from the State Planning Commission. ■

## Perks to Favour Overseas Investors

**T**he preferential treatment offered by the coastal city of Dalian, Northeast China, suggests an easy access for overseas investors to the country.

The municipal government of the open city pronounced an eight-point package, on August 9, in response to Premier Zhao Ziyang's recent call to improve the country's investment environment to make it more competitive (see *Beijing Review* issue No. 33).

The package includes charging the same rates for infrastructure utilities and services, a longer tax exemption period for exporters and a faster rate of depreciation, with permission to use the depreciation fund to service bank

loans. Moreover, rents and labour costs will be put on a more reasonable footing.

These terms will shorten the time required for foreign investors to recoup their investment in China.

The city has also set up a special office headed by a vice-mayor to handle affairs involving foreign-funded enterprises.

Though this is the reaction of only one of the 14 open coastal cities, it gives an optimistic indication of the prospects for overseas businessmen in China.

China is widely considered a potential market in the world with a population of more than 1 billion striving for progress in science and technology.

The open policy has proved fruitful since it was adopted at



A glimpse of Xianglujiao Wharf, Dalian Port.

GAU WEISI

the Third Plenary Session of the 11th Party Central Committee held towards the end of 1978. More than 6,300 foreign-funded firms had been licensed in the country by June this year, among them 2,300 joint ventures.

Last year Dalian alone signed contracts worth US\$361 million for projects using foreign funds and imported advanced technology.

About 90 percent of joint ventures in the country made a profit in the first half of this year, said Liu Xiangdong, director of the Policies Study Office of Foreign Economic Relations and Trade.

The Shanghai Woollen Mill Co. Ltd., for example, has recorded a profit of 25 million yuan (about US\$7.3 million) and a surplus of US\$6.38 million in foreign exchange since it started business in August 1981.

"Our goal is to earn US\$40 million from exports over the next five years," said Tang Xiangqian, chief executive of the woollen company and a well-known Hong Kong businessman.

The financial situation is also improving. The Bank of China has pitched in, too, by lending foreign-funded enterprises about US\$600 million and 2.6 billion yuan.

Because of the present shortage of credit funds, said the President of the Bank of China Wang Deyan, priority will be given to technology-intensive projects and those which manufacture products to replace some of China's

imports. The bank is also trying to raise loans from counterparts in other parts of the world.

Some overseas investors hesitate to invest their money in China because of their concern about the strict control of foreign currency in the country. But the bank president hinted that a number of regulations on foreign-funded enterprises more favourable to investors will be issued in the near future. ■

## Back to Reality: A New Current of School Life

The 56-year-old headmaster of the Xingxian County Teachers' Vocational School, Shanxi, was showing his sincere gratitude by bowing deeply, despite his age and status, to a group of young university students who were about to leave for home.

The students had come from Qinghua University, Beijing, to help raise the modest level of

English teaching in this mountainous area.

The course they ran on basic English and teaching methods lasted for 20 days and 40 local teachers enrolled. Though it was not realistic for such a course to meet all the needs of English teaching in the county, it was certainly the best chance local teachers had ever had of improving themselves.

"You have helped the Xingxian people a great deal," said the



headmaster emotionally to these Beijing youngsters.

In the summer vacation this year, hundreds of thousands of China's university students went to underdeveloped areas on fact-finding tours to see what they could do for local people.

Two senior students Li Xingguo and Qiao Shugui from the Industrial Chemistry Department of Qinghua University, for example, went to a fertilizer plant in Xingxian County. The factory had been losing money for years, because the high cost of the chemical fertilizers it produced was beyond peasants' purchasing abilities. The soda ash they produced later also incurred a loss. The plant was on the verge of bankruptcy.

After a careful look into the management and the technical processes involved, the students offered detailed advice on soda and synthetic ammonia production.

"If carried out properly," 21-year-old Qiao Shugui said, "330 yuan can be saved on each ton of soda. Large amounts of water can

be used for other purposes and no waste will be discharged." The improvements would also be made at a low cost, employing rich local lime and cement supply.

The young men's advice was accepted by the plant's managers and the reformed process will go into operation next month.

The free services offered by students vary from labouring on construction sites to lecturing provincial leaders on managerial theory and law, and on computers.

More than 10,000 students in Jiangsu Province went to seven northern counties to help people find new ways to prosperity. About 70 graduate students from Beijing University and People's University trekked a long way to humble villages inhabited by Miao tribes in Guizhou Province, southwestern China. They then offered a bold but practical plan of the development of the area. They also provided various kinds of consultant service there. And Shanghai students from 20-odd universities and colleges went to more than 200 regions across the country to visit young in-

## News in Brief

Television sets, introduced to the Chinese countryside only a decade ago, can now be found in 30 million rural homes, 11 percent of all rural households. Some 3,000 of China's more than 100,000 villages have earned the nickname, "television villages," with each family owning at least one television set.

The construction of China's largest hydroelectric power plant will begin in July 1987 in Dukou, Sichuan Province. To be built at Ertan on the Yalongjiang River, the plant will cost 3.7 billion yuan (US\$1 billion) and will have a generating capacity of 3 million kw, producing 16.2 billion kwh a year when completed. Power generation is expected to commence in 1996.

The People's Bank of China has decided to begin accepting foreign exchange as security for RMB loans. Borrowers can transact this kind of business at the bank's provincial branches after getting ratification from the State Foreign Exchange Administration. The size of a loan is determined by the bank, and the term of repayment is decided by both sides through signing a contract. Borrowers can redeem their foreign exchange unaffected by changes in exchange rates.

Students from Tianjin Normal University visiting the old heroine Chen Zhongfang in a Yimeng Mountain Village.

SONG YOUJIN





### 'Human Vegetable' Wakes Up

Xie Xiaoli, in a coma for 11 years, recovered consciousness on 21 July after treatment by brain surgeons at the PLA Air Force Hospital at Shijiazhuang. Now Xie, a 12 year old girl, has left hospital. She fell and injured her head when she was a baby of one. Picture shows doctors paying her a home visit.

tellecuals, peasants and business managers around their own age.

Such activities have been approved and supported by the state. This summer at least 500 Qinghua students were funded by the school authority, another 4,000 went by their own means or were funded by hosting organizations.

These young people have seen the great changes that have been taking place in recent years around the country. But what has impressed them most is the people are still having trouble making ends meet in some of the remote areas and areas inhabited by minority ethnic peoples.

Jiao Qing, a 20-year-old woman from the Automation Department of Qinghua University, could not help shedding tears of sympathy when she saw village school children studying in a dark cave leaking water, without light or desks and chairs. Many men in one village she saw could not afford to marry.

"I feel that we lucky dogs owe them a lot," Jiao said.

Most university students are described as "three-door" students. That means they go from primary schools to secondary schools directly, and then to universities. Some have never been away from city life. They thus

know little about the country. As soon as they are brought down to earth in society they tend to find themselves lost in disillusion.

The summer tours, therefore, have brought home to them the need to see the real world and temper themselves in practice. Some enthusiastic ones even decide to devote themselves to local people whom they get to know and feel obliged to help.

As Liu Nengyuan, chairman of the All-China Students' Association, put it, the students now are trying to pitch into the new life of their country earlier, and keep pace with the march of the times.

by Wang Xin



## Patent Work Off to Good Start

In the one and a half years since China's first patent law took effect on April 1, 1985, the Chinese Patent Office has received 24,235 applications, placing China among the top 10 patent distributors in the world.

Of the total, 16,345 are domestic applications and 7,890 foreign ones. This proportion of about two to one is about right and shows that the Patent Law has neither caused the take-over of China's technological market by foreigners nor prevented advanced technology from coming into China.

On the first day when the law came into force, 3,455 applications were received; now on average, 40 to 50 applications come into the Patent Office each day. According to Dr. Arpad Bogssel, Director General of the World Intellectual Property Organization (WIPO), this represents a record in patent history.

The Chinese Patent Office has granted 1,225 patents so far, among which working models make up the majority, 885, while the number of designs, 276, and inventions, 64, are comparatively small.

Domestic applications arrive from every Chinese province, municipality and autonomous region. In terms of number of applications, Beijing comes first. Applications from abroad have come from 47 countries, including the United States, Japan, West Germany, Britain, the Netherlands, France and Switzerland. Applications concerning transportation and machinery account for 20 percent; articles of daily life, 19 percent; chemistry, metallurgy and physics, 15 percent; and electrical and electronic appliances, 11 percent.

According to the Patent Office, applications from factories make

up only 15 percent of the total. Officials in the Patent Office hope to change this situation by increasing publicity of the Patent Law. Factories are the places where inventions are directly put into practical use, and therefore some administrative measures are necessary to encourage more applications from them.

Many inventions are distributed immediately after being patented, and some have produced good economic benefits. Yan Mengqiu, an engineer from Hunan, is well-known for his invention of four energy-saving burners which are being used by more than 80 enterprises in 25 provinces and cities. Minor inventions, if they meet a demand, can also be popularized quickly.

Patent work covers legal, administrative and data services. The Chinese Patent Office now has a staff of 1,100 people of various professions working for its different departments. The office is also planning to set up a computerized data service centre that will collect and store data from all over the world. Branches have been established in Shanghai, Shengyang, Changsha, Jinan, Nanjing and Chengdu. A total of 94 patent authorities have sprung up in many provinces, cities and state ministries. In addition, there are 266 registered patent agencies with 7,000 professional patent workers and 62 data banks in China. The Patent Agency of the China Council for the Promotion of International Trade (CCPIT), the Shanghai Agency for Patent Affairs and the China Patent Agent (HK) Ltd. deal with overseas patents.

China has joined the WIPO and co-operates with a dozen or so other countries. Many more have shown an interest in establishing relations with China in this field. The future of China's patent work depends on gaining more experience, and expanding fruitful co-operation with other countries. ■

by Dai Gang

## China & the World

■ **Zhao Lauds Reform in Hungary.** Chinese Premier Zhao Ziyang met Faluvegi Lajos, vice-chairman of the Council of Ministers and chairman of the National Planning Office of Hungary in Beijing's Great Hall of the People on August 25. He said: "We attach great importance to the experience of Hungary's economic reform and it will be of great help to China. Your difficulties are valuable lessons for the socialist countries."

■ **"China Daily" Launches European edition.** *China Daily*, the only English-language newspaper in China, launched a London edition on September 1. Chinese Premier Zhao Ziyang and British Prime Minister Margaret Thatcher sent congratulatory messages to the paper on the event. The paper will now be available in London and 13 other Western European capitals on the day it is published in Beijing.

■ **CPC Delegation Leaves for New Zealand, Australia.** A Chinese Communist Party delegation led by Hao Jianxiu, member of the Secretariat of the Party's Central Committee, left Beijing on August 27 for New Zealand to attend a meeting marking the 70th anniversary of the founding of the NZ Labour Party. After visiting New Zealand, the delegation will pay a goodwill visit to Australia at the invitation of the Australian government and Labour Party.

UNITED NATIONS

**Namibia Day Observed**

*To mark Namibia Day, the United Nations held a meeting to express its firm support for the just struggle of the Namibian people for national independence.*

**O**n August 26 representatives of member states of the United Nations held a meeting to mark Namibia Day, voicing their support for the struggle of the Namibian people for national independence and condemning South Africa for its occupation of the country.

D. H. N. Alleyne, current president of the UN Security Council and permanent representative of Trinidad and Tobago at the United Nations, said Resolution 435 adopted by the Security Council in 1978 was "the only internationally acceptable basis for a peaceful settlement of the Namibian problem." UN Under-

Secretary-General Rafeuddin Ahmed read a statement on behalf of Secretary-General Javier Perez de Cuellar appealing to the international community to redouble its efforts for "the immediate and unconditional implementation" of Security Council Resolution 435, and to bring independence to Namibia. He criticized the government of South Africa for demanding the withdrawal of Cuban forces from Angola as a precondition for implementing the resolution, saying the linkage had been "firmly rejected" by the Security Council on the grounds that it was "incompatible with its resolution."

**Members of SWAPO celebrate the 20th anniversary of their struggle against the South African colonialists.**



The permanent representative of China to the United Nations Li Luye reiterated that the Chinese government and people "have all along resolutely supported the Namibian people in their struggle for national independence and liberation led by the South West Africa People's Organization (SWAPO) and will, as always, continue to make unremitting efforts together with the people of the world for the early achievement of Namibian independence.

Other delegates called for the total isolation of the racist South African regime and asked the international community to impose mandatory sanctions to compel South Africa to dismantle apartheid and implement UN resolutions on Namibia.

Chinese Premier Zhao Ziyang and leaders of other countries sent messages and letters, or issued statements, condemning the South African occupation of Namibia and expressing solidarity with the Namibian people.

August 26 was the 20th anniversary of Namibia Day. Twenty years ago the Namibian people, under the leadership of SWAPO, began the armed struggle for national independence. The UN General Assembly decided in 1973 to observe August 26 each year as Namibia Day to draw the attention of the international community to its responsibility towards Namibia, as well as to the struggle of the Namibian people for self-determination, freedom and independence.

Since the 15th century Namibia has been invaded by Portugal, the Netherlands and Britain. In the latter half of the 19th century it became a colony of Germany. In 1915 the South African authorities sent their troops to occupy Namibia under the pretext that Namibia joined the Entente against Germany. In 1920 the League of Nations entrusted South Africa to govern it. In 1949 South Africa illegally annexed



Namibia. In 1966 the UN General Assembly first adopted a resolution demanding an end to South Africa's occupation of Namibia. Since then the UN General Assembly has passed resolutions on many occasions, but the Pretoria regime has refused to implement them.

To mark the 20th anniversary of the liberation struggle against South Africa, SWAPO said in a press release that it would intensify its armed struggle and pledged to carry it throughout to final victory. ■

by Chang Qing

bases. A united resistance headquarters covering seven northern provinces was recently established to give unified leadership to the guerrilla forces.

The stalemate on the battlefield has not been relieved by any advance towards the solution of the Afghan problem by political means. In recent months Soviet and Afghan government soldiers have made repeated military attacks and terrorist activities near the Pakistani border with the aim of forcing Islamabad to give way in the eighth round of negotiations taking place in Geneva, where wide differences exist between Afghanistan and Pakistan on the timetable for Soviet withdrawal from the war-torn country. Islamabad insists the Soviet Union depart within several months since thousands of Soviet soldiers had crossed Afghanistan's border overnight, but Moscow and the Kabul regime are holding out for a time span of several years. It is significant that the Soviet decision to withdraw some of its troops from Afghanistan was announced after the Geneva meeting.

Intensified attacks by the Soviet Union on the battlefield and its stubborn insistence on impossible political conditions at the negotiation table, combine to explain how little the Kremlin is really working towards settling the Afghan problem. ■

by Shi Zongxing

## AFGHANISTAN

### Battles and Talks Deadlocked

*The stalemate on the ground in Afghanistan remains despite the promise of the Soviet Union to withdraw troops from the country.*

Although the Soviet Union has declared its intention to withdraw troops from Afghanistan, its military activities there are in fact increasing. Having given up its previous large-scale assaults involving 10,000 to 20,000 soldiers, the Soviet Union is now employing a strategy of skirmishes and sudden attacks on Afghan guerrillas by small groups of soldiers and shock troops. The Soviet theatre of war has also been significantly enlarged, with military pressure concentrated in the west, south and north of the country. Heavy fighting has taken place in Herat, Kandahar, Helmand and to the south of Kabul.

Beside its military efforts, Moscow has also been helping the new Kabul regime lay a solid social foundation in the country, describing it as "representative." Immediately after its inauguration in May, Mohammad Najibullah, the new head of the People's Democratic Party of Afghanistan, began devoting himself to strengthening the military in the hope of improving the morale of government troops. It is clearly his intention to deal with the Afghan resistance by military means.

The aims of independence and freedom inspire the Afghan resistance forces to fight until the

invaders have been driven out of their country. The guerrillas in a military base south of Kabul successfully defeated the largest enemy attack ever mounted this summer. They have also scotched the enemy's plans to set up safe areas around cities by destroying more than 60 sentry posts in Herat and bringing the west of the city under their control. A major Soviet air base in Afghanistan was heavily raided and the headquarters building of the Afghan Information Bureau collapsed under guerrilla fire. A recent notable success for the resistance forces was made in the adjoining area of Kunduz, Takhar and Baghlan when large number of enemy troops were wiped out in attacks on newly founded guerrilla

## THE PHILIPPINES

### Aquino's First Six Months in Power

*Big improvements have been made in the social and economic fields in the Philippines since Mrs. Aquino captured the presidency six months ago. But political instability is still a heavy burden on her new government.*

Six months ago, Corazon Aquino made history when she was elected president of the

Philippines. Since then people around the world have been wondering whether the former

housewife could govern a country affected by political turmoil and on the verge of bankruptcy. However, after her first six months in office, Mrs. Aquino has proved herself an able president.

The Philippine strongwoman has brought a number of changes to her country. She dissolved the old cabinet, established a new central government, released some political prisoners (others are still waiting to be released) and dismissed officials loyal to former president Ferdinand Marcos.

To boost the Philippine economy, Mrs. Aquino froze and confiscated the ill-gotten gains of Marcos and his henchmen, thus bringing to an end their monopoly hold over Philippine industry. The economic recovery campaign has also involved lowering the price of oil products and large public expenditures aiming at solving the problem of unemployment. The government has also paid great attention to the development of agriculture. Philippine Agriculture and Food Minister Ramon Mitra has said, "Rural development is the centrepiece of the economic recovery programme of the Philippines. Our policy is to let farmers earn more."

While striving for economic development, Mrs. Aquino has tried hard to strengthen her ties with the military and has succeeded to a certain extent. Defence Minister Juan Ponce Enrile and Armed Forces Chief of Staff Gen. Fidel V. Ramos have pledged full support to the new government under Mrs. Aquino.

In diplomatic affairs, the Philippines has received considerable international support over the past six months. Hoping for more aid from and closer economic co-operation with other countries, the Philippine government has built up close relationships with developed countries such as the United States, Japan and the countries of Western Europe, as well as China, the nations of Southeast Asia and

other third world countries. Mrs. Aquino's recent visit to Indonesia and Singapore was said to have strengthened bonds and economic co-operation with the two countries and have brought peace and prosperity to ASEAN (Association of Southeastern Asian Nations).

As a result of these measures, things are getting better in the Philippines. Due to the stabilization of the prices of consumer goods, the rate of inflation has come down to a record 2.1 percent, in sharp contrast to 50 percent in 1984 and 24 percent in 1985. Interest rates have also dropped and the drain of capital restrained. It seems that the campaign for economic recovery has taken effect.

After six months in office, Mrs. Aquino has shown herself to be a

competent president. She has consolidated her power and is now very confident in her country, the people and herself. It has been rumoured that her recent visit to Indonesia and Singapore and her coming visit to the United States could make way for Marcos loyalists staging a coup d'etat, but Mrs. Aquino sees no danger of that. She has said she was very confident in the military and will entrust the government to faithful and able people in her absence.

However, things are not all that smooth. It is reported that former president Marcos is still directing a campaign of destabilization against the present government. So long as Marcos loyalists make occasional trouble, Corazon Aquino has some way to go before everything is settled to her satisfaction. ■

by Ma Baolin

## PERU

### Debt Problem Cries for Co-operation

*The International Monetary Fund on August 15 imposed sanctions against Peru by depriving the country of its right to get new loans from the organization, making Peru's economy more difficult.*

In the first half of August the Peruvian government wrote a letter to the International Monetary Fund (IMF) saying that it was unable to repay US\$194.6 million due on August 15. In the letter Peru reaffirmed its willingness to repay its debts, and to continue its dialogue with the institution. Previously a compromise was privately reached in April this year between the two sides. Yet when Peru, beset by serious economic problems, wanted to seek help and co-operation from the IMF, the organization suddenly declared that Peru was "ineligible" for new loans. This action is actually intended to set an example to other debtor nations in the

developing world, forcing them to pay their foreign debts, without considering their domestic economic situation.

During the past several years Peru has been faced by a series of difficult problems: capital outflows, declining production and a high unemployment rate, which once reached 11 percent (and the semi-unemployment rate 45 percent). The new government led by Alar Garcia, who came to power in July last year, carried out a series of economic reforms including reducing bank interest rates, freezing prices, strictly controlling the rate of inflation and forbidding the free exchange of foreign currency. All these have produced



some results: The inflation rate has dropped a little from 70 percent to 60 percent and the gross national product for the first half of this year has increased 3.6 percent over the same period last year.

Despite this, Peru's economy still has problems. The foreign debt, totalling US\$14 billion, is very serious. The sharp decrease of foreign investment in Peru and the declining prices of oil and mineral products—the main exports of the country—have compounded the current debt problem.

The news of the IMF's sanctions against Peru produced hard feelings in Peru. Leaders of various political parties, whether allies or opponents, spoke publicly in support of the government's stance on the foreign debt issue. On August 16 thousands of Peruvians from all walks of life rallied in Lima to protest against the IMF action. Sympathy and support also came from abroad. On August 23, the 24-nation Latin American Economic System in Caracas called on the IMF to lift its punitive measures against Peru. A statement released by the organization said, "The IMF is causing serious harm to a country that has been making strenuous efforts to fulfill its financial

obligations in accord with its real payment possibilities and in the face of an extremely unfavourable international economic environment." The European Economic Community decided to provide gratis US\$16.3 million to Peru for agriculture and animal husbandry. The Pan-American Development Bank agreed that Peru could postpone repayment of US\$20 million owed to the bank.

The sanctions against Peru by the IMF reflect the intense conflict between the debtor nations and the creditor nations in today's world. The total amount of foreign debt of third world countries has now reached more than US\$700 billion. Though the causes are various, the following ones are certainly among the most important: the high interest rate of the international banks, the trade protectionism of the developed countries and the continuously declining prices of raw materials on the international market. Only through the joint efforts of creditor nations, creditor banks and debtor nations can the debt problem be solved rationally. As Argentine President Raul Alfonsin once put it, "If Argentina does not grow, it cannot pay!" ■

by Hu Jikang

WELLINGTON

## Soviet Offer Rebuffed

*The Soviet offer, like the American proposal, has been rejected by New Zealand.*

**N**ew Zealand Prime Minister David Lange has rebuffed what Moscow fancied as well-time wooing for establishing military ties between the two countries.

"There is certainly no proposal for any form of military co-operation with the Soviet Union," Lange said on August 27 in response to a Soviet offer for exchange of warship visits.

"The best co-operation we can have from the Soviet Union is to have their vessels as far away from New Zealand as ours are from Russia," the New Zealand prime minister said.

The Soviet offer was extended by visiting Deputy Foreign Minister for Asia and Pacific Affairs Mikhail Kapitsa, who arrived in Wellington on August 25 as a "guest of the Soviet ambassador."

At a press conference in Wellington, the Soviet diplomat suggested a bilateral agreement between New Zealand and the Soviet Union on warship visits, saying it would help the two countries exchange information and ideas.

To sugarcoat his offer, Kapitsa said that Moscow would sign a treaty of South Pacific nations declaring the vast ocean region a nuclear-free zone.

As an advocate of the South Pacific nuclear-free zone, New Zealand last banned its port access to US nuclear armed or powered warships.

Washington reacted by declaring on August 12 a temporary suspension of its security commitments to New Zealand provided by the Australia-New Zealand-US (ANZUS) treaty reached in 1951.

In defiance of the US pressure, Lange said that his country will hold on to its policy of prohibiting any nuclear vessels to enter New Zealand ports and the policy will be written in law.

The Soviet deputy foreign minister must have seen in the US-New Zealand row a good occasion for the Soviet Union to elbow off the United States, its principal competitor, from the South Pacific region.

The Soviet offer, however, has been given the same cold reception in Wellington as the American proposal, apparently to Kapitsa's disappointment. ■

by Mei Zhenmin



# Deng Xiaoping on Mao Zedong

To commemorate the 10th anniversary of the death of Mao Zedong we present an assessment of Chairman Mao in the words of Deng Xiaoping (as they appear in his "Selected Works"):

**F**or most of his life, Chairman Mao did very good things. Many times he saved the Party and the state from crises. Without him the Chinese people would, at the very least, have spent much more time groping in the dark. Chairman Mao's greatest contribution was that he applied the principles of Marxism-Leninism to the concrete practice of the Chinese revolution, pointing the way to victory.

Unfortunately, in the evening of

his life, particularly during the "cultural revolution," he made mistakes—and they were not minor ones—which brought many misfortunes upon our Party, our state and our people. So far as Chairman Mao's own hopes were concerned, he initiated the "cultural revolution" in order to avert the restoration of capitalism, but he had made an erroneous assessment of China's actual situation.

We will make an objective as-

essment of Chairman Mao's contributions and his mistakes. We will reaffirm that his contributions are primary and his mistakes secondary. That is why we will forever keep Chairman Mao's portrait on Tiananmen Gate as a symbol of our country, and we will always remember him as a founder of our Party and state. Moreover, we will adhere to Mao Zedong thought.

*(Answers to Italian journalist Oriana Fallaci, August 1980)*

Mao Zedong and Deng Xiaoping during the break in the Second Session of the Second National People's Congress, 1960.



The fundamental point of Mao Zedong thought is seeking truth from facts and integrating the universal truth of Marxism-Leninism with the concrete practice of the Chinese revolution. Comrade Mao Zedong wrote a four-word motto for the Central Party School in Yanan: "Seek truth from facts." These four words are the quintessence of Mao Zedong thought. In the final analysis, Comrade Mao's greatness and his success in guiding the Chinese revolution to victory rest on just this approach.

*(Remarks made on hearing a work report by the standing committee of the Jilin provincial Party committee, September 1978)*

It is no exaggeration to say that were it not for Chairman Mao there would be no New China. Mao Zedong thought has nurtured our whole generation. Without Mao Zedong thought, the Communist Party of China would not exist today, and that is no exaggeration either. Mao Zedong thought will forever remain the greatest intellectual treasure of our Party, our army and our people. We must understand the scientific tenets of Mao Zedong thought correctly and as an integral whole and

develop them under the new historical conditions.

*(Excerpts from a speech at the closing session of a central working conference held on December 13, 1978)*

Comrade Mao, like any other man, had his defects and made errors. But how can these errors in his illustrious life be put on a par with his immortal contributions to the people?

Mao Zedong thought has been the banner of the Chinese revolution. It is and always will be the banner of China's socialist cause and of the anti-hegemonist cause. In our forward march we will always hold the banner of Mao Zedong thought high.

The cause and the thought of Comrade Mao Zedong are not his alone: They are likewise those of his comrades-in-arms, the Party and the people. His thought is the crystallization of the experience of the Chinese people's revolutionary struggle over half a century.

*(Excerpts from a speech at a forum on the principles for the Party's theoretical work, March 1979)*

Comrade Mao Zedong made mistakes during the decade of the "cultural revolution" (1966-76). In our appraisal of him and of Mao Zedong thought, we must

analyse those mistakes in the spirit of seeking truth from facts.

When we talk about mistakes, we should not speak only of Comrade Mao, for many other leading comrades in the Central Committee made mistakes too. Criticism of mistakes is necessary but it must be appropriate. Criticizing Comrade Mao's personal mistakes alone will not solve problems.

We stressed at the very beginning that the historical role of Comrade Mao Zedong must be affirmed and that Mao Zedong thought must be adhered to and developed.

Since the Third Plenary Session, we have been restoring the correct things advocated by Comrade Mao Zedong; we have been studying and applying Mao Zedong thought correctly and as an integral whole. In many respects, we are doing things Comrade Mao suggested but failed to do himself, setting right his erroneous opposition to certain things and accomplishing some things that he did not.

*(Remarks on Successive Drafts of the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China," March 1980-June 1981)* ■

## **Mao Zedong Still Fresh in Memory**

by Our Correspondent Jing Wei

Every morning at 8 o'clock at Tiananmen Square in central Beijing a long stream of mourners, four abreast, plod into the magnificent Memorial Hall of Mao Zedong to honour the memory of the late chairman of the Communist Party of China. Last year there were 10 million, of which more than 170,000 were foreigners.

The Mao Zedong Memorial Hall, built in 1977, looks north beyond the Monument to the People's Heroes to the Tiananmen Gate (The Gate of Heavenly Peace) on which hangs the chairman's portrait.

In the entrance hall the white marble statue of Mao sits in a marble armchair. Beyond is the mourning section where the

remains of Mao Zedong, draped in the red flag of the Chinese Communist Party, lie in a crystal sarcophagus surrounded by green plants.

On the wall facing the entrance hangs a gilded inscription: "Eternal glory to the great leader and teacher Mao Zedong." Mourners are seen bowing, sobbing but mostly gazing in





respect at his well-preserved remains.

A cadre from Shanghai, Geng Yuxou, 45, sums up the feelings of many Chinese who have travelled to the mausoleum: "I've always thought of Chairman Mao as the great leader of the Chinese people. Even though he made some mistakes in later life, his contribution to the revolution and reconstruction of the nation is undeniable. Every time I'm in Beijing I come here to visit him."

Lin Shanjun, a 20-year-old worker from Jilin Province, is fulfilling a dream: "I've longed to see him since I was a child," he says. Liu Weidong, his friend, says, "I'll feel bad if I don't come to see him when I'm here." Yu Changlin from the northeast city of Benxi adds: "I could miss all the places in Beijing but not the memorial hall. Chairman Mao led the working class to emancipation. We will never forget him."

"China's prosperity today is closely linked to Chairman Mao," says Zhou Fengzhao, 44, a teacher

from rural Jiangxi Province. "One who drinks the water should not forget the well-digger."

Another teacher from Jiangxi Province, Li Zhongxin, says his hometown was one of Mao's revolutionary bases and Mao is still highly respected there. "We are lucky to have the chance to pay our respects to the Chairman. Now we can tell everybody what we've seen here," he says.

Li Guoqiang, a postgraduate student at Zhejiang University, says: "I used to think of Mao as a god. Now I see him as a man just like any other."

Perhaps because they have all been here before, there are no Beijing residents to be found at the mausoleum. In order to discover the views of the local townspeople this correspondent travelled to Sijiqing Township, and Beijing's No. 1 Machine-Building Plant.

Everywhere people are unanimous in their praise for Chairman Mao. "Before liberation," says Yuan Xiuqing, a farmer of 40 at Sijiqing Township, "we farmers

lived in mud houses and wore rags. Even corn porridge was often beyond our means and few of us were educated.

"It was Chairman Mao and the Chinese Communist Party who led us through the land-reform, the mutual-aid and co-operative movements. It was also under their guidance that we started planting the orchards and building water-conservation projects, animal farms, farm-tool factories and schools. Our lives since then have become better and better."

Wang Qin, 47, a worker at the machine factory, agrees: "I was born into a poor peasant family," he says. "I knew it was Zhu and Mao (Zhu De and Mao Zedong) who led us to our liberation. I love Chairman Mao very much and associate him with the Chinese revolution. No one could erase his merits."

"Remember several of Mao's family members died for the revolution," adds Yuan. "In relation to his contribution to the

**Mourners queue at the Mao Zedong Memorial Hall.**





YANG LIMING

Wang Wenzuan (left), a worker at the Beijing No. 1 Machine-Tools Plant, tells Mao Zedong how M-1025 centreless grinder works, 1958.

revolution, Mao's mistakes were secondary."

Most of the people interviewed refer to Mao's mistakes, all agreed that they were secondary to the overall positive role Mao played in Chinese history.

Zhou Deqing, 27, a worker at one of Sijiqing's township factories attributes Mao's mistakes to his fear of forfeiting the fruits of the revolution. Wang Qin, a worker of the machine-building factory, says: "He always tried to find out 'a new tendency for the class struggle,' and consequently threw people into a panic. But I don't think he intended to land China in a mess."

"He was groping for his way. Socialism is a new thing, and has no precedents to follow. So we shouldn't dismiss Mao just because of his mistakes, we should learn lessons from them," Wang says.

Mi Feng at the factory was jailed for six months in 1976 when he, 22, had gone in April to pay his respects to Premier Zhou Enlai at Tiananmen Square. "The

political atmosphere is now much better," he says.

"At that time no one dared talk about the leaders of the Party Central Committee behind their backs, and no one dared speak ill of their policies. Anyone who spoke the truth came to a sticky end."

All the speakers recognize that things are better now that Mao's mistakes have been corrected. Indeed Sijiqing Township has thrived over the last few years. It has established many factories and service outlets of its own and its per-capita annual income has multiplied five and a half times between 1976 and 1985, from 184 yuan to 1,197 yuan. By comparison the previous 18 years were poor. Between 1958 and 1976 the increase was only 73.7 percent (106 yuan to 184 yuan).

"We support Deng and his policies," says Yuan at the township. "But that does not mean we will forget Chairman Mao. Without the solid foundation he helped us lay down how could we have built such a nice building?"

At the machine plant Wang Xueling, 28, has no doubts. "The national economy is developing much faster now than when Chairman Mao was in power. The present-day Party Central Committee still abides by the principle of relying on our own strength while seeking foreign assistance, just as Mao advocated. The only difference is that when Mao was in power the international environ-

Yuan Xiuqing (left) interviewed by our correspondent at Sijiqing Township.

LIANG SHIQUN





ment was less favourable, due to the international blockade, than it is today."

The former chairman of Sijiqing Township Women's Federation Wang Shunying feels the same. "We are happy to see the Party Central Committee sticking with Mao's teachings," she says. "For example, 'seeking truth from facts,' 'adhering to self-reliance and the socialist system,' and 'serving the people wholeheartedly.'"

Wang Qin is anxious to emphasize the point: "Even those who complain about rising prices or worry about China reverting and regressing back have to admit they've become much better off in the last few years."

His colleague Mi contradicts him. Everyone is getting rich

except the workers, he claims. "We workers labour all day to make as little as two or three yuan, but prices keep rising; that's why some workers complain."

Indeed there are complaints; about corrupt traders, cadres and factory workers; about bad service, traffic congestion and inadequate medical services. But these are not seen as necessarily reflecting badly on Deng Xiaoping or Mao Zedong.

"Some people do want to dismiss Chairman Mao and darken his image," says Wang Guanglin at 52, one of the older workers at the machine factory. "We old workers don't agree with them. Chairman Mao is still fresh in our memories. In dealing with Chairman Mao and Mao Zedong

thought, Deng Xiaoping is, to my mind, the most impartial and correct of all. Deng is the real person holding aloft the banner of Mao Zedong thought."

"It is Deng, says Wang, who has always insisted that Mao's merits were primary, and that his portrait should hang on Tiananmen Gate. "It was Deng who declared in public that not only today but also in the days to come, in building China into a socialist country with Chinese characteristics we should take Mao Zedong thought as one of the four cardinal principles: adherence to the socialist road, to the people's democratic dictatorship, to the leadership of the Communist Party and to Marxism-Leninism and Mao Zedong thought." ■

# China Follows Its Own Road

— In memory of the 10th anniversary of the death of Mao Zedong

by Liu Daoyu

September 9 marks the 10th anniversary of the death of Mao Zedong. With great reverence the Chinese people cherish their memory of the great man. Mao is still alive in the minds of the people.

Today, we miss Mao not only because he was the most outstanding leader of the Communist Party of China and founder of the People's Republic but rather because he dared to seek truth from facts, was skilled at applying Marxism-Leninism to the Chinese revolution and creatively charted the way to victory. Mao Zedong

always kept to the principle of maintaining independence and keeping the initiative in the spirit of self-reliance. He never trusted blindly or depended on any foreign power or international command centre. He was brave enough to resist external intervention and misconceived proposals, showing him to be a brilliant proletarian revolutionary, strategist and theoretician of majestic proportions.

## Road to Victory

The failure of the first Chinese revolution in 1927 left the Chinese Communist Party in a critical position. Going against the traditional theory prevalent in the

international Communist movement of making revolution mainly in cities, Mao Zedong organized the Autumn Harvest Uprising, led his men to the Jinggang Mountains, and focussed the work of the Party on the countryside instead of the cities. By setting up revolutionary bases, conducting agrarian reform and organizing his political power around the worker-peasant armed forces, Mao pioneered the encircling of cities from the countryside, thus ensuring the new democratic revolution's final victory.

Armed uprisings in cities were the main form of revolution throughout the history of the international Communist movement, for example, the Paris

\* The author is a staff member of the Research Centre of Party Literature under the CPC Central Committee.



Commune and the October Revolution. In the early years of the Communist Party of China, it worked well to organize the workers' movement in some cities. Later, it joined hands with the Kuomintang Party in launching China's first revolution against the Northern Warlords. The emphasis of the Chinese Communist Party was still on the cities. After the failure of the first Chinese revolutionary civil war of 1927, the situation took a dramatic turn for the worse. In place of the old warlords, Chiang Kai-shek and some other Kuomintang leaders established a more powerful and more cruel counter-revolutionary regime; the central cities thus became centres where counter-revolutionary forces were highly concentrated and well-prepared against the outbreak of revolution. The serious losses incurred by the revolutionary organizations in the cities had greatly whittled away the strength of the Party organizations there. However, as China was a semi-colonial and semi-feudal country with uneven politico-economic devel-

opment, the main forces of the counter-revolutionaries found it hard to extend their tentacles everywhere in the vast countryside. Moreover, the repeated factional battles between KMT warlords had further weakened Chiang Kai-shek's power in the countryside. Therefore, the principle for developing the Chinese revolution should be marching towards the countryside and developing revolutionary strength and political power there. Mao Zedong was the first to understand this in the Chinese Communist Party. At the end of the first revolutionary civil war period in 1927, he spelled out explicitly that peasant struggle conducted under the leadership of the working class was of vital importance to the revolution. In 1927, he proposed setting up revolutionary bases deep in the mountains and in October of the same year when the forces of the Hunan Autumn Harvest Uprising failed in the march to Changsha, he led the troops into the Jinggang Mountains and set up the first rural base in the history of Chinese

revolution. In so doing he kindled the first spark of the "armed independent regime of workers and peasants." Thereafter the Chinese revolution was on a new road, a road that led to victory.

However, the influence of the theory that revolutions are made in cities was so deep-rooted that in spite of the changed situation, the CPC Central Committee continued to focus its effort on workers' movements in the cities. Armed uprisings were organized against the cities with a view to seizing them as the target of Chinese revolution. When the second and third "left" deviationist lines represented by Li Lisan and Wang Ming held sway in the Party Central Committee, this erroneous idea predominated, bringing heavy losses for the revolution.

More serious and complicated were the links between this idea and the Communist International. Between 1922 and 1943, the Communist Party of China operated as a branch of the Communist International and as such was subject to its guidance. This was in some ways very helpful for the Chinese Party and the revolutionary struggle it led. However, the Communist International made serious mistakes in guiding the Chinese revolution. Lacking a thorough understanding of Chinese society and the characteristics of the Chinese revolution, and especially failing to understand the importance of peasant guerrilla war and the construction of rural revolutionary bases, it insisted that the Chinese revolution should centre on the cities. In the second half of 1930 when the Chinese Workers' and Peasants' Red Army and revolutionary bases had made great progress, the Communist International executive committee still demanded that the Central Committee of the Communist Party of China mobilize the peasant revolutionary forces to besiege local cities, "even the large and

**Mao Zedong with Yanan peasants during the War of Resistance Against Japanese Aggression.**





largest cities" in the non-Soviet area. It went so far as to urge the Chinese Party to organize political general strikes in all industrial centres, or at least in some of them. Only by doing so, it argued, could workers be armed and join hands with the Red Army troops in capturing the large industrial centres. At this time, the "left" deviationists inside the Communist Party of China, worshipping the directives of the Communist International and the October Revolution's success in the Soviet Union, decided to emulate the examples set by the Soviet Union and some other European countries. Wang Ming was very active among these, and followed whatever directive of the Communist International, faithfully, blindly and in total disregard for the actual situation in China. The combination of the "left" deviationist ideology and the misguided directives of the Communist International caused heavy losses to the Chinese revolution.

With his boldness of vision and high sense of responsibility for the Chinese revolution, Mao Zedong boycotted the directives of the Communist International and fought resolutely against the "left" deviationist line. Lashing out against dogmatism, he wrote in 1930 in his *Oppose Book Worship*, "Victory in China's revolutionary struggle will depend on the Chinese comrades' understanding of Chinese conditions." By analysing the revolutionary experience gained in the Jinggang Mountain revolutionary base and the Central Soviet District, Mao systematically elucidated the theories of red political power. At the same time, he gave active leadership to the people and soldiers in their political and military struggles as they built up the revolutionary bases. The strength of the revolutionary bases, the Red Army and the Party grew quickly. Under the guidance of Mao Zedong's correct military line, the Red Army smashed four

counter-revolutionary mopping-up campaigns of the Chiang Kai-shek regime and gave the revolution a new impetus. This gratifying situation and the revolutionary achievements of the whole Party, however, were set back by the forceful implementation of Wang Ming's "left" deviationist line. The revolutionary forces in the base areas and the White Area suffered great losses, with the total number of the Red Army dropping from 300,000 to 30,000 and the total membership of the Communist Party falling from 300,000 to 40,000. It was because of this devastation that the Red Army was forced to embark on the Long March.

The positive and negative experiences in the eight years after the failure of the first revolution in China testify to the absolute correctness of the strategic and tactical thinking of Mao Zedong. Had the guiding principle of making revolution mainly in the cities not been put aside and the "left" deviationist line prevalent in the Party not ended, a victory for the Chinese revolution would have been unthinkable. A historic mission was finally accomplished at the Zunyi Meeting held in January 1935 during the Long March. The meeting confirmed Mao as leader of the revolution and made it possible for the Communist Party of China to have a correct Marxist-Leninist leadership, thus laying a solid foundation for the victory of the Chinese revolution.

### **Self-Reliance**

From the Zunyi Meeting, which established Mao's leadership of the whole Party, to the founding of the People's Republic in 1949, the Communist Party of China had to undergo the War of Resistance Against Japanese Aggression and the War of Liberation. During this period, under the leadership of Mao Zedong, the Communist

Party of China worked out its own strategy, principles and policies by using Marxism and, without much external aid, relied on the people to defeat the Japanese aggressors and the Chiang Kai-shek reactionaries and win the final victory of the national democratic revolution.

The War of Resistance Against Japanese Aggression has been the only national revolutionary war of unprecedented proportions won by the Chinese nation in modern history. It also exerted a far-reaching influence on the progress of the Chinese revolution. During this period, the Communist Party of China was confronted with a very complicated situation. Because of the all-out Japanese invasion, the national contradiction between China and Japan became the principal contradiction on the Chinese territory; the Communist Party of China and the Kuomintang began their second round of co-operation and whereby formed a broad anti-Japanese national united front. However, the domestic class contradictions still existed, particularly acute was the contradiction between the proletariat and other people on the one side and the big landlords and bourgeoisie headed by Chiang Kai-shek on the other. On the question of how to handle the class contradictions within the united front, there were two different lines within the Communist Party of China—the Marxist-Leninist Line with Mao Zedong as its spokesman and the new capitulationist line led by Wang Ming. Mao Zedong proved to be the most outstanding exponent of our Party's policy in correctly handling all the contradictions: the national, the class and the intra-Party contradictions.

Soon after the outbreak of the War of Resistance Against Japan in July 1937, given Japanese invaders' superior strength and the Japanese strategy of fighting for the control of North China, Mao Zedong decided that the regular forces be split into small



**Mao Zedong and Zhou Enlai at the Seventh National Congress of the Communist Party of China, April 1945.**

units and that traditional mobile warfare be replaced with guerrilla warfare. He pointed out that the basic task of the Red Army was to go deep into the area behind the enemy lines, to set up bases, mobilize the masses, and arm them for the anti-Japanese guerrilla war. He advocated that the united front between the Communist Party of China and the Kuomintang be consolidated and expanded, but that the Communist Party should remain independent and politically alert and try to keep the Kuomintang going along with the Communist Party in putting up resistance to Japan on a most extensive scale.

However, the Communist International estimated the intern-

ational situation incorrectly. Thinking that the imperialists were about to launch a war against the Soviet Union, the Communist International hoped the Chinese keep the Japanese in check. Being contemptuous of the strength of the Communist Party of China, it pinned its hopes on Chiang Kai-shek and the Kuomintang troops. So it asked the Communist Party of China to enter into cooperation with the Kuomintang and accept Chiang's leadership. In the early years of the War of Resistance Against the Japanese Aggression, Wang Ming and other advocates of the right deviationist capitulationist line followed the directives of the Communist International dogmatically. Soon

after his return from Moscow to Yanan in late November 1937, Wang voiced his opposition to the principles and policies of the Party concerning the united front and proposed that everything be done through the united front and that the Party obey whatever the united front demanded; in practice this would mean giving up the Party's leadership within the united front. Militarily, he proposed unifying the command, the armed forces, the discipline, the supplies and the battle planning under the leadership of the united front. (Later, he even proposed dissolving the Communist forces into the Kuomintang forces and fighting as one.) Wang insisted that the military strategy should be mainly





mobile warfare, coupled by positional warfare and guerrilla warfare, and stressed that Chiang Kai-shek's regular troops should be relied on to defeat the Japanese.

Criticising Wang Ming's mistakes, Mao Zedong delivered a speech at the Sixth Plenary Session of the Sixth Party Central Committee, saying that our Party must exercise leadership over the War of Resistance Against Japanese Aggression, an obligation entrusted to the Party by history. To exercise correct leadership over the anti-Japanese war and the Chinese revolution as a whole, he pointed out, correct application of Marxism was essential. Pinpointing the mistakes made by Wang Ming, he conceived the slogan: apply Marxism-Leninism in accordance with the Chinese situation and, after making a penetrating analysis of the relationship between national struggle and class struggle, pointed out that class struggle must be subordinate to national struggle, but should not be abandoned because of the national struggle. Therefore, Mao suggested that the policy of the Communist Party in dealing with the Kuomintang should be one of alliance and struggle, and the Communist Party should have relative independence in the united front and should in no way submit in everything to the united front.

When the War of Resistance Against Japanese Aggression entered a strategic stalemate, the Japanese invaders directed their main forces against the Communist Party of China and its armed forces, including the Eighth Route Army and the New Fourth Army. Sticking to the policy of "burn all, kill all, loot all," the Japanese launched brutal mopping-up campaigns against the liberated areas. In the meantime, the Kuomintang headed by Chiang Kai-shek stepped up the blockade and attacked the liberated areas, unleashing three anti-Communist

upsurges. This, coupled with natural disasters such as drought, floods and locusts in successive years, left the liberated areas in desperate straits. The CPC Central Committee with Mao Zedong as its representative formulated a series of principles and policies to mobilize the people and soldiers in order to overcome the difficulties with their own strength and continue the struggle against the Japanese. It was decided firstly to "develop the progressive forces, win over the

middle forces and isolate the die-hard forces," and to expose and frustrate the capitulationist and anti-Communist activities of Chiang Kai-shek; and, secondly, to launch the rectification movement and production movement meant to lay a solid ideological and material foundation for the seizure of victory in the anti-Japanese war.

After the victory in the War of Resistance Against Japanese Aggression, the Chinese revolution entered the stage of the War of

**Mao Zedong with guests from Asia, Africa and Latin America, 1959.**



Liberation. During this period, the contradiction between the Chinese people and the US-backed Chiang Kai-shek reactionary clique rose to become the principal contradiction in the nation. This focused on the fact that the Chinese Communist Party sincerely hoped to turn China into an independent, free, democratic, unified, powerful, new country while the Chiang Kai-shek clique, backed by the US imperialists, attempted to maintain China as a semi-colonial and semi-feudal country under the dictatorship of bureaucrat-capitalists and big landlords.

In June 1946, backed by the US imperialists, Chiang Kai-shek launched an all-round attack against the liberated areas, fomenting a civil war on an unprecedented scale in China. Confronted with the wanton attack of the Kuomintang reactionaries, who enjoyed overwhelming superiority in economic and military resources, Mao Zedong resolutely rejected the erroneous views of the Soviet leaders who had overestimated the strength of the US-Chiang Kai-shek reactionaries and had suggested that the progressive Chinese people not engage in a defensive war against the forces of reaction. Mao also instituted the scientific thesis, "imperialism and all reactionaries are paper tigers," and the important attitude of strategically despising the enemy and tactically taking full account of him. He firmly declared to the world that not only did the Chinese people have to defeat Chiang Kai-shek, they could!

In addition, Mao formulated the political policy of fully mobilizing the masses and uniting all the forces that could be united to form the broadest possible revolutionary united front, and he enacted the military principle of making the concentration of military forces for mobile warfare primary and the disposal of military forces for guerrilla

warfare secondary. This would allow the superior forces to wipe out the enemy one by one, and make the act of sapping the enemy's strength the main target instead of holding and seizing a tactical position.

It was just by relying on these policies and principles that the Communist-led army quickly smashed Chiang Kai-shek's all-round attack, annihilated much of his men and material and transforming his military superiority into an inferiority. In October 1949, the Chinese people finally achieved the great victory of the people's liberation war and founded the People's Republic of China.

## Peaceful Transformation

Mao Zedong's chief merits after the founding of New China lay in his creatively blazing a socialist revolutionary trail with a distinctive Chinese character, and ensuring a smooth transition for China from the new democratic revolution to socialist revolution. He did this by combining China's reality with Marxist principles. His merits also lay in his effort to probe the law that would determine China's socialist construction in the wake of its socialist revolution, while at the same time learning from Soviet experience.

After three years of economic rehabilitation, at the end of 1952, at Mao Zedong's suggestion, the Party Central Committee advanced the general line for the transition period. This was to achieve industrialization and complete the socialist transformation of agriculture, handicrafts, and capitalist industry and commerce over a long term. Mao Zedong successfully charted the way for China's socialist transformation. The redemption of the property of national capitalists through peaceful means, in particular, made a great impact both at home and abroad as it did not disturb social

order and brought no decrease to production. Rather, it achieved the smooth socialist transformation of the ownership of the means of production. The basic elements in the Chinese way to eliminate capitalist private ownership, as advocated by Mao, can be summed up as follows:

First, buying capitalism out. Mao understood the nature of China's national bourgeoisie; while it exploited the working class for profit, it also supported the Constitution and was willing to accept socialist transformation. So it was decided to retain the alliance of the united front, and the policy of utilizing, restricting and gradually eliminating capitalist industry and commerce by buying them out was adopted.

Second, gradually guiding capitalist industry and commerce to the socialist road through different forms of state capitalism.

Third, as the socialist transformation of capitalist industry and commerce was a special kind of class struggle manifesting itself in the form of restriction vs. anti-restriction and transformation vs. anti-transformation within the united front, the principle of both unity and struggle was adopted towards the capitalists. While transforming their enterprises, varied means were introduced to unite, educate and remould the capitalists in an effort to gradually transform them from exploiters into working people living by their own labour.

In leading the socialist transformation of China's agriculture and handicrafts, Mao also created a new Chinese way. During the transformation of agriculture, the principles of voluntary participation, mutual benefit, constructing models to be followed and state assistance were stressed; and transitional measures — from organizing temporary mutual-aid teams to year-round mutual-aid teams, and from setting up semi-socialist elementary agricultural producers' co-operatives to advanced socialist agricultural pro-



ducers' co-operatives—were introduced. During the course of the co-operative movement, China avoided the detours the Soviet Union experienced in its agricultural collectivization movement and suffered no decrease in its farm produce. Similar methods were also adopted in the transformation of individual handicrafts and the achievements were equally outstanding.

During the course of the socialist transformation of private ownership of the means of production, defects and deviations caused by rashness, carelessness and stressing uniformity at the expense of flexibility dominated for a while. Some of the former industrialists and businessmen were treated inappropriately after the completion in 1956 of the socialist transformation of capitalist industry and commerce. Overall, however, the road to socialist transformation chosen by Mao Zedong was successful and has added a new page to the history of scientific socialism.

From 1956, Mao began to devote most of his energy to exploring the most suitable road in socialist construction for China. On the basis of his own investigation in 34 economic departments of the central authorities, and of the discussions of the Political Bureau of the Party Central Committee, he wrote the report entitled *On the Ten Major Relationships*, an important thesis on socialist economic construction. It analyses the ten major contradictions which existed in China's socialist construction and advances the ideas for correctly handling these contradictions in order to achieve greater, faster, better and more economical results in building socialism.

Mao stressed that "we must do our best to mobilize all positive factors, both inside and outside the Party, both at home and abroad, both direct and indirect, and make China a powerful socialist country." The publica-

tion of *On the Ten Major Relationships* marks the point at which our Party really began to break through the Soviet pattern and make its own way towards a socialist road suited to its own character and reality. The basic approach and some of the thoughts advanced by the work were of significance at the time and are still of significance today. Unfortunately, perverted more and more by Mao's own "left" guiding thought and destroyed by Lin Biao and Jiang Qing counter-revolutionary cliques, these thoughts failed to be carried out for a long time. It was not until the Third Plenary Session of the 11th Party Central Committee held in late 1978 that these thoughts began to be carried out in earnest and developed to a much higher level under new historical circumstances.

### Independent Diplomacy

In foreign relations, Mao Zedong followed an independent diplomatic policy. Prior to the founding of the People's Republic of China, he declared solemnly: "China must be independent, China must be liberated, China's affairs must be decided and run by the Chinese people themselves, and no further interference, not even the slightest, will be tolerated from any imperialist country." Zhou Enlai also pointed out: "With respect to foreign relations, we have a basic stand: we uphold China's national independence and the principle of independence and self-reliance." Since the founding of the People's Republic we have adhered to this principle, withstood all the pressures imposed on us by imperialism and hegemonism, and overcome their aggression, sabotage and military provocations. We have thus safeguarded our country's security and protected our national interest. At the same time, we have made due contributions to safeguarding world peace and

assisting nations suffering aggression and oppression in their struggle for national liberation. In this way we have combined patriotism with internationalism.

Mao Zedong and Zhou Enlai also led our government to initiate the Five Principles of Peaceful Coexistence with the governments of India and Burma (mutual respect for each other's territorial integrity and sovereignty, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, peaceful coexistence).

Furthermore, under the guidance of Mao and Zhou, our country has striven to establish, restore and develop normal relations with all other countries on the basis of these five principles, and it has strengthened economic, trade and cultural ties on the basis of friendly co-operation with other countries.

On the relations between socialist countries and Communist Parties of different countries, Mao resolutely opposed big-nation chauvinism and big Party chauvinism and maintained the principles of independence, equality and the achievement of unanimity through consultation. He solemnly declared to the whole world that China would never seek hegemonism.

Because we have carried out the correct diplomatic policy founded by Mao Zedong, our country's international prestige has risen steadily and the role played by our country in international affairs as expanded enormously. This has not only created favourable international conditions for our country's socialist construction, it has also promoted an international situation favouring all the people of the world.

Keeping in mind Mao Zedong's great historic merits, while developing Mao Zedong thought and correcting his mistakes, Mao's successors are working hard to turn China into a powerful, modern socialist country, and will continue doing so. ■



# First Bankruptcy Shocks China

by Our Correspondent Li Rongxia

On August 26, it was announced that the Shenyang Explosion-Prevention Equipment Factory — China's first bankrupt enterprise — would be auctioned and an invitation for bids was made.

The factory, a collectively owned enterprise in the capital of Liaoning Province, was declared bankrupt on August 3 and its licence revoked by the city government.

After the closure, a committee of representatives of the city's industrial and commercial administrative bureau, the labour bureau, the insurance company and the creditors was given authorities to oversee the proceedings.

## Repercussions

It is conceivable that when the factory was made to close down, its 72 workers and staff and the 209 creditors would bear the brunt for the closure.

However, the disabled workers and those who were going to retire soon appreciated their being properly treated. Those who were going to retire said: "We never thought that we might be treated as other retiring workers even though the factory was going bankrupt." The disabled ones added that being allowed to work in social welfare establishments was very thoughtful of the local government.

The feelings of the workers who are now unemployed are mixed. Chen Shuyun, a woman worker, said: "I am over 50. Now I have to stay at home and wait for a new job, but I have no confidence that I'll get one because I am not a

skilled worker. In that case, the rest of my life will be hard." Many others see the harm in continuing to eat from the same "big pot" (meaning standard pay unrelated to performance), but to live off the relief funds is also nothing to be proud of, they say. For all of them the most urgent hope is that they will be assigned a new job right away.

Gao Zhenmin, a farmer in the suburban area of Shenyang, was one of the creditors of the factory. Six years ago, he raised about 1,000 yuan and contracted a deal with the factory to process over a ton of silicon steel plates for it at a cost of 2,100 yuan per ton. The factory now owes him 2,730 yuan.

Gao said, "I thought the factory wouldn't pay me my money, and how would I pay my creditors? I was so worried that I fell ill. Now I've received partial repayment — enough to pay off my debts."

According to the regulations on bankrupt enterprises, there is no provision for full repayment of creditors, but they are guaranteed at least partial repayment. Many think this is still better than dealing with debtors who never pay their debts at all. They learnt a lesson from this though, and will be more careful about making contracts in future — drawing up watertight written contracts and checking their partners' solvency first.

## Artificial Boost

The shock waves of China's first bankruptcy has spread throughout the nation, it broke the "big pot," smashing outdated ideas, and leading people to think

seriously about their interpretation of socialism.

An official of the city government said: "If we follow the traditional practice and keep poorly run enterprises going, it would simply mean an artificial boost in production at the expense of the state. This is in no way what we mean by socialism."

An official of the State Council said shutting down enterprises which are failing as a direct result of poor performance will be institutionalized as this is necessary to meet the development of the socialist commodity economy.

Xu Dixin, an economist, said: "We must make a bankruptcy law for the sake of the national economy. Such a law will overcome the problems that resulted from the egalitarian distribution system. It will also help safeguard the state's property."

After the shutdown, Shenyang Mayor Wu Disheng commented: "It is natural for strong competitors to survive and for weak ones to fail. This is an economic law independent of man's will. In the past, in our socialist planned economy we used to give poorly run enterprises financial aid so they could keep operating, or merge them with profitable enterprises. But this meant that better enterprises had to subsidize the failing ones and encouraged everyone to rely too much on government support, which led to laziness and hampered workers with initiative.

"There were 3,700 collectively owned enterprises in the city. Many were poorly operated. It was impractical to try to improve

their competitiveness by administrative directives, so we decided to use laws and economic means."

Wu said the city's bankruptcy regulations would operate in three ways: Firstly, they would motivate failing enterprises because bankruptcy would not only mean that all the workers would be unemployed but the directors would all be held responsible too. Secondly, they would encourage successful enterprises, thus benefiting society as a whole. Thirdly, the rules would improve the economic order and regulate relations between debtors and creditors. The Shenyang

experience has proved the positive effect of the implementation of the bankruptcy regulations.

### Three Warnings

The city of Shenyang, one of the seven cities under the direct jurisdiction of Liaoning Province, has been granted the power to draw and carry out its economic plans independently that of the provincial government. It is one of the cities designated by the central authorities to conduct urban economic reforms on a trial basis. In February 1985, the city

government published trial regulations on the handling of bankruptcies of collectively owned enterprises.

These regulations stated that enterprises whose liabilities equalled or exceeded their assets, or whose losses amounted to more than 80 percent of the net value of their fixed assets, would be given a "warning against bankruptcy" and also one year's grace to reorganize themselves. At the end of that time if they had not improved they would be declared bankrupt.

On August 3, 1985, the Shenyang city government issued warnings to three collectively run enterprises—the Explosion-Prevention Equipment Factory, the Metal Foundry and the No. 3 Farm Machinery Plant—against bankruptcy.

Shocked by the warning, all the staff members and workers, including the directors of the factories, suddenly lost their psychological balance. Zhou Guiying, director of the Metal Foundry said: "I went home after the announcement of the warning, and took to my bed with a fever. I felt very bad. 'How could this have happened,' I thought."

A veteran worker of the foundry said: "My son and daughter-in-law are workers now, but if I become an unemployed old man, what a shame to me when I meet them."

"We have worked in this factory for more than 20 years," said a colleague. "It's not our fault. Why should we suffer bankruptcy?"

After the initial shock and depression, many workers realized they had to use the coming year to salvage their factories.

The Metal Foundry and the No. 3 Farm Machinery Plant developed effective programmes for turning their operations around. They started by doing away with the practice of "everybody eating from the same big pot" and by improving their management.

Workers at the Metal Foundry.

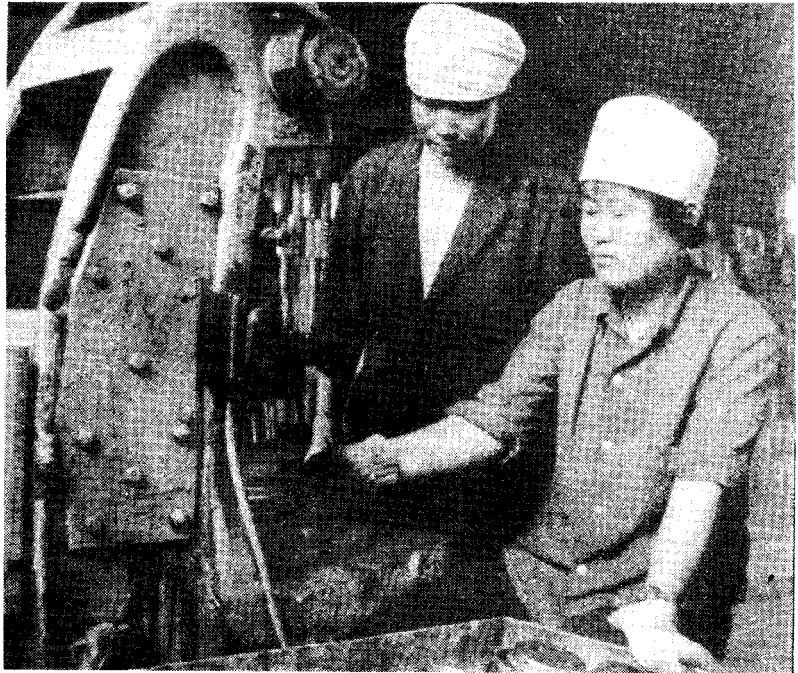


They also upgraded the quality of successful products, reduced consumption of raw materials, cut production costs, and developed new products to improve their market position. For instance, the Metal Foundry collected its used paint pails and recycled them. It also developed a new kind of solvent from polystyrene. By the end of 1985, the factory netted 15,200 yuan and its industrial output value went up to 345,000 yuan. The quality of the sealed chambers of the submersible pumps produced by the No. 3 Farm Machinery Plant had been poor, but they were quite expensive. During the crucial year, the factory improved the product's design, material and technology. As a result, sales increased and the factory registered a profit of 309,000 yuan in 1985, a record for it.

All the workers spared no effort in production. To develop the new product, the Metal Foundry had to replace its underground waterpipes. The factory's workers took over the job themselves and dug the channel without any reward. They finished the work overnight, causing no disturbance to the traffic on the road under which the pipes were laid and saved the factory 700 yuan.

During the year, the three factories were helped by the city government, whose aid packages included reducing or exempting the factories' products from general tax and value-added tax, low-interest loans from the city insurance company and extending the terms of their bank loans. All this helped two of the three factories rejuvenate.

Zhou Guiying said: "I have come to understand that the main benefit of the bankruptcy regulations is that they will force both leaders and workers to be concerned about the fate of their enterprises. This affects every individual workers, because we all realize now that if our factories go



Workers of the No. 3 Agricultural Machinery factory at work.

WANG MENGMEI

bankrupt, we will lose our jobs and will have to live on relief funds."

A worker said: "I think the bankruptcy regulations link the fates of me and my enterprise. In the past, I did not do my best and had a lot of complaints. I thought I could always have a job, no matter how well or badly I did it. I could be transferred to another factory if my factory fails. Now, it would be impossible for me to do that."

### Uneasy Feelings

There are 4,500 industrial enterprises in Shenyang city. It is common knowledge that all the enterprises, state- or collectively owned, profitable or ailing, are seriously considering what may happen to them in the future.

Ding Yi, director of the Shenyang Ganguer Brick Works, felt uneasy about the pressures on his factory. It has about 300 workers, and had run up a debt of more than 1 million yuan bringing

it near bankruptcy. In order to survive and develop, his factory would have to face the challenge, and he has the confidence that it can recover within two or three years.

The Shenyang Automobile Clutch Factory is a state-owned enterprise with about 1,700 workers on the payroll. Seven of its ten varieties of products are quality products. However, Zhang Guode, the director, is not so optimistic. He said: "The sales of car spare parts are sluggish and a mountain of them is growing. The competition is fierce. If our management is not good enough, we will face bankruptcy too. Now the bankruptcy draft law has been examined and revised by the Standing Committee of the National People's Congress. When the law is in force, we will be subjected to it. We have decided to improve our management and be ready to adapt to the new situation." ■

## Educational Reform and Outdated Ideas

"HONG QI"

(Red Flag)

China's educators are questioning traditional ideas of education. Many attempts have been made in the past to discard them but the result has not always been satisfactory. The key to the question is to get a clear understanding of what is useful in traditional ideas and what is not.

"Traditional ideas" refers mainly to ideas gained in educational practice under the influence of educators from Confucius to Tao Xingzhi (1881-1946). They also include Western ideas, especially those of the German educator Johann Friedrich Herbart (1776-1841) and some others.

Traditional ideas have the following characteristics: They (1) lay emphasis on moral as well as intellectual education; (2) attach importance mainly to transmitting factual knowledge to students, neglecting the development of their intelligence; (3) concentrate primarily on logical systems in teaching materials rather than paying heed to psychological factors in the learning process; (4) stress theoretical knowledge, neglecting practice; (5) pay inadequate attention to teach students according to their actual aptitudes and abilities; (6) consider classroom instruction the main form of teaching, and other forms as only supplementary; (7) use the "spoon-feeding" method of teaching, instead of involving students in classroom activities; (8) rely on outside pressures to motivate students rather than encouraging self-motivation; and (9) stress the role of the teacher, playing down that of the students themselves.

Obviously, these ideas contain both rational and irrational

elements. The argument that traditional ideas must be totally discarded if we are to achieve modernization is not well-grounded.

John Dewey (1859-1952) tried to discard the whole of educational practice since Herbart, with the result that students were unable to learn anything systematically. In the 1920s, a "revolutionary" approach was taken in the Soviet Union towards the traditional education of tsarist Russia, again resulting in chaos. The "cultural revolution" also proved disastrous for Chinese schools by negating traditional practices. These lessons teach us that we must distinguish the valuable from the worthless in traditional ideas of education.

In the current educational reform, particular attention should be paid to certain controversial questions. For instance, traditional ideas have drawn criticism for their neglect of students' intelligence. But some have gone to the other extreme of laying undue emphasis on developing students' intelligence. The knowledge that students acquire at college will soon become out of date after graduation, they say. But this argument does not hold

water. Albert Einstein's theory of relativity may be 80 years old, but is not out of date. A distinction must therefore be made between basic theories on the one hand and technical information on the other.

Some try to classify students into "knowledge" type and "intelligence" type, and then make comparisons. This is wrong. Intelligence is the ability to use knowledge. Without knowledge, there can be no intelligence. Because of the incorrect emphasis, quite a number of college students are reluctant to work hard.

Whether a student should become a specialist or generalist is another question. In the past, specialist education was advocated and broader education criticized. That was incorrect, but it is no more correct to try to replace the former with the latter.

Despite some problems in China's system of assigning jobs to college graduates, most students receive training geared to their future jobs. Specialist education is hence more appropriate to the country's needs than a broad education. Specialists of course encounter difficulties as modern science advances on all fronts. But all-rounders too can run into difficulties if they lack special knowledge and skills. So the best education should produce "all-round" specialists.

## No Need to Build a Temple in Natural Reserve

"ZHONGGUO KEJI BAO"

(China Gazette of Science and Technology)

Temples have been built on China's famous mountains since ancient times. There were good reasons for that. But these temples were seriously damaged during the 10-year "cultural

revolution." Those in some scenic spots have been renovated in recent years so that people can again see China's ancient architecture and sculpture. This is all well and good, of course, but there are some strange things going on.

According to a recent news item, a certain cultural department has begun to repair the



Jingding Temple in the Natural Reserve of Mount Fanjing, spending 700,000 yuan (about US\$200,000) on it. Mount Fanjing, the highest peak in the Wuling Mountains, is situated in the northeastern part of Guizhou Province. Covered with more than 40,000 hectares of forests, the region is rich in flora and fauna such as snub-nosed monkey, a rare animal to be found only in China; and big rare tracts of plants such as dove trees and Chinese little leaf boxes, both seldom seen in other parts of China. Since 1978 Mount Fanjing has been a natural reserve and an administrative department has been set up there.

During the period of the Ming Dynasty (1368-1644), Mount Fanjing had a number of temples on it such as the Huguo Temple, the Baiyun Temple and the Zhonglin Temple. These temples have in fact had no worshippers for a long time because they survive now only as place names. So it is a little hard to understand why this cultural department made up its mind to repair (or rather to rebuild) the Jingding Temple at enormous expense.

It is said that the real intention of the "renovators" is not to attract pilgrims to the temple at all but to use it as a pretext for building hotel facilities for tourists.

According to the regulations, the purpose in setting up reserves is to protect nature and the environment, to save species that face extinction, to carry out scientific research, and to study ways and means of making rational use of natural resources. Generally speaking, natural reserves don't have a responsibility to develop tourism and in fact the establishment of board and lodging facilities is forbidden. Mount Fanjing occupies an important position in local agriculture. If a considerable tourist trade were to result in the destruction of the mountain forests and the pollution of the

water, that is a consequence too ghastly to contemplate.

Moreover, the snub-nosed monkey would be placed in a precarious situation. Snub-nosed monkeys are at present fully protected, their total number being only about 500 on Mount Fanjing. No zoological garden in China or the world has been able

to breed them. For this reason alone, experts have said Mount Fanjing is not suitable for tourists.

If the cultural department mentioned above is sincere and wholehearted about investing in Mount Fanjing, it should concentrate on managing the natural reserve itself and building it up, and never mind about temples.

## Old People's Home for Foreign Residents

### "RENMIN RIBAO"

(People's Daily)

The Harbin foreign residents' old people's home in northeast China was built in 1954. Over the past 30 years, nearly 1,000 people from 33 countries have spent their remaining years in this home. Today 13 old people, mostly widows and widowers from Japan, the United States, Korea and the Soviet Union are being taken care of by Chinese staff. The oldest is 86 years old.

The home is made up of houses with courtyards and gardens. Two people share one well-furnished 18-sq.m. room. The dining-room serves both Chinese and Western dishes prepared by good cooks. Although they are far away from their native countries, the old folk observe their own festivals, including religious festivals. The staff also arrange birthday parties for them at which they sing and dance. "We have festivals every month," says one resident.

To make their life more interesting, the home buys foreign-language books and magazines. Residents may watch TV, play games such as table-tennis, visit the Songhua River, watch ice-lantern shows, go to the cinema or meet children and young people. In 1985, a nursery was set up within the grounds of

the home so that the old people could visit it.

To look after their health, the home is staffed with a doctor, a nurse and a medical orderly. Last year, 66-year-old Tamada Yoshiko became paralysed on one side. She was given first-aid treatment and specialists from a hospital came to examine her. Thanks to the prompt treatment she is now well again.

The old people have formed deep friendships with their Chinese attendants. They also look upon China as their second home. An American woman and her baby daughter were deserted by her sailor husband 40 years ago. Some time ago, an official from the American embassy came to the home to invite the two women to go to the States. But they were unwilling to leave, saying, "We better stay. Here we are well taken care of. We like this place." Kamei Mitsuko of Japan and her Chinese husband Guo Youshui both live at the home. Several years ago she returned to Japan to visit her relatives and friends. They asked her to stay, but she was anxious to get back after a brief stay of three months. "I feel at home here, not in Japan." Natya, a Russian, said on her 84th birthday, "I have believed in God all my life. It seems God failed to give me a happy life. Now I'm really happy." ■

# Economic Relations in Prospect

**S**handong Province will host a foreign economic relations seminar next February at the coastal city of Qingdao. More than 400 import and joint venture projects will come under discussion.

Topics will include upgrading small and medium-sized enterprises, developing agricultural, mineral, marine and tourist resources, and constructing open cities along the seacoast.

**Technical upgrading:** During the Seventh Five-Year Plan period (1986-90), Shandong Province will improve the competitiveness of a number of its small and medium-sized enterprises by injecting foreign funds and technology. The emphasis for the machine-building industry will be on importing design and manufacturing technology and equipment for digitally controlled machine tools, hydraulic equipment, energy-efficient transformers, electrical machines, meters and instruments. The electronics industry will concentrate on the manu-

facturing technology for parts and components, computers and telecommunication equipment, and key electronic equipment and surveying instruments. Light industry will look to import advanced technology and key equipment for paper making, food processing and packaging, plastics processing and leather tanning. The chemical industry is interested in introducing advanced technology for production involving petrochemical, coal chemical, marine chemical and rubber chemical resources.

### Development of the Yellow River delta:

The Shengli Oilfield produced 27.03 million tons of crude oil in 1985. Its output is expected to reach 50 million tons by 1990 and equal the Daqing Oilfield—China's largest. By the end of the century, Shengli will be turning out 100 million tons of crude oil. On the other hand, the vast alluvial plain, measuring hundreds of thousands of hectares, can be turned into a production centre for agricultural,

timber and animal products. Shandong Province is ready to cooperate with foreign firms to develop this area under preferential conditions.

### Coastal cities and tidal flats:

Qingdao and Yantai will become the "windows" for technology imports and general centres for foreign trade. They are, at the same time, famous tourist resorts. Aquacultural, fishing and fish processing technology will be introduced to reclaim the 3,000 kilometres coastline and its tidal flats.

To facilitate investment, the Shandong legislature early this year issued provisional stipulations on land administration, enterprise registration and labour management. For instance, every square metre of land will cost 1-1.2 yuan (US\$0.3) for industrial enterprises, 11-15 yuan for commercial establishments, and 0.3-0.4 yuan for open-air amusement centres, cultivation and stock-breeding. The time limit on factory leases will go up to 40 years; commerce, service trade and cultivation 20 years; culture, education, scientific research, health, ware-housing and office buildings 50 years; and on tourist facilities 30 years. Contracts can be renewed to extend the time limit. Land leasing costs can be reduced if the land is used for projects that are urgently needed, and can be exempted altogether for non-profit-making establishments engaged in culture, education, health or scientific research. Land rents will be cut by 30 percent, 20 percent and 10 percent for enterprises which invest in 1986, 1987 and 1988 respectively, and will be exempted from land charges after five, four and three years of investment respectively.

The Shengli Oilfield's computer centre is used in seismic prospecting, and oil-well testing and drilling.



WU ZENGLIANG

## Sino-US Co-production

United Technologies Corp. of the United States and China Aero Technology Import and Export Corp. signed a contract on August 11 for a total of US\$150 million to co-produce FT8 industrial gas turbine engines.

Under the contract, China will purchase 37 FT8 gas turbine packages over the next 10 years. The FT8 units will be produced by Pratt & Whitney and the Elliott Co., of Jeannette, Pennsylvania, USA, a wholly owned subsidiary of United Technologies Corp., while some of the components for the project will be manufactured in China.

"The FT8 project will combine the expertise of United Technologies in engine-technology and its experience of the industrial gas turbine with China's low-cost manufacturing capability to produce a state-of-the-art gas turbine at an economical price. Through this programme, we will have an opportunity to invest in China's future," said Frank Bruno, general manager and chief operating officer of the project.

## Army Export Commodities Fair

The Xinxing Co. of the Chinese People's Liberation Army has successfully held its first export commodities sales exhibition. From August 14 to 23 it signed US\$40 million worth of contracts with businesses in more than 30 countries and regions (Hong Kong and Macao).

Established two years ago, the Xinxing Co. boasts 1,000 army enterprises, large numbers of farms, horse farms, mines, hospitals, research institutes, various kinds of infrastructure facilities and a strong construction capability. In recent years, army factories and research institutes have shifted to producing civilian

articles, whose percentage share of total production has risen from 36 percent in 1985 to 50 percent. "This fair is a present we offer to the International Year of Peace," said Hong Xuezhi, deputy secretary general of the Central Military Commission.

The Xinxing Co. supplies more than 5,000 commodities to the domestic market. Of these, more than 3,000 are also exported. Its motorcycle engine and hydraulic oil pump are both winners of State Gold medals. The Jieyin medicated toothpaste, researched by the No.1 Military Medical College and manufactured in Guangzhou, sold 150 million pieces on the domestic market in the last three years. It is also exported to Singapore, Malaysia, New Zealand, Hong Kong and Macao. The multi-functional massage chair from an army factory in Tianjin, the Yuexian brand electric fan from a naval factory, the hops, licorice roots and leather and hide from Xinjiang army farms, simulators for training car drivers and other training apparatus drew the attention of many foreign businesses.

Wearing a smart Western suit, Zhang Zhuqiao, general manager of the Xinxing Co., told *Beijing Review*, "My company is a new company. Friends and markets are more important to us at this exhibition than volume of business. Army factories and technologies have enormous potential. We are looking to develop extensive co-operation and trade with domestic and foreign clients, including direct orders for export commodities, processing and assembling. We are also looking to export labour through joint ventures, compensatory trade and co-production."

The Xinxing Company's export list includes military supplies (equipment, clothing, footwear headgear, tents and cooking utensils), machinery, tools, meters, instruments, grain, edible oil, food, animal by-products,

medicines, metals, minerals, chemicals, light industrial articles, textiles and new products of scientific research. Imports will be made of advanced technologies including military computers, also production equipment with maintenance guarantees. Testing equipment and research equipment office automation and audio and video educational facilities, construction machinery and medical apparatus are all of interest. ■

## Non-Ferrous Metals Symposium

China National Non-Ferrous Metals Industry Corp. will sponsor a trading and project exposition in Essen in the Federal Republic of Germany from November 17-27.

Presentations will be made at the symposium on China's rich non-ferrous metal resources, the developing non-ferrous industries, and export items and technology.

China expects to discuss the following export items: tungsten concentrates and their products, molybdenum concentrates and their products, tin ingots and tin alloys, antimony and its products, mercury, cadmium, germanium, gallium, indium, silicon metal, arsenic and arsenic trioxides, rare earth chloride and rare earth oxides.

Imports to be discussed at the symposium include alumina, zinc, copper, copper concentrates and copper scraps.

During the exhibition, China will offer a number of non-ferrous metal engineering projects to foreign investment, foreign loans and compensation trade.

An official of China Non-Ferrous Metals Industry Corp. said that the Essen exposition is expected to promote trade and technical co-operation between China non-ferrous metal industries and foreign countries. ■

by Yue Haitao

## US Opera Ambassadors Win Chinese Fans



Mezzo-soprano Joann Grillo.

GUO CHUNNING

The operatic whirlwind fanned by world renowned Italian singer Luciano Pavarotti Last June and July in China has been added to by 14 famous American singers during the latter's two-week tour in late August.

At their opening concert on August 20 in Beijing, the 2,700-seat theatre of the Beijing Exhibition Centre was packed. Among the talented artists of the Ambassadors of Opera and Concert Worldwide Ltd. on stage that evening were mezzo-soprano Joann Grillo, soprano Teresa Kubiak, soprano coloratura Barbara Segal, tenor Richard Kness and tenor Edgardo Sensi. They brought artistic enjoyment to audiences in the capital with their rich and colourful repertoire which included arias from operas such as Bizet's *Carmen*, Puccini's *Madame Butterfly* and Verdi's *La Traviata* and Broadway revues like *Oklahoma*, *Tales of Hoffmann* and *South Pacific*. Every piece of the programme won warm applause.

Joann Grillo, head of the Ambassadors of Opera, sang with

confidence to add to her spectacular international career.

The brilliant performance of soprano Teresa Kubiak, who has won prizes in the prestigious Tchaikovsky Competition in Moscow as well as at the international competitions in Munich and Toulouse, included

"Dich teure Halle" from Wagner's *Tannhauser*, "Czardas" from Strauss' *Die Fledermaus* and other arias.

Tenor Richard Kness, co-administrator of the Ambassadors of Opera, won the audiences' heart by his superb vocal technique. He sang with ease in his different roles in *Pagliacci* and *Oklahoma*.

Richard Vernon, the bass, also fascinated Beijing listeners with his commanding voice.

The Ambassadors of Opera and Concert Worldwide Ltd. was formed in 1982 mostly by artists of the Metropolitan Opera in New York. Since then the ambassadors have toured many parts of the world. In 1984 they visited 16 countries and gave 65 performances. They come to the Far East and the Asian-Pacific area every year. These ambassadors travel in order to popularize opera and music. Wherever they go, they give concerts or put on complete operas, and coach local singers and musicians. As a result people are brought together and there is better understanding and friend-

**A mixed chorus "Climb Every Mountain" by members of the Ambassadors of Opera at the end of their premiere.**

GUO CHUNNING





ship between peoples of various countries using music as an international language. They are hailed as a cultural peace corps.

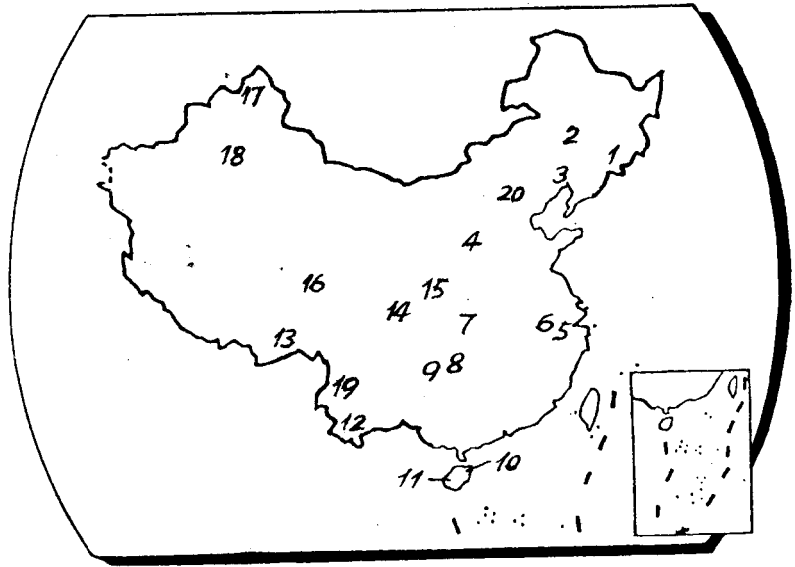
The success of the Ambassadors of Opera cannot be separated from Joann Grillo. Since she began her career at the age of 19, she has worked with the Metropolitan Opera for many years. As a child, she loved to sample the whirling sights and sounds of Chinatown in New York and has always been attracted to the Orient. The success of her Hong Kong visit in 1978, and then in 1981 together with her husband Richard Kness, strengthened her faith in Western opera performances in the East. Last year the couple came to China to teach opera singing. Joann Grillo told the press the day before the first concert that she hopes Chinese and American singers can get together to put on a joint production of *Carmen*.

Sponsored by the United Airlines and Philip Morris Asia Inc., this is the Ambassadors' fourth Far Eastern tour. On their present tour they visited Hong Kong, Bangkok and Manila before coming to China. ■

## State Names New Nature Reserves

The Chinese government recently designated 20 new nature reserves in a move to bolster protection of the country's ancient forests and wildlife. This increases the number of state reserves to 30.

The 20 new reserves (see sketch map) stretch from Jilin Province in the northeast to Hainan Island in the south, from the Xinjiang Uygur Autonomous Region in the west to Anhui Province and Beijing the capital in the East. One of them, the Changbai Mountains reserve in Jilin Province, northeast China, contains 1,600 species of plants and 300 species of animals.



The 20 newly-designated state nature reserves are:

1. Changbai Mountain, 2. Xianghai, 3. Yiwulu Mountain, 4. Pangquangou, 5. Tianmu Mountain, 6. Alligator, 7. Shennongjia, 8. Badagong Mountain, 9. Fanjing Mountain, 10. Dongzhaigang, 11. Datian, 12. Xishuangbanna, 13. Motuo, 14. Tangjiahe, 15. Taibai Mountains, 16. Longbao, 17. Hanasi, 18. Bayinbuluke, 19. Gaoligong Mountain, 20. Songshan Mountain.

The Shennongjia nature reserve in Hubei Province, central China, covers an area of 90,000 hectares (223,200 acres), and in it are to be found snub-nosed monkeys, tufted deer, crimson-bellied tragopans, Reeves's pheasants, giant salamanders and rare trees such as the Chinese dove tree, *dipelta floribunda*.

The Motuo nature reserve in Tibet contains within it temperate and tropical zones and is of great value for scientific research in the ecological systems of different climates.

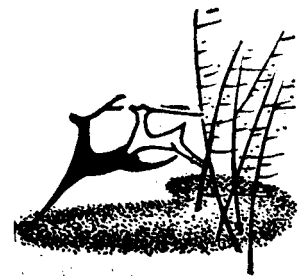
These reserves were chosen from 292 distributed around the country after evaluation and consultations between the Ministry of Forestry and local governments.

The establishment of these nature reserves will provide a more secure living and growing environment for rare species, such as red-crowned cranes, pandas, snub-nosed monkeys and various precious plants, many of which

exist only in China.

Forest and wildlife conservation is still very weak in China. Many natural resources are shrinking at an alarming rate and some rare animals and plants are facing extinction.

China's first nature reserve was established in 1956. By the end of last year, the number had increased to over 300, with a total area of 16.7 million hectares (41.4 million acres), or 1.7 percent of the nation's territory, which is far below the world average of 2.7 percent. ■



## Chinese University Games

The Second University Students Games of the People's Republic of China closed on August 9 in Dalian, Liaoning Province. Participating were 2,228 athletes from 29 provinces, municipalities and autonomous regions. The games saw about 200 records broken.

Competing in basketball and track events among four groups—ordinary universities, normal schools, sports and physical culture institutes and secondary vocational schools—Beijing got the most gold medals of the four, followed by Liaoning Province and Shandong Province.

The cost of the games is estimated at over 10 million yuan, though the state earmarked only 2 million yuan to it. The group callisthenics performance at the opening ceremony alone cost 300,000 yuan. The coastal city of Dalian went all out for this sports event. During the week-long games, banners and posters were to be seen everywhere in the city, buses were free for people involved in the games, and bookshops gave 10 percent discount on books bought by athletes. Most of all, a week of rain stopped on the opening day, August 3, the sun shining until the games finished.

In comparison with the first games held in Beijing in 1982, this second meeting showed the top teams closely-matched. Liaoning Province won 30 golds, only three gold medals short of the champion Beijing. However, teams from the southwest and northwest still lag far behind. Among the 2,000-odd athletes, nearly 100 are Ph. D or graduate students, 530 top students and 600 student leaders. The third feature of the games, perhaps the most remarkable, was the participation of many retired athletes from provincial and national teams, who are now college students. In fact, these

athletes chalked up most of the records. In the single-round-robin basketball event, for example, Liaoning men's team, spearheaded by No.6, former national basketball player, trounced all its opponents on the way to the gold.

Sponsored by the State Commission of Education, State Physical Culture and Sports Commission and the Central Committee of the Chinese Communist Youth League, the games are intended to promote the sports movement in China's colleges and universities. The reason is all the more obvious for in China, intellectuals, including would-be intellectuals, have long been regarded as physically weak. So the speech made by Vice-Premier Li Peng, also minister of the State Commission of Education, is entitled "Today's College Students Need To Be Strong in Health."

As the competition for college entrance gets more intense and high-school students are always overloaded with home-work, many of them are not strong enough to cope with the class work when they enter college. And poor health often leads to psychological problems and even mental disorders. According to one authority, physical culture might one day

be part of entrance examination courses. Against the belief that physical training may take too much of the time of a student or is simply a waste of time, Zhang Shuguang, captain of Jilin basketball team, also a Ph.D student at Jilin University, said he owed half of his academic success to his sports enthusiasm. He said physical training was not merely for building the body, but also to build up the psychological balance and self-confidence of a person.

Two American students, Susan Brownell and James Thomas from Beijing University and Beijing Normal University also took part in the games. Miss Susan Brownell from California, was placed fourth in the pentathlon of the American National Collegiate Athletic Association track event in 1980. This time she added one gold medal to the Beijing delegation with 5,119 points.

According to Zhang Yingwu of the Chinese Communist Youth League Central Committee, the games will not only be a stimulus to the sports movement in the universities, but also one to advance the construction of sports facilities in Dalian by five to ten years.

The Third University Students Games are to be held in Nanjing in 1990, in which gymnastics, swimming and some other ball games will be added to the current two events of track and basketball. ■

by Zhao Zonglu

American overseas student Susan Brownell takes the lead.





Winter in the North.

*Zhou Shenghua*

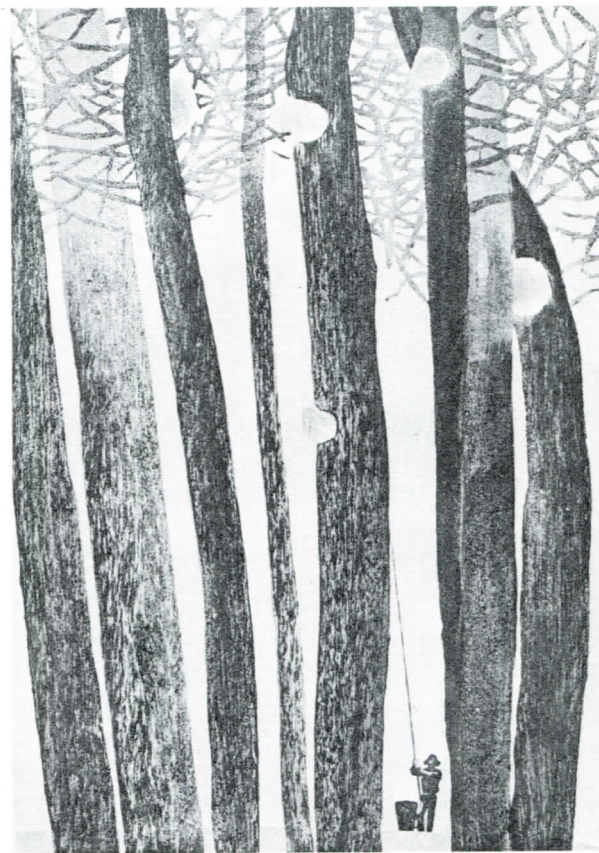
## ART PAGE



Homecoming.

*Yang Shaojun*

Gathering Edible Herbs and Fungi on a Mountain. *Hao Boyi*



### Woodblock Prints From Northeast China

These woodblock prints, done by amateur artists of the reclamation area in China's northeastern Heilongjiang Province, have a strong artistic appeal, reflecting the tillers' everyday life.



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