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## Zhao: No Change in Party Policies



### Tertiary Industry on the Rise



Deng Xiaoping

*Yang Shaoming*



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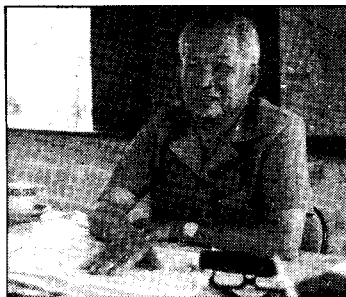
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## HIGHLIGHTS OF THE WEEK



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### No Change in Party Policies

■ Addressing a recent Spring Festival get-together in Beijing, Zhao Ziyang ruled out the possibility of a political campaign against liberalization and reaffirmed Party leadership as the core of power in the country (report on p. 6 and full text on p. 26).

### Deng's Speech on the Four Principles

■ Text of a speech by Deng Xiaoping eight years ago in which he first expounded the four cardinal principles stressing their absolute necessity (p. 29).

### Viet Nam Urged to Withdraw

■ In interviews with *Beijing Review* correspondent towards the end of last year, leaders of Democratic Kampuchea Khieu Samphan and Son Sen analysed the situation in their country and called on Hanoi once again to accept the 8-point proposal for a political solution to the Kampuchean question (pp. 16-17).

### Greeting the Year of Rabbit

■ As the clock struck 12 Midnight on January 28, the Chinese people saw off the Year of the Tiger and welcomed the Year of the Rabbit amidst a prolonged, deafening burst of firecrackers and fireworks. What better way to enjoy Spring Festival than to relax with one's family, join in parties and games, or even get married! (p. 5).

### Tertiary Industry Takes Off in China

■ Since the early 1980s, China's flagging tertiary industry has begun to revive with the development of the socialist commodity economy, the need to improve people's living standards and the adoption of flexible policies and measures. However, further efforts are necessary to develop the tertiary industry at a rate commensurable with that of the primary and secondary industries (p. 18).

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# Policies Unaffected by Expulsions

by An Zhiguo

Over the last few weeks, three well-known Chinese intellectuals — Wang Ruowang, a Shanghai-based writer, Fang Lizhi, an astrophysicist and recently dismissed vice-president of a Hefei university, and Liu Bingyan, a writer and reporter working for the *People's Daily* in Beijing — have been openly criticized and expelled from the Communist Party of China (CPC). Expulsions of disqualified members are part of normal Party life. During the past year, the CPC has expelled hundreds who were found guilty of corruption or political degeneration. But it was the Party's handling of these three people who were charged with advocating "bourgeois liberalization" that has drawn much comment from the Western media.

Some newspapers described it as a "crackdown on liberal critics," "an assault on intellectual freedom," and an attempt to "control dissent" and "mute pro-democracy opinions." In my opinion, these are misinterpretations of events and are based on an instinctive sympathy for any proponents of capitalism that emerge in a socialist country.

What is meant by "bourgeois liberalization?" A resolution adopted by the CPC Central Committee last September defines it as "negating the socialist system in favour of capitalism" — a transgression for which Wang, Fang and Liu have been criticized.

In the last few years, Wang wrote a number of articles and made speeches on many occasions attacking socialism and praising capitalism. At a forum in Hangzhou last year, he described China's socialist system as an "illusion," saying that the capitalist mode of production is something "most badly needed in China."

Fang also made many speeches against socialism at universities in Beijing, Shanghai, Hangzhou, Ningbo and Hefei. In a speech at Ningbo University last November, he said that "the orthodox socialism, from Marx and Lenin to Stalin and Mao Zedong, as it has developed into what it has become today, is a total failure."

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## *China's major policies remain unchanged as it carries on a struggle in political and ideological spheres within the Communist Party.*

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He called for "total Westernization," "including Westernizing China's political system and ownership [of the means of production]." (For details, see *Beijing Review*, No. 4, pp. 6-7)

Liu attacked socialism and other cardinal principles advocated by the Party, calling them "outdated," "conservative," and "even reactionary." (For more details, see pp. 8-9)

The three were also censured for attacking the leading role of the CPC and other activities. For example, Fang Lizhi was condemned for inciting student unrest because of his demagogic speeches on the campuses.

The CPC never imposes communist doctrines on anyone, nor does it force anyone to join the Communist Party. Wang, Fang and Liu were admitted into the Party only after they had applied for membership. Now they have gone back on their pledges of loyalty to the Party, and have violated Party Constitution and Party rules and discipline, their expulsions thus became inevitable. Nevertheless, the CPC will

continue to help them correct their mistakes and do useful work in their field as honest citizens.

The criticism and expulsion of the three was long overdue. The delay was a manifestation of a recent lack of firmness on the part of certain party organizations and comrades in dealing with an issue of major political principle. Yet the handling of the three cases at more or less the same time have aroused suspicion that the CPC is planning a purge of intellectuals.

Recent statements by Party leaders have made it clear that only those who defied Party discipline, made serious mistakes and caused great harm, should be punished by the Party. Such people are extremely small in number.

China will continue to implement its policy towards intellectuals and follow the policy of "letting a hundred flowers bloom, letting a hundred schools of thought contend." But all debate and activity should be conducted within the confines of the Constitution and the law.

China will keep its doors still more widely open and carry on its economic and political structural reforms. The fight against "bourgeois liberalization" will only be waged within the Party, mainly in political and ideological spheres. Experiments in the economic reforms, such as the shareholding system and the renting out of smaller state enterprises to collectives and individuals, should go on and will not be misconstrued as "bourgeois liberalization."

Extreme measures will not be taken to combat harmful trends. The CPC and the Chinese people have suffered too much from excesses in previous political movements to ignore their historical lessons.

## Greeting Year of Rabbit

For several days, the entire nation was full of cheer, with laughter, the aromas of wine and special holiday food and the deafening sound of fireworks permeating the air. In traditional forms, the Chinese people celebrated the coming of the Year of the Rabbit, the first day of which, on the Chinese lunar calendar, falls on January 29 this year.

Artists had prepared colourful performances for holiday makers and almost all theatres had scheduled plays, concerts, dancing and various kinds of local operas. The Central Television Station presented a 4.5 hour-TV programme which attracted more than 400 million viewers across the country on the eve of the Spring Festival.

The festival atmosphere this year was intensified by busy shoppers in food stores, department stores and groceries, as fish, fruit, meat, clothing and electrical household appliances appeared in abundance on markets.

According to Beijing municipal commercial department, 130,000

kilogrammes of fresh pork were sold every day, 80,000 kilogrammes more than usual. And 5 million kilogrammes of aquatic products appeared on the market. People stood in line to buy luxury food items such as sea cucumbers and squid, which they seldom consume at ordinary times. A retired woman in a market said her family of six would spend 200 yuan for the festival — the equivalent of half of her family's total monthly income.

With gifts in hand, and wearing new clothes, some Beijing residents visited relatives and friends while thousands of others flocked to traditional fairs held at the city's temples.

Fairs of this type date back to the Ming (1368-1644) Dynasty. At that time, there were more than 2,700 temples in Beijing where annual festivals were celebrated. "The temple fair is an example of our efforts to revive the capital's colourful traditions," said Chen Haosu, vice-mayor of the city.

This year's fair at Ditan park in the northern part of the city where



Granny and me at a temple celebration.

the ancient emperors of China used to offer sacrifices to the earth deity was larger in scale and presented greater variety than in the two previous years. There were more than 500 stalls in the park with some 1,000 different items of local delicacies to sell and traditional arts performances to show. Visitors were attracted by whistling windmill toys, magicians and clowns, while their appetite responded to the variety of traditional foods, including *Guanchang*, sausage casing stuffed with tasty batter. Fair-goers could also watch artisans making clay figures, listen to storytellers and sample typical north China delicacies.

Lively fairs were also held at Baiyunguan Taoist Temple in western Beijing and at the Grand View Garden in the Xuanwu District.

Farmers, in their bright coloured costumes, perform a lion dance at the Longtan Lake Park.



Listening to a cross-talk: A laugh for everybody.





A grand Spring Festival gathering at the Great Hall of the People.

In the evening, a grand spring festival gathering was held at the Great Hall of the People. More than 20,000 Beijing residents, including Chinese Party and state officials, tried their skill at electronic games, enjoyed theatrical performances, or got involved in chess or bridge games.

At the time when people on

both sides of the Taiwan Straits celebrate the lunar New Year, the All-China Federation of Taiwan Compatriots sent a message of greetings to Taiwan residents, saying, "We sincerely hope people on both sides of the straits would strengthen contacts, understanding, and friendship in various ways."

## NPC Schedules A New Session

The fifth session of the Sixth National People's Congress (NPC) is to be held on March 25 this year. The decision was made on the closing day of the 19th meeting of the NPC Standing Committee in Beijing on January 22.

The proposed agenda of the session includes hearing the government's work report, reviewing the plan for 1987 national economic and social development, and examining the implementation of the 1986 state budget and approving 1987 state budget.

The session will also examine a draft law on state-owned industrial enterprises, and a draft decision on the number of deputies to be elected to the Seventh National People's Congress and other electoral matters.

A decision to reinforce legal education and maintain stability and unity was adopted at the meeting, which says, "All Chinese government institutions and state functionaries shall strictly abide by the law, respect and protect the

## No Political Campaign to Be Launched

China will not launch a political movement to oppose bourgeois liberalization, said Zhao Ziyang, acting general secretary of the Chinese Communist Party Central Committee and premier of the State Council while addressing a Spring Festival gathering at the Great Hall of the People on January 29.

Zhao said, the current work of opposing bourgeois liberalization "will be strictly limited within the Chinese Communist Party and will be mainly carried out in the political and ideological fields. Nothing of the sort will be

conducted in rural areas while in enterprises and institutions the task will be handled in the form of study and self-education."

He added, "Just like reform, and the implementation of the policy of opening to the outside world and invigorating the domestic economy, the struggle against bourgeois liberalization calls for long and sustained efforts."

Even in the political and ideological fields, he added, opposition to bourgeois liberalization is, in essence, centred on education in political orientation and principles."

He said, "In accordance with the Party Constitution, disciplinary action will be taken against a very limited number of Party members who have committed serious mistakes causing grave consequences and yet refuse to observe Party discipline."

He stated, We will not hurt, but will sincerely try to unite, the overwhelming majority of people."

Zhao said, comprehensive reform, opening to the outside world, invigorating the domestic economy, as well as the policy of respecting knowledge and trained personnel will not be changed, and instead, we will work hard to make them better. ■

rights to freedom and democracy provided by the Constitution, and no one shall, by any means, disturb the social order, work, production, teaching, scientific research or the social aspects of people's daily life."

The decision stated that the move is aimed at "developing socialist democracy, improving the socialist legal system and maintaining political stability and unity so that economic and political reforms can be carried out in a systematic way under the leadership of the central authorities."

Upholding the four cardinal principles (adherence to the socialist road, the people's democratic dictatorship, leadership of the Communist Party, and Marxism-Leninism and Mao Zedong Thought) is the common political base for uniting the people of all ethnic groups in their development, the decision said.

"Democratic elections," it noted, "are the basis for pursuing the principle of democratic centralism in state organs as is stipulated in the Constitution."

The decision criticized practices in some localities where people's congresses have not been given adequate power to perform their duties, and where some leaders persuaded voters to elect or not elect certain candidates or even refused to list candidates nominated by voters. "All these practices are in violation of the Constitution and relevant laws and must be corrected," the decision said.

The state protects the freedom and rights of citizens with regard to speech, publication, assembly, association, parade and demonstration. But these rights should not be used to affect the interests of the state, society, collectives and individuals, the decision noted.

It reaffirmed the prestige of the socialist legal system, citing a provision in the Constitution that

says "no organizations or individuals have the right to override the Constitution and the laws, and any act in violation should be dealt with accordingly."

Also approved at the meeting was a new customs law. "The old provisional customs law promulgated in 1951 will be nullified when the new law goes into effect on July 1," the NPC Standing Committee announced. ■

## Prices to Be Kept Stable in 1987

**C**hina's State Council has ordered tighter control to keep prices basically stable this year.

In a circular issued on January 14, the State Council said that commodity prices are a matter of principal concern to China's overall economic and social stability and to the immediate interests of the masses.

As an important step in keeping prices stable this year, the authorities in major grain-producing areas may set ceilings on the prices of grain they buy from local markets. State and collectively owned grain purchasing agencies may not raise purchase prices without approval.

"The authorities in major cities should ensure the production and supply of non-staple food in order to keep retail prices basically stable," the circular said. Authorities in big cities like Beijing, Shanghai and Tianjin may set ceilings on retail prices of major non-staple food items such as meat and eggs, it added.

This year, the circular said, the government will not increase the number of goods whose prices are determined by market forces, meaning those prices that are allowed to fluctuate solely according to market demand. Neither will the number of goods whose prices are allowed to float within a

range set by the government be increased.

An official of the State Price Administration (SPA) said on January 16 in Beijing that to realize a basic balance between supply and demand, the state will enhance and improve the management of the national economy. The scale of investment on capital construction and the issue of currency will be tightly controlled. It is most important to keep prices basically stable.

To stabilize retail prices, the official said, prices of all products will be kept at their present level except those of a few products which are abnormally low and would otherwise seriously affect production.

Recently, a rumour spread in some places saying that prices of many commodities will be raised from January 1 this year. "That is a false statement which is just a conjecture on the part of some people," the official pointed out.

Prices of goods in free markets are adjusted mainly through supply and demand factors, so it is difficult to control them. But if they are raised too high, departments in charge of commodity prices will interfere.

The State Council's circular also called for a nationwide clampdown on illegal charges and price hikes and the establishment of a national price inspection system to protect consumer interests. Raising prices without approval will be severely punished, the SPA official warned. ■

## Wang Meng: Cultural Policies to Continue

**T**he Party's principles and policies on literature and art followed since the Third Plenary Session of the 11th Party Central Committee in 1978 will remain unchanged, said Minister of Culture Wang Meng at a meeting

attended by directors of cultural departments of various provinces, municipalities and autonomous regions.

The meeting was held from January 17 to 24 in Beijing.

"In the current struggle against bourgeois liberalization," Wang said, "it is natural for people to show concern for whether the Party's principles and policies on literature and art will change. In my opinion, the principles and policies adopted by the Party at the Third Plenary Session of the 11th Party Central Committee will remain unchanged."

He reiterated the principles and policies he stressed at a similar meeting held in July last year. These include upholding the orientation to serve the people and socialism, upholding the principles of letting a hundred flowers bloom and a hundred schools of thought contend, guaranteeing freedom in writing and academic discussion and encouraging exploration and creation of new things and enhancing the people's enthusiasm to keep forging ahead; taking social results as the highest criteria for literary and art work; encouraging and commenting on literary and art works that are conducive to socialist economic construction and the development of socialist ideology and culture, criticizing works that advocate wrong and vulgar ideas and suppressing works that contain pornographic and reactionary contents; and upholding the principles of making the past serve the present and foreign things serve China, inheriting and assimilating the outstanding achievements in foreign literature and art and making efforts to foster a socialist literature and art with Chinese characteristics.

At the recent meeting, the minister explained, "These policies are consistent and form a whole. It is what runs counter to the Party's principles and policies on literature and art that we are opposed to."

He said, "We should learn from the advanced science, technology and managerial know-how as well as the outstanding cultural achievements of capitalist countries. But in no way should we take the capitalist road. 'Complete Westernization' is absurd in theory and harmful in practice. It can never be implemented in China."

Wang stressed that Chinese writers and artists should boldly uphold the four cardinal principles, adopt a clear-cut attitude in opposing bourgeois liberalization, and make efforts to safeguard the social and cultural atmosphere which is characterized by unity, democracy and harmony, so as to promote the long-term and steady development of cultural undertakings. He called on writers and artists to pay attention to the social results of their works and play a greater role in fostering with their rich, colourful and healthy works a new generation of people with lofty ideals, sound morality, cultural knowledge and a sense of discipline.

The minister also outlined the following programmes for 1987:

- The reform of performing art troupes should aim at breaking with extreme egalitarianism, enhance the enthusiasm and creativeness of the artists and raise the vitality of performing art troupes. In concrete terms, the aim is to delegate more decision-making power to art troupes, reduce the size of staff, change the wage system, etc.

- A national art festival will be held in the latter half of this year to stage outstanding programmes with strong national and local flavour in connection with economic and tourist activities and sport competitions.

- People will be provided with a richer and more varied cultural life in their leisure time through concerts, tea parties, dances, video tape shows and park activities.

- Attention will be given to implementing state laws and decrees on the protection of cultural relics and actively strengthening the use and management of cultural relics.

- While ensuring the implementation of inter-governmental agreements for cultural exchanges, efforts will be made to increase the number of commercial performances by Chinese troupes in foreign countries.

- State prizes will be issued to outstanding literary and art works on an experimental basis. ■

## Journalist Loses Party Membership

Liu Binyan, a staff reporter of *People's Daily*, organ of the CPC Central Committee, and vice-chairman of the Chinese Writers' Association, was expelled from the Chinese Communist Party, according to a decision by the Party discipline inspection committee of the newspaper.

The decision, which was announced on January 24 by the Party branch to which Liu belonged, was reached because Liu Binyan made speeches and wrote articles on many occasions in violation of the Party Constitution, discipline and resolutions. He negated the four cardinal principles and, instead, trumpeted for bourgeois liberalization.

The decision pointed out that Liu attacked the four cardinal principles as "outdated, rigid and dogmatic concepts and wornout phrases that have led China to calamities several times." He also said that the principles are very good in wording but conservative and even reactionary in content.

Liu attacked Marxism to which the Party adheres as "outdated



ideology," the decision said. He also vilified the Chinese Communist Party as "having degenerated" and he said that he wrote *Between Man and Demon and Merits and Crimes Over One Thousand Years* in order to show the truth, that is the degeneration of the Chinese Communist Party.

Liu gravely violated the journalistic principle of respecting facts and cross-checking to make sure facts are accurate, the decision said. In writing his reports, Liu even went so far as to fabricate facts to attack the Party and mislead readers unaware of the truth.

Liu also vilified the effort to encourage people to learn from advanced individuals and collectives as an attempt to "turn people into servile tools." He refused to accept Party leadership, saying that for a journalist to accept Party leadership is degrading.

The decision says that Party organizations criticized him for his mistakes on many occasions but he refused to accept the criticisms. Liu Binyan has totally lost the qualifications necessary for Communist Party membership, the decision noted. ■

## Retired Scientists Active As Ever

**N**ow that I've been relieved of my administrative work, I'll be able to find time to go back to Fuzhou to help the Fujian Institute of Research on the Structure of Matter. We're developing new crystals in connection with new technology and in the field of transition metal clusters—the two fields I've been rather successful in." This is one of the things Prof. Lu Jiayi plans to do having retired from his post as President of the Chinese Academy of Sciences (CAS). He was talking with Radio Beijing's reporter in an interview during the Spring Festival holidays.

Relaxed in their offices, 71-year-old Professor Lu and Professor Yan Dongsheng, aged 68, who was recently relieved of administrative duties as Vice-President by the NPC Standing Committee, discussed their future plans together with the newly-appointed president, Zhou Guangzhao.

"I've never tried to be an administrator alone," said Prof. Yan, "even though for my last six years in the office I've been pretty busy. In fact I have often been involved in various forms of international scientific collaboration and academic activities. I have already been invited to sit on the advisory committee of several international meetings. I'll probably be lecturing in West Germany starting in May. We'll have another bilateral meeting in the United States in September, and as Vice-President of the Federation of Asian Scientific Academies and Societies, I have a council meeting scheduled for this year, in Bangkok. So there is plenty to do, in fact there is probably still too much..."

The two professors became the president and vice-president of CAS in May 1981. In fact Lu Jiayi was the first natural scientist to really take over the academy's administration. The noted historian and archaeologist Guo Muoro was president of the academy since its founding in 1949 but that was before the Chinese Academy of Social Sciences was established as a separate organization. Later, Fang Yi, then Vice-Premier and a leading figure in the Communist Party Central Committee, was appointed the academy's president.

Prof. Lu Jiayi, a well-known scientist in physical chemistry, received his Ph.D. in 1939 from the University of London and was doing post-doctoral work at the California Institute of Technology when Japan surrendered at the end of World War II. In 1945 he was among the first batch of Chinese to return from abroad. A native of

Fujian Province, he taught at Xiamen (Amoy) University and directed the work of the Fujian Institute of Research on the Structure of Matter before officially joining the CAS top leadership. Both Lu and Yan have been long-time members of CAS.

Prof. Yan Dongsheng has been researching for more than thirty years on inorganic materials. After receiving his B.S. and M.S. Degrees at Qinghua and Yanjing Universities, he took up post-graduate work in the United States and obtained his Ph.D. at the University of Illinois, returning to China in 1950 soon after the founding of the People's Republic.

Speaking highly of the contributions the two men have made in both scientific research and the administration of the academy, Prof. Zhou Guangzhao, himself a theoretical high energy particle physicist, mentioned in particular two crystals developed under their personal guidance at the Fujian institute and the Institute of Ceramics in Shanghai. Both have found ready world markets.

Barium Metaborate (BBO) Low Temperature Form is a non-linear optical crystal first developed in China, and Bismuth Germanate (BGO), which is a very useful scintillating crystal for the detection of high energy particles, won first place in an international competition in the United States and is being exported to CERN in Geneva for use in Prof. Samuel Tin's laboratory.

"I will continue to seek their opinions and help on matters of science policy," said President Zhou, adding that he hopes Prof. Lu will continue his project for developing China's colour film industry in Xiamen. And for his contributions to closer interactions between scientific research and industry, Yan Dongsheng will be invited to serve as an honorary member of the Science and Technology Fund for Economic Development soon to be established.

The Fund is an outcome of the policy CAS has pursued over the past two or three years under the leadership of Lu and Yan. According to Prof. Lu, the academy has intensified its work on applied research, and actively but selectively developed products in specific areas to be put on the world market. But it has never overlooked the importance of basic research, he says. "We are putting them on a fairer basis," explained Prof. Yan. "The transition from basic research to applied research and finally to developmental work takes less time than it used to."

However, in Prof. Yan's view, the overall reform of science and technology is not an easy thing and he foresees many changes as the academy pursues its way in the general direction set by the State Council. He places great hopes on the new leadership, which he believes will develop new experiences in the general period of reform. This reform, he predicts, will probably take quite a number of years to accomplish.

When the topic turned to the speculation in some international media regarding the professors' retirement from the CAS top leadership, Lu Jiayi said, "Feeling rather exhausted because of the heavy administrative work, I have been thinking of retiring from the post for at least a couple of years." "We've been working very hard," added Yan Dongsheng, "as the academy is a very big one with more than 120 institutes and a total staff of 80,000, half of whom are scientists and engineers. But we've been working very happily for the last two and half years."

As a lover of sports, Yan says now he'll find more time to play tennis, confiding that he's a member of the "old timers' tennis team." He also likes swimming. "I think I'll try to add that to my agenda."

by Qingnian

## 'Liberation' Achieves A New Liberation

The 30-year history of the uniformly drab-coloured *Jie Fang* (Liberation) lorry at last came to an end when a long queue of CA 141s, in bright orange, sky-blue, cream, white and other colours, chugged their way off the assembly line on New Year's day 1987.

This second-generation "Liberation" attracted many foreign businessmen when it was shown at the 1986 Autumn Commodities Fair in Guangzhou. Orders for more than 500 of the lorries were placed during the fair, setting a record in the country's automobile exporting history. An Australian auto dealer climbed into the driver's cab, inspected the facilities carefully and said he found nothing inferior about them compared with the world's leading models assembled in the early 1980s.

This new lorry, which is safe, efficient, cheap and comfortable, is manufactured by Changchun No. 1 Automobile Works, which made China's first truck in 1956. Since then more than 1.28 million "Liberation"—half of all China's heavy-duty lorries—have been driven out of this plant.

The improvements in the "Liberation," however, were slow in coming. Apart from some minor alterations, its basic model had not been changed since the 1940s. But efforts to bring the lorry's design and construction up-to-date were fraught with difficulties, the most critical of which was financial.

The factory's executive board invited several world-famous auto fiants to give their diagnoses of the problem. Their prescriptions for six projects would have cost 2.3 billion yuan, too much for a plant supported by the state economy.

Nevertheless, in July 1980, after a carefully weighing one pro-

gramme against another, the board decided to introduce a new type of CA 141. They also decided that they would fund the project by continuing to produce the old model.

Thanks to the state's economic reform adopted since the early 80s, the auto works received a new lease on life and more say on its own trade and finance. Immense changes in its production lines, including the construction of 68 new ones and the adaptation of 81 old ones, began on July 15, 1983, just as the factory was celebrating its 30th anniversary. In order to cover the expense of all these changes, the plant had to increase its production capacity over a three-year period from 67,000 lorries to 85,000. "It's pioneering work, even harder than the work we started 30 years ago," said Huang Zhaolan, the plant's director.

But with the factory staff busy sweating away at the reforms, they failed to realize the mistake of advertising their new products too soon—at least before they could manage to sell enough of the "old" models to finance the "new" ones. After admiring pictures of the second-generation bright coloured beauties, who would want to spend money on the obsolete first-generation versions?

As a consequence of this oversight, the price of the "old" lorries had to be cut by a margin of 14,000 yuan, and the plant's five deputy directors hurried across the country to sell them. But even then, problems persisted and it was the state's working loans that rescued the programme.

The plant successfully managed to shift from first-generation to second-generation "Liberations" on schedule, despite several setbacks. And as the auto workers watched the new lorries rolling off the assembly line, they smiled, feeling proud of their achievement and inspired to possibly build several future generations of "Liberation" lorries.

## Weekly Chronicle

(Jan. 19-Feb. 1)

### POLITICAL

Jan. 20

Vice-Premier Li Peng declares that opposing bourgeois liberalization and increasing production and practising thrift are two major tasks China faces in 1987.

Jan. 22

The 19th meeting of the NPC Standing Committee approves the Customs Law.

### ECONOMIC

Jan. 19

*Renmin Ribao* (People's Daily) reports in 1986 China signed 744 contracts for technology imports totalling US\$4.4 billion in value.

Jan. 20

Xinhua says the average per-capita income in East China's prosperous Zhejiang Province reached 1,037 yuan in 1986, 13.7 percent more than in 1985.

Jan. 22

Xinhua reports the state will invest 20 billion yuan to revamp 52 key enterprises in northeast China.

Jan. 24

*Renmin Ribao* reports China has established a total of 7,738 enterprises involving foreign investment. Of them there are 3,210 Sino-foreign joint ventures, 4,390 Sino-foreign co-operative enterprises and 138 independent foreign enterprises.

The State Economic Information Centre is inaugurated in Beijing. Fifth-two big- and medium-sized computers have been installed in its 37 computing centres throughout the country.

Jan. 25

The national conference on economic work decides the central tasks for 1987 as deepening the reform of enterprises, increasing

production, cutting expenses, raising economic efficiency and ensuring a sustained, steady and co-ordinated economic development.

Jan. 27

A spokesman of the China International Trust and Investment Corporation (CITIC) reveals that the CITIC (Hong Kong) Ltd. has been authorized to acquire 12.5 percent shareholding in Cathay Pacific Airways Ltd.

### CULTURAL

Jan. 19

*Renmin Ribao* reports that Beijing has so far set up four special schools for mentally retarded children, one for the blind and six for deaf-mutes, with a total enrolment of 2,055.

Jan. 21

Xinjua reports the State Council has decided to set up a media and publications administration to strengthen leadership over work in these areas.

Jan. 22

Zhou Guangzhao and Teng Teng are appointed president and vice-president respectively of the Chinese Academy of Sciences. Former President Lu Jiaxi and Vice-President Yan Dongsheng retired from their posts because of old age.

Jan. 26.

Zhang Guanghou, noted Chinese mathematician, died at the age of 50 in Beijing following a long illness.

Feb. 1

Detailed rules for the implementation of the Weights and Measures Law of the People's Republic of China are promulgated and put into effect.

### FOREIGN RELATIONS

Jan. 20

CPC Central Advisory Committee Chairman Deng Xiaoping and Premier Zhao Ziyang meet

separately with Robert Mugabe, prime minister of Zimbabwe. Mugabe is in China for a three-day visit starting from January 19.

Jan. 21

A Foreign Ministry spokesman says at a weekly news briefing that the personnel change in the Party Central Committee will not affect China's internal and foreign policies.

Vice-Minister of Foreign Economic Relations and Trade Zhang Haoruo reveals that three sets of detailed rules will be promulgated to better implement the State Council's document on encouraging foreign investment enacted late last year.

A Foreign Ministry spokesman says that the Sino-Pakistan boundary agreement reached in 1963 has nothing to do with the status of Kashmir.

Jan. 23

Vice-Premier Tian Jiyun makes a four-point proposal for future development of Sino-Japanese economic relations while addressing Japanese entrepreneurs in Tokyo.

Jan. 28

A contract is signed between the China Great Wall Industrial Corporation and the US Terasat Inc. for launching a Westar-VI satellite to a geostationary transfer orbit at China's Xichang launching centre with a *Long March-III* carrier rocket in the first half of 1988.

Jan. 30

Lawrence MacDonald, a Beijing-based reporter for AFP, is expelled from China after the news agency refused the requirement put forward by the Information Department of the Chinese Foreign Ministry on January 26 to transfer the reporter out of China as soon as possible because of his recent activities that did not accord with his status as a journalist.

LATIN AMERICA

## A Tour For Central America Peace

*Eight Latin American foreign ministers along with leaders of the United Nations (UN) and the Organization of American States (OAS) toured Central America recently in order to revitalize peace talks in the area.*

A 10-member peace mission made up of foreign ministers from the Contadora group (Mexico, Panama, Colombia and Venezuela) and the Lima supporting group (Brazil, Argentina, Peru and Uruguay) along with the secretaries general of the UN and the OAS, visited five Central American countries—Costa Rica, Nicaragua, El Salvador, Honduras and Guatemala—to mediate in local peace initiatives. The need for such a joint peace mission was decided when the various groups met last December in Rio de Janeiro, Brazil, to discuss possible solution to conflicts in the area.

Observers in Central America maintain that the mediation effort will exert a positive influence on easing tension in the region. So far, however, the positions of all sides involved in the conflict have not visibly changed.

At the beginning of last December, a serious military conflict erupted in the region bordering Nicaragua and Honduras. Reports said the US-backed Honduran troops and US troops directly intervened in the conflict.

During the recent tour, Nicaragua, Honduras, El Salvador and Costa Rica put forward four separate proposals for Central America peace, while Guatemala reiterated its policy of "active neutrality."

The Nicaraguan proposal calls for a halt to US military operations in Nicaragua; the reopening of discussions on unresolved questions brought up by the Central American peace mission; an invitation to Hon-

duras and Costa Rica to resume bilateral talks for a solution to the border conflict; an agreement among the five countries ensuring no mutual aggression; non-interference in the internal affairs of these countries, and the installation of international supervision in the Nicaraguan-Honduran and Nicaraguan-Costa Rican border areas. Nicaragua also promised general amnesty for anti-government guerrillas on condition that they lay down their arms.

El Salvador, Honduras and Costa Rica raised similar proposals, demanding a ceasefire between Nicaraguan government troops and anti-government guerrillas, in addition to dialogue between the two sides, free elections in Nicaragua, non-aggression between neighbouring countries, and a halt to the US

backing of the contra rebels in Nicaragua.

Nicaraguan newspapers reported that Honduras, Costa Rica and El Salvador had refused the nine-point Nicaraguan proposal, meanwhile, the Nicaraguan government described the Honduran proposal as "unrealistic" and an "intervention" in Nicaragua's internal affairs.

In preparation for the peace mission, US Assistant Secretary of State for Inter-American Affairs Elliott Abrams and other American envoys were reported to have met secretly with the Costa Rican foreign minister in Miami. US envoys also visited Panama, Argentina, Brazil, and all the member states of the Contadora and Lima groups. It was reported that the US diplomatic efforts were aimed at aligning allies with its own position to consolidate action against Nicaragua.

The peace mission ended its Central American tour with the release of a joint communique in which the foreign ministers declared that negotiation is the only practical way to peace the Central American people desire.

by Li Wen

OIC

## Understanding Thaws Relations

*The Fifth Summit of the Organization of Islamic Conference has achieved a positive result, and it embodies the spirit of "consultation and solidarity."*

Leaders of Islamic countries on January 29 ended their largest gathering in nearly two decades by hailing the positive outcome of their Kuwait summit: understanding and solidarity.

The four-day Fifth Summit of the Organization of Islamic Conference (OIC) issued a final 33-point communique, renewing earlier calls for unity, understanding and co-operation in the face of

serious challenges to the Islamic world.

Several encounters showed signs of improving relations between long-standing foes—Egypt and Syria, Syria and the Palestine Liberation Organization (PLO). The meeting between Egyptian President Hosni Mubarak and his Syrian counterpart Hafez Assad at the summit could also signal an Arab effort

for greater understanding and co-operation.

Egypt has until this year been excluded from OIC summits since the late President Anwar Sadat signed the Camp David peace treaty with Israel in 1979.

Other meetings included those between Assad and Lebanese President Amin Gemayel, King Hussein of Jordan and Yasser Arafat, chairman of the PLO.

Reports also said five Arab leaders held a "mini-summit" on the sidelines involving Saudi Arabia, Jordan, Syria, Algeria and OIC summit host Kuwait.

These encounters were not, however, regarded as sufficient in themselves to heal the deep rifts in the Arab world—there has been no full Arab summit since 1982. But Arab newspapers all viewed the summit as a promising indication of future relations in the Middle East.

Meanwhile, Iran boycotted the summit on the ground that the host country Kuwait was an "unsafe venue" and that it was supporting its foe Iraq in the Gulf war. Afghanistan did not attend the meeting. The OIC had condemned the Soviet invasion of Afghanistan and suspended Kabul's membership at the 1981 OIC summit in Mecca, Saudi Arabia, so the delegation of Mujahideen, Moslem guerrilla fighters, had been invited to this summit as observers.

The Kuwait summit adopted a series of resolutions and recommendations on issues concerning the Moslem world.

**On the Mideast issue.** The resolution declared the United Nations Security Council Resolution 242 "inadequate" as the basis for solving the Palestine and Mideast issue. The UN resolution asks Israel to withdraw its troops from the Arab land it occupied in the 1967 Mideast war, and refers to the Palestine issue only as a refugee problem and does not recognize the right of Palestinians to self-determination. The reso-

lution adopted by the summit stressed the need to convene an international Mideast conference to solve the Arab-Israel conflict.

**On the Afghan issue.** The resolution emphasized that only a Soviet pullout of its forces from Afghanistan can remove the major obstacle in the relations between Islamic countries and the Soviet Union. It also expressed the "serious concern" of the Islamic countries over the continued Soviet military intervention in Afghanistan.

**On the Iran-Iraq war.** The summit decided to continue its mediation efforts to stop the six-year-old Iran-Iraq war. The leaders agreed to assign Chairman of the Fifth Islamic Summit, the Amir of Kuwait to co-ordinate and co-operate with the OIC general secretariat in following Gulf war developments.

**On the Lebanese situation.** The summit condemned Israel's occupation of Lebanese territory, demanded its immediate withdrawal from all Lebanese territories and reaffirmed all resolutions and statements of Islamic

and international conferences relating to southern Lebanon. It also called for immediate ceasefire and cessation of armed attack on the Palestine refugee camps in Lebanon.

**On terrorism.** The resolution adopted by this summit condemns all acts of criminal international terrorism and calls on all Islamic states to co-operate among themselves and with the international community to eliminate international terrorism. The summit also adopted another resolution which denounced the attempts to equate terrorism with the legitimate struggle of people for liberation. It voiced support for the idea of convening an international conference to be sponsored by the United Nations to define international terrorism.

However, co-operation and solidarity within the Islamic world are widely regarded as necessary if the challenges it faces are to be tackled, and the warm atmosphere evident at the Kuwait summit may well indicate the beginning of a new Islamic unity.

by Chang Qing

USA

## US Dollar to Remain in the Shade

*In order to reduce its trade deficit and keep up the momentum of economic expansion in the remaining two years in office, the Reagan administration has allowed the dollar drop further, though at the cost of its trade partners.*

**E**mergency discussion between Japanese Finance Minister Kiichi Miyazawa and his American counterpart US Treasury Secretary James Baker in Washington in January ended with no clear-cut pledge of government intervention to prevent the dollar from dropping further.

The dollar nosedived to a postwar record low of 149.98 yen at one point in the middle of January and finished at 150.49

yen, also an all-time low. Alarmed by the drastic fluctuation of the yen-dollar exchange rate, the Japanese government sent its finance minister to Washington, eagerly seeking co-ordinated intervention with the US to prop up the dollar and to discuss other financial policy matters, such as possible interest rate cuts, but all efforts were in vain.

The US dollar, whose fall in the past two years was launched by a

meeting of the Group of Five (G-5) in New York in 1985 and fuelled by the continued US trade deficit, plunged sharply against the Japanese yen and German deutsche mark last December after the announcement of a record US trade deficit of US\$19.2 billion for November. Before Miyazawa's Washington trip, the dollar rallied a little in anticipation of a foreign exchange agreement but showed signs of falling again after the meeting.

The Reagan administration made it clear recently that it is pleased with the current situation of the dollar and will not intervene unless there is "disruption in the market."

Another uncertain factor that makes people bearish on the dollar is that Reagan may remove Paul Volcker as chairman of the Federal Reserve Board. Volcker, who is widely believed to have contributed greatly to bringing down the country's double-digit inflation rate, has all along opposed further cuts in discount rates for fear of a free-falling dollar.

Since both the House of Representatives and the Senate came under the control of the Democrats late last year, the Reagan administration has been anxious to maintain its leadership, initiative and prestige. The reduction of the trade deficit, or efforts in that direction, will offer such opportunity.

Heeding the protectionist sentiments expressed by Congress as well as in business circles, the White House first tried to encourage Japan and Federal Germany to heat up their domestic economies so as to absorb more American exports. Failing to get co-operation on that front, the Reagan administration then tried the only means at its disposal and orchestrated the New York G-5 meeting in September 1985 to drive down the dollar. With the US economy in a sluggish condition and the Reagan

administration favouring a lower dollar, no efforts by the Federal Germans or the Japanese, alone, will reverse the current trend.

According to some Western economists, as the US trade deficit reduces, the dollar will move back up gradually. However, there are signs that day may be slow in coming:

—America's trade partners, especially Japan and West European countries, are willing to sacrifice some of their profits for the moment in order to retain their market shares in the United States, except in sectors of low competition.

—American consumers are willing to pay higher prices to buy foreign products because they regard them being of higher quality.

—The United States lacks products that can penetrate the world market the way goods from Japan and Federal Germany have done. One major US export—grain and food products—is faced with a world glut.

—Some countries peg their currencies to the dollar, and are now seizing the opportunity of the declining competitiveness of Japanese and European products to boost exports to the United States.

—Latin America, traditionally one of the largest markets for US manufacturers, is still heavily in debt and continuing to tighten its belt.

Under these circumstances, the Reagan administration seems wise to continue pursuing its policy of a lower dollar.

by Shao Zijian

## FRANCE-AUSTRALIA

### New Changes in Bilateral Relations

*Relations between Paris and Canberra have become tense since the beginning of the year, when France announced that it would suspend ministerial visits between the two countries and expel the Australian consul general from New Caledonia, a French overseas territory.*

One of the reasons leading to the deterioration of French-Australian relations is the New Caledonia problem. There has been a prolonged dispute over the sovereignty of the South Pacific island, which has been one of France's overseas territories since mid-19th century. Aborigines on the island demand independence while the French descendants there want to keep up the relationship with France. The disagreement climaxed into an upheaval in 1984. In January 1985 and August 1986, French President Francois Mitterrand and Premier Jacques Chirac travelled separately to New Caledonia in the hope of removing the difficulty

facing the French government. They decided to hold a referendum on the island's political future before the end of 1987.

French leaders consider the New Caledonia problem to be an internal affair which has nothing to do with the international community. However, last August, 13 South Pacific countries, including Australia and New Zealand, voiced their support for the independence of New Caledonia in the annual South Pacific Forum, and submitted the issue to the United Nations, which will investigate it in February this year. The South Pacific countries clearly want to keep France out of the region.

Another factor contributing to recent French action against Australia is associated with French nuclear tests in Polynesia, France's South Pacific protectorates and its major nuclear test spot. In 1973, amid outcries from South Pacific countries against France's nuclear tests in the region, Australia and New Zealand brought a suit against France in the World Court. Later, the South Pacific Forum repeatedly asked France to halt its nuclear testing. The 1985 incident involving the Greenpeace flagship, *Rainbow Warrior*, which was bombed at the Auckland port, New Zealand by French agents while on its way to the French South Pacific Atoll of Mururoa to protest French nuclear tests, resulted in a diplomatic crisis between New Zealand and France which lasted for a year.

The recent French decision is generally believed to be a retaliation measure against Australia for its involvement in the

anti-nuclear activities. It is also viewed as a display of France's determination to maintain its presence in the Pacific region and to prevent the UN from sending observers to supervise the referendum in New Caledonia in July 1987.

However, France appears ready to reconcile its differences with the South Pacific countries in order to avoid further deterioration of French-South Pacific relations. Paris has stressed its intention to talk and co-operate with these nations, saying that it would inform them of New Caledonia's vote with confidence and openness.

Although Australian Foreign Minister Bill Hayden described the recent French action as wayward, unilateral and unnecessary, it is generally believed that the tension between France and Australia will not escalate because the two countries have important economic ties.

by Zhen Yunyun

towards the Surinam government in encouraging and supporting the terrorist activities of the rebels.

Surinam military leader Desi Bouterse, who came to power in 1982, said in a New Year's speech that "1986 has shown clearly who are our friends and who are our enemies" and that the Netherlands "has shown its true face more clearly than ever before," as the rebel leader continues to act with support from the Dutch. He said he would take measures against such "foreign interference."

The Dutch government has rejected Surinam's charges as "totally unfounded." It declared that it has always adhered to international law, and insisted that it opposes "human rights violations" in Surinam.

The Netherlands claimed that it was upholding human rights when it issued protests and urged the members of the European Community and the Organization of American States to take action against Surinam after the Dutch press gave publicity to killings of innocent people by the military in Paramaribo in its "mopping up operations" against the rebels.

The Surinam government unilaterally downgraded its diplomatic representation in the Hague to charge d'affaires level in May 1985 in protest against the Dutch government's decision.

Their relations worsened when the rebel leader Ronnie Brunswijk launched a guerrilla war last June in an attempt to overthrow the military government of Desi Bouterse.

Several opposition groups of Surinam exiles in the Netherlands are reportedly active in supporting rebels. In addition, Dutch politicians have obviously sided with the rebels politically and financially as large quantities of "humanitarian aid" donated by Dutch charity organizations have been sent to the rebel-controlled areas in Surinam.

by Hua Xin

## NETHERLANDS-SURINAM

### Relations Going From Bad to Worse

*The exchange expulsions of diplomats between the Netherlands and Surinam signal a worsening of relations between Holland and its former South American colony.*

Relations between the Netherlands and Surinam deteriorate after the Netherlands decided to expel the Surinam charge d'affaires in retaliation for Surinam's demand on January 10 that the Netherlands recall its ambassador in Paramaribo.

Surinam charge d'affaires in the Hague, Carlo Spier, delivered a diplomatic note to the Dutch Foreign Ministry on January 10, saying that the Dutch ambassador Dirk Jan Van Houten must leave Surinam before January 25 because of his "interference in the internal affairs" of Surinam. In retaliation, Dutch Foreign Mini-

ster Hans Van Den Broek announced on January 10 that Mr. Spier should also be withdrawn from the Hague before January 25.

The Surinam government has on many occasions charged the Netherlands with backing up rebels led by former soldier Ronnie Brunswijk who aim to overthrow the Desi Bouterse government.

Earlier in January Surinam threatened that it would consider asking the Dutch government to downgrade its diplomatic representation in Paramaribo, in protest against its "hostile attitudes"

## 8-Point Proposal — Hanoi's Only Way Out

On December 27, 1986, at an undisclosed location in Kampuchea, Khieu Samphan, vice-president of the Coalition Government of Democratic Kampuchea, met with "Beijing Reivew's" correspondent Chen Guang and talked about Viet Nam's invasion of his country.

Today, as the military situation clearly shows, Viet Nam has been bogged down in its war of aggression against Kampuchea, and the frustrations of the battlefield have caused Hanoi serious economic, political and social troubles at home, as well as many difficulties in the everyday life of the Vietnamese people. If Viet Nam continues its war of aggression against Kampuchea, it will not be able to solve its economic problems. Soviet aid, no matter how huge, will do little to help.

All the Vietnamese government organs are now overcast with a mood of pessimism, a crisis in faith and the prevailing corruption. Although they have made calls for remedying these ills, no one paid any attention to them. For Viet Nam, the only way out is to accept the 8-point proposal put forward by the Democratic Kampuchean Coalition Government for a political solution to the Kampuchean question.

The proposal is a very generous one, for, although the Vietnamese war of aggression has brought enormous damage to the Kampuchean nation, the Kampuchean people and the Democratic Kampuchean Coalition Government raise no other demand than that the Vietnamese withdraw from their country. Furthermore, the Kampuchean people are creating conditions for an orderly and decent Vietnamese pullout, and they are prepared to sign a treaty of mutual non-aggression with Viet Nam that will guarantee trade and peaceful coexistence.

As for the Soviets, continued support for Viet Nam in its war of



aggression against Kampuchea will not only have an adverse impact on their economy, but also weaken their influence in the Asian-Pacific region and in the whole world. Conversely, if the Soviet Union stops backing Viet Nam and urges it to withdraw from Kampuchea, it will have many things to gain. For example, it will resume normal relations with the member states of the Association of Southeast Asian Nations, Japan and China on the basis of mutual trust, respect and benefit.

As for the question of whether Viet Nam's tranquility or peace will be threatened after it withdraws from Kampuchea, the Soviets needn't worry. No one will go and make trouble in Viet Nam. On the contrary, if Viet Nam withdraws from Kampuchea, it will win the applause of all the nations in the region. Kampuchea is a tiny country; it will not make war with Viet Nam. What Kampuchea wants is to live in peace within its current borders as an independent, peaceful, unified, neutral and non-aligned country without the presence of foreign troops on its soil.

In short, a political settlement of the Kampuchean problem in

accordance with the 8-point proposal of the Democratic Kampuchean Coalition Government will benefit all parties concerned. Yet, thus far, there has been no sign that Viet Nam is willing to pull out of Kampuchea, nor that the Soviet Union would halt its support for Viet Nam. On the contrary, both are plotting to hoax the international community into recognizing Vietnamese occupation of Kampuchea as a *fait accompli*. In this situation, the task facing the Kampuchean people and the Democratic Kampuchean Coalition Government is to carry on their struggle for independence and peace. To remove the cause of tension in Southeast Asia and the Pacific region, it is hoped that all peace-loving countries will bring diplomatic pressure to bear upon Viet Nam, stop giving Hanoi any kind of aid and suspend economic and trade ties with it. The combined force of the Kampuchean people's resistance and international diplomatic pressure will be powerful enough to compel Viet Nam to accept a political settlement of the Kampuchean issue.

The Kampuchean people and the Democratic Kampuchean Coalition Government headed by President Norodom Sihanouk are deeply grateful to all who support their struggle and demand that Viet Nam withdraw from Kampuchea. They want especially to express their thanks to the People's Republic of China for its support and assistance in various forms, and to the ASEAN countries for their diplomatic efforts to force Viet Nam to pull out of Kampuchea. ■



# Vietnamese Invaders' Plan Falls Flat

**Son Sen, commander of the National Army of Democratic Kampuchea, in an interview with "Beijing Review's" correspondent Chen Guang in Kampuchea on December 27 last year, analyzed the 1986 military situation in his country.**

**T**he Vietnamese invaders had two ambitious plans for 1986. One was to seal off the transport routes and other passage-ways by which the patriotic Kampuchean resistance forces move ammunition and troops to their bases in the country's interior. The other was to move a large part of the Vietnamese troops stationed in Kampuchea's western border areas to the hinterland, and build strongholds there to defend Phnom Penh and other major cities around Tonle Sap, and guard the strategic highways, especially Highways No. 5 and No. 6, and the Phnom Penh-Battambang railway.

These two plans have been foiled by the troops and people of Democratic Kampuchea, with the help from those who were forced by the Vietnamese to work for puppet Khmer army, self-defence corps and puppet local governments. The Vietnamese aggressors could neither blockade the National Army of Democratic Kampuchea nor prevent it from smashing the puppet governments in villages, attacking small and medium-sized towns and raiding some important cities, such as Phnom Penh, Siemreap, Battambang, Kompong Thom and Pursat. The remarkable developments in the military situation in 1986 were as follows:

First, the number of villages liberated by the National Army of Democratic Kampuchea in the last dry season and the rainy season of 1986 was many times the previous figure. Most of these liberated villages are in the



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***The military situation in 1986 was gratifying as many more villages were liberated, more puppet soldiers defected to the National Army of Democratic Kampuchea, and the three resistance forces fought in much better co-ordination.***

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surrounding areas of Phnom Penh and other cities around Tonle Sap, or along Highways No. 5 and No. 6 and the Phnom Penh-Battambang railway. Capturing these villages can pin down a substantial part of the Vietnamese troop strength used to defend major cities and strategic highways, thus making it impossible for the enemy to concentrate a huge force — divisions of troops — to launch sweeps against the National Army.

Second, more and more puppet soldiers deserted their units and joined the National Army of Democratic Kampuchea, frustrating the Vietnamese plan to use the puppet troops and village governments as a supporting force. Conflicts between the puppet army and Vietnamese troops have grown more acute.

Third, the three resistance groups (Sihanoukists, Khmer Rouge and the Son Sann-led Khmer People's National Liberation Front -Ed.) better co-ordinated their operations in the fight against their common enemy, the Vietnamese aggressors. This new development has filled the Kampuchean people as well as their friends throughout the world with joy. The military co-operation of the three groups, like their co-operation on the diplomatic front, is important to pushing forward the battle against Viet Nam: it is the guarantee for the victory of the present anti-Vietnamese struggle for the liberation of Kampuchea, and it also will be the guarantee of the defence and construction of the country after Viet Nam is forced out.

In short, the military situation in 1986 was favourable to the patriotic Kampuchean resistance forces and unfavourable to the Vietnamese aggressors. It was the fruit of the joint efforts by the National Army of Democratic Kampuchea and all the patriotic forces in the country; a product of their arduous struggle. ■

# Tertiary Industry Takes Off in China

Since the early 1980s, with the development of the socialist commodity economy, the improvement in living standards and the adoption of diverse and flexible policies, China's flagging tertiary industry has begun to boom. But to keep its development at a rate compatible with that of the primary and secondary industries (which are also growing considerably) continued efforts are necessary during the late 1980s through the 1990s.

by Our Correspondent Li Rongxia

In front of Wangfujing Department Store in one of the capital's major shopping centres, a computer controlled route planner has been installed. If you put a five-fen coin into the computer and tell it where you want to go, the shortest bus route will appear on the screen and you will also get a piece of paper with directions. The verdict of a visitor from out of town — "It's great."

This stall is a tiny step in China's progress towards better public services, but it is a signal of a major change.

The concept of tertiary industry, now the standard by which social and economic developments are measured, was first put forward by the British economist Albert Fisher in 1935 and has since been accepted worldwide. In China, however, tertiary industry was not recognized for a long time. It did exist. For example, the service and catering trades which developed in the early 1950s. But since it was considered non-productive labour, statistics for its output value was not available.

Discussion of the tertiary industry began in the early 1980s. The service and catering trades helped develop production, and improved people's quality of life, it was claimed. It was important to recognize it, and count it in. That would help in comparing the Chinese economy with other countries. The traditional viewpoint persisted, however, saying that the service trades did not

supply products and relied wholly on the production sectors. These doctrinal theoreticians said tertiary industry was the notion of capitalist economics and did not fit in with the traditional definition of the means of

primary industry is agriculture, including forestry, animal husbandry and fisheries. Industry and building belong to the second. So mining, manufacturing, water and the power industry are included here. Tertiary industry is redivided



YANG LIMING

Customers choosing poultry and aquatic products in Jinghua Self-Service Market.

production and means of subsistence.

As the economic structural reforms progressed, the need to recognize the tertiary industry became more apparent. In 1984 the State Council confirmed it. The next year, the State Statistical Bureau began to compile statistics on the tertiary industry, published the figures for its output value and included them in the GNP figures.

The definitions of the three industries are not set in China, the

into four parts: 1) transport, telecommunication, commerce and catering, storing, supply and marketing, and other circulation sections; 2) finance, insurance, geological surveys, real estate, public services, neighbourhood committee work, tourism, consultancies and information services, technical service, and other departments concerning production and the quality of life; 3) education, health, sports and social welfare; 4) government and

Party organs, public organizations, the army and the police. The output of this last, fourth category, is not included in the output calculations of the tertiary industry.

## Reversals

Chinese tertiary industry has suffered reversals over the last 30 years (see the table).

**Output value of China's Three Economic Sectors (%)**

Year	1952	1957	1970	1980	1985
Primary	52.0	42.2	37.0	34.5	35.9
Secondary	21.7	30.7	40.4	46.5	42.3
Tertiary	26.3	27.1	22.6	18.7	21.3

The drop between 1957 and 1980 in the share of the tertiary industry in China's economy was certainly not due to a decrease in demand. Because the service trade was regarded as a non-productive industry, little money or effort were directed to it. With the campaign for public ownership of the means of production, many collective service trades were taken over by the state, and individual enterprises were almost completely eliminated during the "cultural revolution." The employees in the tertiary industry

were paid much less than workers and farmers, they had no motivation and simply did not work hard. Urban dwellers had difficulties in shopping, eating in restaurants, making clothes, dwellings, transport, hair-cutting and hygiene facilities.

By 1980, the proportion of tertiary industry output fell to 18.7 percent, far lower than the average of 61 percent in the developed countries and 29 percent in the

developing countries.

The turning point came in 1981, the beginning of the Sixth five-Year Plan. The output value of the tertiary industry has since increased faster than the primary and secondary. In 1985, it earned 165.7 billion yuan, 17 percent more than in 1984 and accounted for 21.3 percent of total GNP.

The reason for this was the increase in state investment in the tertiary industry this amounted to 57 billion yuan in 1985, 51 percent of the nation's total investment in construction. This improved the

infrastructure and public service in the cities. The government also encouraged people, particularly collective and individual enterprises, to start up services. Since 1980, many people, newly available for work or surplus to the primary and secondary industries, have moved into the tertiary sector, making up over 73.65 million people in 1985. Employees in collective and individual tertiary industry enterprises jumped from 38 percent of all employment in 1980 to 59 percent in 1985.

China had 11.15 million units of commerce, service and catering trades in 1985, 4.7 times more than in 1980. They had some 31.38 million employees, 2.2 times more than in 1980. Price reform, meanwhile, increased the pay of employees to a parity with other workers in China.

During the Sixth Five-Year Plan (1981-85), transport, commerce, service and finance developed rapidly, encompassing 75 percent of the output value and 61 percent of all employees in the tertiary industry. Meanwhile, information and consultancy service, technical services and tourism also made great progress.

## Requirement and Policy

The main motive force behind the tertiary industry is the drive to develop the socialist commodity economy, and raise people's living standards.

**Shopping:** Jinghua self-service market in Sanlihe Street is the most attractive of the 46 self-service markets in Beijing. It is in an area where many cadres live, and everyday the customers come pouring in.

Huang Chengxian, 30, the general manager, said: "Our market sells 3,700 commodities including food, drink, fruit and vegetables, and articles of everyday use. We have more than 40 kinds of high-quality aquatic products and poultry, and on

**Manager Zhai Xiaoyan pouring wine for customers.**

XUE CHAO





WANG ZIJIN

Shanghai Jingan Hospital for the Elderly recently established family beds so that patients can stay at home and doctors visit the patient there.

Sundays and holidays there will be about 70 kinds. Sometimes we get customers who live on the outskirts very far away from here. There's one teacher, who lives on the outskirts of town, who comes here to buy sweet chicken-legs for her mother every week."

There is only a small number of self-service markets in Beijing and the price of the commodities is a little higher, but still it is more

convenient to shop there because there is less queuing.

**Banking:** Service in China's banks are still very backward. A lot of work needs to be done by hand. Although many banks have been equipped with money counting machines, they are often out of order. At the same time the scope of business is widening. In 1985, the total volume of the deposits and loans in China's

banks reached 930 billion yuan which is 2.8 times as much as in 1980.

An official in the People's Bank of China said, "the situation calls for increasing our business scope. We have started individual cheque-book accounts and individual credit cards as well as current and deposit accounts. We have also opened discount bill, rediscount bill services and mortgage loans and have strengthened contacts with other banks to make full use of the money."

**Bathing:** Most of China's homes do not have bathing facilities, so the public bathhouses are very crowded. Last year a Beijing bathhouse had a lawsuit filed against it by the environment bureau for its bad sewage disposal. The bathhouse was hoping to lose the suit, for if it was closed down, it could switch to other business and in all probability make more money. The charge for taking a bath is very low, it does not pay to open a bathhouse. So the municipality decided that no bathhouse can be closed down or switch to other business. In 1986, the charge for a bath was increased from 0.26 yuan to 0.60 yuan.

Beijing Anle Taxi Company always gives preferential service to pregnant or lying-in women, old or weak women.

YUAN RUXUN



**Housework:** Housework is not considered a part of social labour. Most people have to do housework after work. A woman of about 30 said: "Everyday when I leave work, I have to buy food, prepare the meal, wash clothes and look after my child. So I have no time to read or to have social life. I wish society could help by offering us more services."

In recent years, maids have become very popular. In Beijing there are more than 10,000 housemaids from Wuwei County, Anhui Province alone. Yet there are only a small number of families who can afford a housekeeper. So fast food, tinned food and kindergartens have become very popular.

**Eating out:** In Beijing, 23-year-old Cui Xiaoyan runs the Pingan restaurant which is noted for its jellied bean curd. She said she left her job to open this restaurant. Her parents are in the foreign trade department, and often tell her what they have seen in foreign countries, and help her with the restaurant. Cui says: "I love my work, because it provides a real service to travellers and earns me a good living. I plan to build a new two-storey restaurant."

**Advertising:** Commercial advertising may be one of the most popular things in China now. In 1984, 4,000 companies advertised on television, 41 times more than in 1982. In the last two years, advertisements for township enterprises also appeared on television, radio, newspapers and billboards.

**Information:** In the bigger cities and developed areas, information, advice and various kinds of technical services have become very widespread. At the end of 1985, there were 4,600 units offering scientific and technological services. In Shanghai and Guangzhou, there are 46,000 employees and 400 units providing consultancy services on the economy, science, technology, management and trade.

**Touring:** Tours are no longer a pleasure too luxurious for most people. In 1985, some 250 million Chinese and foreign people toured the country. From 1981 to 1985, 55.85 million foreigners visited China, increasing at an average rate of 25.6 percent a year, and tourist income was US\$5 billion, increasing at an average annual rate of 15.2 percent. Tourist income has now become one of China's major non-trade sources of income. China is aware that there are still many problems to be solved, for a tourist may still encounter primitive equipment, high charges and bad service.

### Quicker Development

There is a school of thought which says that since the tertiary industry is relatively backward in the industrial structure, China should increase its investment to raise the tertiary industry to the level of the others. They say China should adjust prices, create a rational money-circulation system, improve the management system of the tertiary industry, and work out a principle for its development.

Others argue that since China's primary and secondary industries still require great improvement

they must not be neglected in favour of the tertiary industry. As investment in the tertiary industry already amounts to half of all investment, China should carry out economic structural reform, and subsume tertiary industry's development to it.

According to the Seventh Five-Year Plan (1986-90), the output value of the tertiary industry in 1990 should reach 281 billion yuan, 71.3 percent more than in 1985, with an average annual increase of 11.4 percent. In the corresponding period GNP should increase at an average rate of 7.5 percent. The output value of the tertiary industry will account for 25.5 percent of the gross national product in 1990. China must do its utmost to boost the tertiary industry so that its development will be that of the primary and secondary industries.

In principle, every trade of the tertiary industry should be developed, but China will give priority to the development of the important trade which will influence the national economy. Because China is still short of funds, qualified technicians, resources and raw materials, it will concentrate on communications and transport, post and telecommunications, commerce, financial insurance and home service in the Seventh Five-Year Plan. ■

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# Applying and Developing Marxism

by Hu Sheng\*

**W**e advocate the study of Marxism, but we do not intend to force people to accept it through administrative measures and we do not require all scholars to become Marxists. Some non-Marxist scholars can also make valuable contributions in their field. Some sciences and scientific research, such as linguistics, logic, textual research, and archaeology, don't have to be arbitrarily labelled Marxist.

The Marxist approach is to respect all research which is conducive to the development of science and culture, and to absorb from them whatever is useful to the development of Marxism.

In the social sciences, we persist in the practice of "letting a hundred flowers blossom and a hundred schools of thought contend," and uphold freedom in the academic field; we support and encourage bold explorations based on scientific research and free debate in order to animate the theoretical research of Marxism and place all policy decisions on a more democratic and scientific basis. Academic research knows no forbidden zones. All subjects beneficial to socialist construction and the development of sciences should be studied.

Academic researchers should abide by the Constitution, submit to Party and government leadership and serve socialist construction. However, they should do their research independently and arrive at their own conclusions. They should be responsible for

The author is the president of the Chinese Academy of Social Sciences. The article is an extract from his speech on the application and development of Marxism delivered at the National Philosophy and Social Sciences Planning Conference for the Seventh Five-Year Plan period held at the end of 1986.

their conclusions, but those need not reflect the views of the Party and the government.

The policy of opening to the world can also be applied to the study of social sciences. Our research must seek nourishment from the advanced science and culture of other countries while promoting the best of our great traditional culture. In the modern period, China has imported democracy, Marxism and other new concepts and methodologies from modern philosophies and social sciences, which have been indispensable to the ideological and cultural development of the country and the progress of its society.

To speed up the development of the social sciences, China must overcome the conservative ideas and the isolation which existed in our research. Academic theories from various countries must be examined so that we are able to reject or assimilate them. A nation would not advance and would continue to lag behind if it could not draw on the intellectual resources of the whole world; and Marxism would not develop if it failed to absorb nourishment from the new advances in other branches of learning, to enrich itself or to compete with other doctrines.

In the process of opening to the outside world, foreign culture, both the good and the unscientific or even the decadent and the degenerate, will enter. As to what attitude we should take towards the bourgeois social and political theories, let us look back to our revolutionary period. We see that when the Chinese people were transforming the old semi-colonial and semi-feudal society through revolutionary struggle under the leadership of the Chinese Communist Party, West-

ern bourgeois social and political theories were incompatible with our revolution, as they would either maintain the old system or advocate reformism. So we rejected them. However, even then, the Chinese Marxists did not indiscriminately negate all Western culture.

Since we succeeded in our revolution and started our construction, the situation has changed completely. Our main task has shifted from destroying an old world to building a new one. Along with the change of our mission it was necessary for us to change our policy towards the social sciences. However, for a long time we failed to do so. We simply abandoned political science and sociology because some of the connected theories originating in the West were tainted with the mist of bourgeois thought. That was a mistake. Since we must build a socialist theory on sociology and politics, we must both constantly sum up our own experience and conscientiously study all relevant theories including the bourgeois ones.

Capitalism is the highest stage of the class society. To build socialism we must learn and adopt many things from capitalism. We must learn from the developed capitalist countries their advanced science and technology and their experience in large-scale production. Capitalist countries have accumulated many experiences in the field of economics and politics and in science and culture. Their experiences are reflected in the bourgeois sociological and political theories. Of course we cannot copy these experiences and apply them in our socialist country, but we may borrow and use them so long as we are good at analysing them first.

We are going to take on all the meritorious achievements in world ideology and culture, and make them serve our socialism; at the same time, we should also criticize the ideology of capitalism which protects exploitation and oppression and the unscientific theories. Through this kind of

criticism Marxist theory will be tempered. It is wrong to consider Marxism an outdated doctrine or blindly worship some bourgeois philosophy and sociological and political theories.

We must struggle against the rotten and degenerate thinking of

capitalism and feudalism. But this ideological struggle should be conducted by means of discussion and reasoning. Only by adopting these approaches can we be sure to combat and overcome mistaken tendencies and promote our scientific researches to develop Marxism. ■

## China's Role in Human Rights Field

by Guo Shan

**W**hile engaged in socialist construction, China is promoting socialist democracy and perfecting its legal system. It has given priority to respecting the democratic rights and freedom which the Chinese people enjoy under the Constitution. Internationally, China observes the principle of "promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion" and is playing an active role in the human rights realm within the United Nations system.

The concept of human rights, which was first put forward in the bourgeois revolution, has hundreds of years of development behind it. After World War II, as more and more third world countries became independent, they persisted in their aspirations to strengthen national independence, revitalize their economies and improve the living standards so as to guarantee the fundamental human rights of their people. The concepts of national self-determination and of sovereignty of all countries over their natural wealth and resources have gradually been accepted and found their place in the international instruments on human rights. Not long ago the United Nations General Assembly adopted the Declaration on the Right to Development, confirming that

the right to development is an inalienable human right. People's economic, social and cultural rights now enjoy the same importance as their civil and political rights.

Human rights are part of the international moral and legal codes. The development of the scope and content of human rights is dictated by the needs of the economic and social development of mankind.

Since the 1960s a great number of countries have rid themselves of colonial rule and won their independence. With their improved economies, their human rights situations have also been improved. China is inspired and encouraged by all these improvements. It joins the majority of countries in strongly condemning gross violations of human rights when they occur, especially when they deny or undermine national self-determination, encroach upon the sovereignty and the territorial integrity of another country or force dependence on others. China condemns genocide, persecution of people and plunder of another country, which cause the emergence of large numbers of refugees in all parts of the world.

In southern Africa the human rights and fundamental freedoms of the South African blacks and the Namibian people are being crudely infringed. Palestinian

people are also deprived of their right of national existence. The armed invasion and occupation of Afghanistan and Kampuchea constitutes grave violations of human rights.

China, upholding justice and truth, condemns these human rights violations at international forums. It calls upon the international community to give foremost attention to and take practical actions against these violations.

In some countries human rights and basic freedoms have not been fully realized due to historical and economic reasons. China supports the international community in showing its concern about large-scale human rights violations in an appropriate manner so as to help improve and promote human rights situations in these countries. But China also believes that in the field of human rights, as with other things, the way one country handles its human rights issue should not be held up as model for all other countries to follow, neither should it be the sole criterion for judging other countries' human rights situations. China opposes any external interference in a country's internal affairs on the pretext of safeguarding human rights.

There have been consistent improvements in human rights in the People's Republic of China. With

the founding of New China, the Chinese people threw away their miserable past when they had no political and economic rights at all. Today, building the socialist legal system has put it on the right track towards greater civil liberties. The Constitution of the People's Republic of China stipulates in detail the basic political, economic, social and cultural rights of its citizens. A series of relevant laws have provided legal guarantees for these rights. The socialist system, aimed at eliminating the oppression and exploitation of man by man, constitutes a reliable political foundation for the realization of the democratic rights of the people. In recent

years, the economic reforms and the policy of opening to the outside world, as well as the structural reforms in the political field that are under consideration, have greatly stimulated China's economic development and will enable the Chinese people to enjoy greater democracy and freedom than ever before.

The People's Republic of China is steadily involving itself in the international human rights movement. Its government has so far ratified its participation in six international conventions on human rights, namely, the International Convention on the Elimination of All Forms of Racial Discrimination, the International

Convention on the Suppression and Punishment of the Crime of Apartheid, the Convention on the Prevention and Punishment of the Crime of Genocide, the Convention on the Elimination of All Forms of Discrimination Against Women, the Convention Relating to the Status of Refugees, and the Protocol Relating to the Status of Refugees. Since 1979, China has taken part in the work of the United Nations Commission on Human Rights and other relevant organs of the United Nations.

By its activities in the human rights field at both national and international levels, China proves itself to be a vigorous and healthy force. ■

FACTS AND FIGURES

# Retail Prices Up 6 Percent Last Year

by the State Statistical Bureau

In 1986 the Chinese government paid careful attention to price reform. Retail prices in the first half of 1986 remained constant at the December 1985 level. As the prices of non-staple foods throughout the country were decontrolled between March and May 1985, compared with those months, the price rises of spring 1986 were much lower.

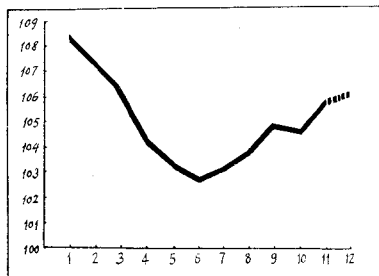
In the second half of 1986, measures to raise prices were taken. The prices of industrial consumer goods, including bicycles, washing machines and black-and-white televisions, and the prices of goods for everyday use, were all decontrolled. Therefore the price index went up somewhat. The retail price index rose more sharply than during the same period of the preceding year. It is estimated that the general level of the annual social retail prices in 1986 rose about 6 percent. (see table and chart).

**1. Foodstuffs.** Retail food prices in 1985 were 49.4 percent

The Total Index Numbers of Social Retail Prices in 1986 (1985 = 100)

Jan.	108.5	July	103.2
Feb.	107.5	Aug.	103.7
Mar.	106.4	Sept.	105.0
Apr.	104.4	Oct.	104.6
May.	103.3	Nov.	105.8
June.	102.8	Dec.	106.2

(estimated)



higher than in 1978, an average annual increase of 5.1 percent. In 1986, it is estimated, there was a 7 percent rise over the year before. Non-staple foods set the pace. The retail price for non-staple foods in 1985 was 72.5 percent higher than

in 1978, an average annual increase of 8.1 percent. The average retail prices for "primary" non-staple foods such as eggs, pork, beef, aquatic products and fresh vegetables rose 30 to 90 percent, dried vegetables and fresh fruits also rose rapidly. The prices for grain, cigarettes, wine and tea went up less, with an average annual increase of 3 percent or so. It is estimated that the retail prices for non-staple foods in 1986 rose 8 percent.

**2. Goods for Everyday Use.**

From 1979 to 1985, the price of such household goods went up by 0.9 percent annually, but last year it is estimated that the rise was 6 percent, which is due mainly to the rise in prices of raw materials. Since prices for industrial consumer goods (including bicycles and washing machines) were decontrolled between August and September last year, the retail prices for all kinds of articles of everyday use went up.



## The Index of Social Retail Prices

	<i>Average annual growth (1979-85)</i>	<i>Rise in 1985 over 1984</i>	<i>Estimated rise in 1986</i>
Total retail price	3.9	8.8	6.0
Foodstuffs	5.9	14.4	7.0
Clothes	-0.5	0.9	3.5
Articles for everyday use	0.9	2.7	6.0
Leisure goods	-1.2	1.5	1.0
Medicines and medical apparatus	2.4	3.8	2.0
Fuel	1.3	4.0	4.0

**3. Clothes.** The price of chemical fibres dropped between 1978 to 1985. Prices for clothes overall dropped 3.3 percent, an average annual decrease of 0.5 percent. The retail clothes price increased a little in the first eight months of 1986, but as the prices of high-quality fabrics and garments were rising from September last year, it is estimated that the price of garments in 1986 went up by an average of 3.5 percent.

**4. Leisure, Medicines and Fuel.** The prices of leisure goods, for cultural and recreational purposes, particularly electrical

consumer goods, have been falling in recent years, but it is estimated that there was a 1 percent increase in 1986. Medicines and medical apparatus and instruments went up by 2 percent, and fuel rose 4 percent. Over the previous seven years these two categories of goods went up 18 and 9.8 percent respectively. Particularly high were the rises in traditional Chinese medicine and kerosine.

As retail prices went up, people's incomes increased faster, and average living standards improved. According to a sample survey, urban people's average annual per-capita income is

expected to have reached 890 yuan in 1986, 2.8 times more than in 1978. Factoring in a 43.7 percent rise in prices leaves actual income almost double (96 percent) what it was in 1978. The per-capita net income in the countryside is estimated at 425 yuan, more than three times the 1978 figure. Adjusting for the 29.4 percent rise in rural retail prices, actual income increased 2.4 times in that period.

As urban and rural incomes increased, the consumption level also improved. For example, the average annual per-capita consumption of pork rose from 7.7 kg in 1978 to 14 kg in 1986, and cloth, from 8 metres to 11.7 metres. Per-capita annual expenditure on articles for everyday use went from 28.8 yuan in 1978 to 93.5 yuan. In 1986, demand for food increased. Consumption of eggs, poultry, fish and shrimp, fresh fruit etc. was 10 percent higher than in 1985. It is estimated that in 1986, spending increased by an average of 4 percent in real terms. This was 85.2 percent more than in 1978, an average annual increase of 8 percent. ■

## China Calendar

### Business and Trade

March 10-16, Beijing. International Hydropower Exhibition. China International Exhibition Centre.

March 13-18, Shanghai. International Woodworking Machinery Exhibition. Participants include the United States, Japan, Canada, West European countries and Hong Kong.

March 14-20, Beijing. International Food Processing and Packaging Equipment Exhibition. China International Exhibition Centre. Participants include Japan, the United States, Britain and Canada.

March 18-23, Shanghai. International Municipal Planning and

Engineering Exhibition. Participants include the United States, Japan, West European countries, Canada and Hong Kong.

March 22-27, Nanjing. International Packaging Technology and Equipment Exhibition.

March 28-April 3, Beijing. Second International Sound and Video-Recording Equipment Sales Fair, Beijing Exhibition Hall.

March 30-April 5, Beijing. International Glass Industry and Glassware Exhibition, Beijing Exhibition Hall.

### Cultural Exchanges

February 5-27, Beijing and other cities in China. Perfor-

mances by the Soviet State Chamber Music Troupe.

March 3-22, Beijing. Japanese exhibition of photos taken by Hiroji-Kubota.

March 30-April 10, Beijing. Exhibition of Moroccan art, China Art Gallery.

### Sports

February 15-22, Jilin Province. Asian-Pacific Youth Ice Hockey Championships.

March 8-11, Beijing. Paris-Beijing Plane Fuel Economy Contest.

March, Shanghai. Baogang Cup International Men Volleyball Invitational Tournament.

## Zhao Ziyang

# On the Two Basics of the Party Line

*Addressing a Spring Festival get-together at Beijing's Great Hall of the People on January 29, the Chinese Lunar New Year's Day, Zhao Ziyang ruled out the possibility of a political campaign; he reaffirmed Party leadership as the core of the four cardinal principles. The following is a slightly abridged translation of Zhao's speech, delivered in his capacity as Acting General Secretary of the Party Central Committee and Premier of the State Council.*

**R**ecently the Central Committee of the Communist Party of China called the serious attention of the whole Party and the people throughout the country to the issue of upholding the four cardinal principles (the socialist road, the people's democratic dictatorship, leadership of the Communist Party, and Marxism-Leninism and Mao Zedong Thought) and combating bourgeois liberalization. Everyone is concerned with this issue because it is crucial for China's destiny.

**P**ersevering in the four cardinal principles and opposing bourgeois liberalization is for the sole purpose of comprehensively and correctly following the line formulated at the Third Plenary Session of the 11th Party Central Committee.

Eight years have elapsed since the Third Plenary Session of the 11th Party Central Committee was convened towards the end of 1978. The progress we have made during these years is there for all to see, and many people in the world are saying that China is prospering. Indeed the Party line is benefiting one billion people. Today, the "line laid down since the Third Plenum" has become the most endearing political term for people across the country; but it does not follow that everyone has gained a comprehensive and profound understanding of the line's true meaning. What, then, does this line entail? In the opinion of the Party Central Committee, it entails proceeding from the country's actual situation to build socialism with distinctive Chinese characteristics. It is fashioned on two cornerstones: persisting in the four cardinal principles on the one hand; and sticking to the policy of carrying out reform, opening to the

outside world and invigorating the home economy on the other. These two cornerstones are interrelated, and neither can do without the other. To deny the four cardinal principles is to pull the rug from under the reform, the open policy and the effort to activate the domestic economy. All these policies will lose their orientation. And without reform, opening to the outside and a thriving domestic economy, it would be impossible to rapidly boost the social productive forces and build socialism with salient Chinese features. To talk about one cornerstone without mentioning the other is inconsistent with the Party line which we have followed since the Third Plenum.

Obviously it is also against the Party line to turn one's back on reform, the open policy and domestic economic invigoration. Where would socialism with Chinese characteristics be, how could the people in both cities and the countryside have gained what benefits they enjoy today, and how could China attain its goal by the end of this century if reform were not taking place in the urban and rural areas, if the country were still locked behind closed doors and if our urban and rural economy remained a backwater? This question, being self-evident, does not need elaboration.

I'd like to talk at some length about why we should adhere to the four cardinal principles, which have been laid down, in both spirit and letter, in the state and Party Constitutions. It is common sense that all citizens should observe the Constitution and all Party members should also abide by the Party Constitution. We have all placed our hope on the development and reform of China, a big developing nation handicapped by a huge population, a weak economic base and uneven development. Given the numerous difficulties and contradictions entailed in transforming China from a poor country into a rich one, we have got to concentrate our efforts and resources on development. But could anyone

concentrate on this endeavour in a situation of turmoil? A stable political and social environment is indispensable to the on-going reform, which comprises the open policy and the effort for economic invigoration.

The on-going reform has yielded tremendous benefits for the people of the entire nation and will bring even greater well-being to everyone in the future. But in the process of reform, changes in certain interests are inevitable. This necessitates timely and appropriate readjustments of various relationships, so that contradictions can be resolved, stumbling-blocks removed and interference done away with. Could our reform continue for one day if the political situation were in chaos and social order in turmoil? Everyone is eager to see a take-off of the Chinese economy, but who can achieve it amidst an earthquake? Only political and economic stability can bring hope to China. We have all suffered during the "cultural revolution." Could we have carried out reform and developed our economy in those years? Chaos in a single province or a single city — not to mention the entire country — would be enough to leave us no peace and get us nowhere.

***C***hina's chances lie in political and economic stability; a stable political environment cannot do without a powerful leading core.

To maintain political stability it is necessary to have a powerful leading core. This is not a complicated theoretical issue but a very practical one. China has found in the Communist Party a very powerful core capable of leading the reform and construction. Bourgeois liberalization is, in essence, designed to write off Party leadership. As Comrade Deng Xiaoping put it, "A big country like China would be torn apart and accomplish nothing without the leadership of the Communist Party." In no uncertain terms he pointed out, "To uphold the four cardinal principles, the key lies in upholding Party leadership."

Only under Party leadership can the nation remain politically stable and focus its people's will and strength on reform and development. Yet we have people, Party members in name, who are given to distorting the image of the Party and sowing discontent and pessimism against it. Have they ever thought about the consequence their actions would bring?

Without the leadership of the Communist Party of China there would be no New China or socialist modernization, and the country would

exist in a state of upheaval or, to say the least, become a pile of loose sand. True, the Party has made mistakes in the course of successfully leading the Chinese revolution and construction, but it is none other than the Party itself that has corrected these mistakes in a most resolute and courageous manner. True, there are not a few weaknesses in the Party, but it is precisely the Party itself that has taken the initiative to openly expose and overcome them. This explains why the people trust the Party, which, in return, does its utmost not to let them down.

We never see it as our prerogative to be the party in power; rather, we have, as always, taught our members to serve the people wholeheartedly and refrain from seeking special privileges and personal power. In performing our duties, we have tried and are still trying our best to improve our work.

The Communist Party of China has initiated economic restructuring and is providing the guidance to promote it. It has also timely set forth the task of political structural reform as well. We have set highly developed democracy as one of our unchangeable targets in building a socialist country. It is, however, no easy job to ultimately achieve this goal — to prepare the conditions for achieving this goal requires protracted efforts.

Due to historical reasons, there are instances in which the functions of the Party are entangled with those of the government; but it is the Party itself that has set forth the task to separate Party functions from those of the government and is searching for practical ways and means to fulfil it.

Over the past eight years since the Third Plenum, the Party has been striving to develop socialist democracy and tighten up the socialist legal system in the light of China's conditions. We are also prepared to take further tangible measures to improve socialist democracy, including opening up various avenues that will make normal democratic consultations and lively social dialogue possible.

Many people have been concerned about elections, and this year, electoral methods will be further revamped at the county level, where more than one candidate for each post will be nominated for the electorate to choose from. In the days to come election methods will continue to be overhauled and improved. But I don't think that to go single-mindedly after certain formalities when and where conditions are immature will help achieve democracy — it will only be waste of money and manpower and divert people's attention from the current construction and reform. This consideration of ours is designed to serve the people's interests by concentrating our strength on a down-to-earth effort to achieve smooth progress in economic development and reform.

***Opposing bourgeois liberalization is strictly an inner-Party issue, to be handled mainly in the political and ideological fields, with the emphasis on straightening out problems related to political principles and orientation.***

Some people worry that taking issue with bourgeois liberalization will lead to yet another political campaign. On behalf of the Party Central Committee, I'd like to say, responsibly, that we have no intention of launching a political campaign. We know only too well that campaigns can do nothing to solve the problem of bourgeois liberalization and that it is absolutely impossible to eradicate the influence of the tendency of bourgeois liberalization by launching one or a few political campaigns. Just like reform and the implementation of the policy of opening to the outside world and invigorating the domestic economy, the struggle against bourgeois liberalization calls for long and sustained efforts. In opposing bourgeois liberalization, the main effort will be devoted to solving problems related to political principles and orientation. This work will be strictly limited within the Party and will be mainly carried out in the political and ideological fields. Nothing of the sort will be conducted in rural areas, while in enterprises and institutions the task will be handled in the form of study and self-education. Even in the political-ideological field education will be conducted with regards to political orientation and principles.

It goes without saying that, in accordance with the Party Constitution, disciplinary action will be taken against an extremely small number of Party members who have committed serious mistakes causing grave consequences and refused to observe Party discipline. In taking our stand against bourgeois liberalization, we should be at once determined and discreet and follow the line set forth at the Third Plenum.

We should unequivocally uphold the four cardinal principles and stand firm against bourgeois liberalization. But in the meantime we should be extremely careful and act strictly within the framework of Party policies, so that we will sincerely unite, instead of disaffecting, the overwhelming majority of people, including most of those directly engaged in the political and ideological fields. We welcome all comrades who have erred, including those who have committed grave mistakes, to change their ways. We will pay due attention to improving our work and conduct. Party organizations at various levels and Party members will spare no effort to overcome

shortcomings in their work, foster closer relations between the Party and the people, and expand the patriotic united front. We will, on the premise of the four cardinal principles, continue to enliven the atmosphere of democracy and unity. Having become more mature through the stress of the "cultural revolution," our Party will never allow "leftist" practices to repeat themselves in the current education in opposing bourgeois liberalization. Therefore, it will never flare up into what is called a political campaign.

***Combatting bourgeois liberalization will not impede the ongoing reform and development.***

Some comrades and friends are worried that opposing bourgeois liberalization will adversely affect the current reform and development. The Communiqué of the Enlarged Session of the Party Central Committee Political Bureau issued on January 17 has formally announced that all policies concerning rural and urban areas will remain unchanged. No change will be made in the comprehensive reform or the policy of opening to the outside world and invigorating the domestic economy. Knowledge and trained personnel will be duly respected as before. Instead of changing these policies, efforts will be made to make them work better. For this very reason, the Party Central Committee and the State Council call on workers, peasants, intellectuals and cadres across the country to foster a comprehensive understanding of the Party line adopted at the Third Plenum, and to better understand the four cardinal principles and the work to oppose bourgeois liberalization. They are also called on to resolutely implement the various principles and policies concerning reform, opening to the outside world and enlivening the home economy and, acting on plans already mapped out, do a good job in their work, particularly in increasing output, practising economy, increasing revenue and cutting production costs—all for the purpose of fulfilling the various tasks laid down for this year.

***Studying China's situation by applying the Marxist stand, viewpoint and method and rallying more closely around the Party by following the line formulated at the Third Plenum.***

Comrade Deng Xiaoping was the earliest to speak out, most frequently and profoundly, about reform and the policy of opening to the outside

world and enlivening the domestic economy. He was also the earliest to dwell, most frequently and profoundly, on the need to safeguard the four cardinal principles and oppose bourgeois liberalization. He made his observations about both fields of endeavour through deep-going study of China's reality. We should all earnestly study his expositions on both points as they incorporate the true elements of the concept of socialism with distinctive Chinese features and make up the basic tenets of the Party line formulated at the Third Plenum. I propose that all comrades and friends wishing China enduring stability and prosperity use the stand, viewpoint and method of Marxism-Leninism and Mao Zedong thought to study the real situation in China in earnest — for instance, what is the country's past and present, where does China actually stand in its historical development, what are the basic needs of the one billion Chinese at the present stage, what are the Chinese people's cultural level and political experience, how can China's reform be promoted in both the economic and political arenas in a down-to-earth manner, what are the basic guarantees for the smooth working of the current reforms and the effort to open to the outside world and enliven the

home economy? It is my belief that so long as we study these practical issues in the spirit of seeking truth from facts, we will come to the same, or at least very similar, conclusions and become more conscious in upholding the four cardinal principles and more determined in implementing the policies for reform, opening up to the outside world and activating the domestic economy. To build socialism the Chinese way requires that we integrate the universal truth of Marxism-Leninism with the practice of China's development and reform. While facing up to reality and earnestly studying the situation of China, we will rally more closely around the Party by following its line set at the Third Plenum. China has done better in each of the eight years since that session. Today, with the Party line carried out in a still better and all-round way, I'm sure we will do still better with each passing year in the future.

Today I have shared some of my points with you all in the hope that they will attract the attention of young comrades and those engaged in theoretical and practical work. It is my hope that in studying these points you will proceed from the actual situation of China.

## Deng Xiaoping On Upholding the Four Cardinal Principles

**In this issue we carry excerpts of the speech delivered by Deng Xiaoping on March 30, 1979 at a forum on the principle for the Party's theoretical work. In it he emphasizes the need to uphold the four cardinal principles and oppose bourgeois liberalization. The title and subheads are ours.**

In our democratic revolution, we had to act in accordance with China's specific situation and follow the path discovered by Comrade Mao Zedong of encircling the cities from the rural areas. Now, in our national construction, we must likewise act in accordance with our own situation and find a Chinese path to modernization.

At least two important features of our situation must be taken into account in order to carry out the four modernizations in China.

First, we are starting from a weak base. The damage inflicted over a long period by the forces of imperialism, feudalism and bureaucrat-capitalism reduced China to a state of poverty and backwardness. However, since the founding of the People's Republic we have achieved signal successes in economic construction, established a fairly comprehensive industrial system and trained a body

of technical personnel. From Liberation to last year, the average annual rate of growth in our industry and agriculture was fairly high by world standards. Nonetheless, because of our low starting point, China is still one of the world's poor countries. Our scientific and technological forces are far from adequate. Generally speaking, we are 20 to 30 years behind the advanced countries in the development of science and technology. In the past three decades our economy has gone through two reversals. The havoc wrought by Lin Biao and the gang of four in the decade 1966-76 has had particularly grave consequences.

Second, we have a large population but not enough arable land. Of China's population of more than 900 million, 80 percent are peasants. While there are advantages to having a large population, there are disadvantages as well. When production is

insufficiently developed, it poses serious problems with regard to food, education and employment. We must greatly increase our efforts in family planning; but even if the population does not grow for a number of years, we will still have a population problem for a certain period. Our vast territory and rich natural resources are big assets. But many of these resources have not yet been surveyed and exploited, so they do not constitute actual means of production. Despite China's vast territory, the amount of arable land is limited, and neither this fact nor the fact that we have a large, mostly peasant population can be easily changed. This is a distinctive characteristic which we must take into account in carrying out our modernization programme.

To accomplish modernization of a Chinese type, we must proceed from China's special characteristics. For example, modern production requires only a small number of people, while our population is enormous. How shall we reconcile these two facts? Unless we take all factors into account, we shall be faced for a long time with the social problem of insufficient employment. There are many problems in this connection which Party comrades doing practical and theoretical work must study together. We can surely find ways of solving these problems. But I am not going to discuss them today.

What I want to talk about now is ideological and political questions. The Central Committee maintains that, to carry out China's four modernizations, we must uphold the four cardinal principles ideologically and politically. This is the basic prerequisite for achieving modernization. The four principles are:

1. We must keep to the socialist road.
2. We must uphold the dictatorship of the proletariat.
3. We must uphold the leadership of the Communist Party.
4. We must uphold Marxism-Leninism and Mao Zedong thought. As we all know, far from being new, these four cardinal principles have long been upheld by our Party. The Central Committee has been adhering to these principles in all its guidelines and policies adopted since the smashing of the gang of four, and especially since the Third Plenary Session of the Eleventh Central Committee.

We have criticized, on both a theoretical and a practical level, the phoney, ultra-Left socialism pushed by the gang of four, which boils down to universal poverty. We have always followed the principles of socialist public ownership and distribution according to work. We have always followed the policy of developing socialist economic construction mainly through self-reliance—supplemented by foreign aid—and through the

study and acquisition of advanced technology from abroad. We have tried to act in accordance with objective economic laws. In other words, we have adhered to scientific socialism.

We have smashed the feudal fascism of the gang of four, redressed many injustices, solved many problems left over from the past, consolidated the dictatorship of the proletariat, and restored and extended socialist democracy. And particularly since the Third Plenary Session, we have created a lively political situation of the type Comrade Mao Zedong had long looked forward to in his lifetime.

We have restored the three major features of the Party's style of work,\* which had been trampled upon, improved the system of democratic centralism in the Party, and reinforced unity throughout the Party and between the Party and the masses. All this has enormously enhanced the Party's prestige and strengthened its leadership of the state and society.

We have broken the mental shackles forged by Lin Biao and the gang of four and have insisted that leaders should be regarded as human beings, not demigods. We have always tried to understand Marxism-Leninism and Mao Zedong thought correctly and as an integral, scientific system, and have always proceeded from reality and sought truth from facts. In other words, we have restored the original features of Mao Zedong thought and defended the eminence of Comrade Mao Zedong as a great figure in the history of the Chinese revolution and of world revolution.

Nevertheless, the Central Committee believes that today there is still a tremendous need to stress propaganda on the four cardinal principles. This need continues because some Party comrades have not yet freed themselves from the evil influence of the ultra-Left ideology of Lin Biao and the gang of four. A handful have gone so far as to spread rumours and calumnies, attacking the principles and policies adopted by the Central Committee since the toppling of the gang of four and particularly since the Third Plenary Session as running counter to Marxism-Leninism and Mao Zedong thought. It is necessary to continue emphasizing the four cardinal principles also because a handful of people in society at large are spreading ideas which are against them or at least cast doubt on them, and because individual Party comrades, instead of recognizing the danger of such ideas, have given them a certain degree of direct or indirect support. Although the number of such persons both inside and outside the Party is very

\* The three major features of the Party's style of work are the integration of theory with practice, the forging of close links with the masses and the practice of self-criticism.

small, we must not overlook their impact on that account. Facts show that they can do great damage to our cause and that they have already done so. Therefore, it is not enough for us to keep on resolutely eliminating the pernicious influence of the gang of four, helping those comrades who have been misled by it to come to their senses, and rebutting the reactionary statements of those who slander the Central Committee. While continuing to do all these things, we must also struggle unremittingly against currents of thought which throw doubt on the four cardinal principles. Both the ultra-Left and Right currents of thought run counter to Marxism-Leninism and Mao Zedong thought and obstruct our advance towards modernization. We have conducted massive criticism of the ultra-Left thinking spread by Lin Biao and the gang of four (there is no question that this thinking too is in opposition to the four cardinal principles, only it is opposition from the "Left"), and we will go on criticizing it relentlessly. But what I want to emphasize now is criticism of a trend of thought which is sceptical of, or opposed to, our four cardinal principles, but which comes from the Right.

## Socialist Road

First, we must keep to the socialist road. Some people are now openly saying that socialism is inferior to capitalism. We must demolish this contention.

In the first place, socialism and socialism alone can save China — this is the unshakable historical conclusion that the Chinese people have drawn from their own experience in the 60 years since the May 4th Movement [1919]\*. Deviate from socialism and China will inevitably retrogress to semi-feudalism and semi-colonialism. The overwhelming majority of the Chinese people will never allow such a retrogression.

In the second place, although it is a fact that socialist China lags behind the developed capitalist countries in its economy, technology and culture, this is not due to the socialist system but basically to China's historical development before Liberation; it is the result of imperialism and feudalism. The socialist revolution has greatly narrowed the gap in economic development between China and the advanced capitalist countries. Despite our errors, in the past three decades we have made progress on a scale which old China could not achieve in hundreds

or even thousands of years. Our economy has attained a fairly high rate of growth. Now that we have summed up experience and corrected errors, it will undoubtedly develop more rapidly than the economy of any capitalist country, and the development will be steady and sustained. Of course, it will take a considerable period of time for the value of our national output per capita to catch up with and surpass that of the developed capitalist countries.

In the third place, let's ask: Which is better, the socialist system or the capitalist system? Of course the socialist system is better. In certain circumstances, a socialist country may make serious errors, and even experience such major setbacks as the havoc created by Lin Biao and the gang of four. Naturally, this has its subjective causes, but basically it is due to influences inherited from the old society with its long history, influences that cannot be swept away overnight. Capitalist countries with a long feudal history — such as Britain, France, Germany, Japan and Italy — all experienced major setbacks and reversals at different times (counter-revolutionary restorations occurred in Britain and France while Germany, Japan and Italy had periods of fascist rule). But relying on the socialist system and our own strength, we toppled Lin Biao and the gang of four without too much difficulty and quickly set our country back on the road to stability, unity and healthy development. The socialist economy is based on public ownership, and socialist production is designed to meet the material and cultural needs of the people to the maximum extent possible — not to exploit them. These characteristics of the socialist system make it possible for the people of our country to share common political, economic and social ideals and moral standards. All this can never happen in a capitalist society. There is no way by which capitalism can ever eliminate the extraction of super-profits by its millionaires or ever get rid of exploitation, plundering and economic crises. It can never generate common ideals and moral standards or free itself from appalling crimes, moral degradation and despair.

On the other hand, capitalism already has a history of several hundred years, and we have to learn from the peoples of the capitalist countries. We must make use of the science and technology they have developed and of those elements in their accumulated knowledge and experience which can be adapted to our use. While we will import advanced technology and other things useful to us from the capitalist countries — selectively and according to plan — we will never learn from or import the capitalist system itself, nor anything repellent or decadent. If the developed capitalist countries were to rid themselves of the capitalist

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\*The May 4th Movement was a patriotic campaign, which began with a rally on May 4, 1919 in Beijing, to fight against imperialism and feudalism. It raised the curtain on the New-Democratic Revolution.

system, their economy and culture would certainly make greater progress. That is why the progressive political forces in the capitalist countries are trying to study and propagate socialism and are fighting to eliminate the injustices and irrational phenomena endemic in capitalist society and to carry out socialist revolution. We should introduce to our people, and particularly to our youth, whatever is progressive and useful in the capitalist countries, and we should criticize whatever is reactionary and decadent.

### Proletarian Dictatorship

Second, we must uphold the dictatorship of the proletariat. The dictatorship of the proletariat means socialist democracy for the people, democracy enjoyed by the workers, peasants, intellectuals and other working people, the broadest democracy that has ever existed in history. In the past, we did not practise democracy enough and we made mistakes. Lin Biao and the gang of four, while boosting their so-called "all-round dictatorship," exercised a feudal fascist dictatorship over the people. We have smashed this dictatorship, which had nothing in common with the dictatorship of the proletariat but was its diametric opposite. Now we have corrected the past mistakes and adopted many measures to constantly expand democracy in the Party and among the people.

Without democracy there can be no socialism and no socialist modernization. Of course, democratization, like modernization, must advance step by step. The more socialism develops, the more must democracy develop. This is beyond all doubt. However, the development of socialist democracy in no way means that we can dispense with the proletarian dictatorship over forces hostile to socialism. We are opposed to broadening the scope of class struggle. We do not believe that there is a bourgeoisie within the Party, nor do we believe that under the socialist system a bourgeoisie or any other exploiting class will re-emerge after exploiting classes and the conditions of exploitation have really been eliminated. But we must recognize that in our socialist society there are still counter-revolutionaries, enemy agents, criminals and other bad elements of all kinds who undermine socialist public order, as well as new exploiters who engage in corruption, embezzlement, speculation and profiteering. And we must also recognize that such phenomena cannot be all eliminated for a long time to come. The struggle against these individuals is different from the struggle of one class against another, which occurred in the past (these individuals cannot form a cohesive and overt class). However, it is still a special form of class struggle or

a special form of the leftover, under socialist conditions, of the class struggles of past history. It is still necessary to exercise dictatorship over all these anti-socialist elements, and socialist democracy is impossible without it.

This dictatorship is an internal struggle and in some cases an international struggle as well; in fact, the two aspects are inseparable. Therefore, so long as class struggle exists and so long as imperialism and hegemonism exist, it is inconceivable that the dictatorial function of the state should wither away, that the standing army, public security organs, courts and prisons should wither away. Their existence is not in contradiction with the democratization of the socialist state, for their correct and effective work ensures, rather than hampers, such democratization. The fact of the matter is that socialism cannot be defended or built up without the dictatorship of the proletariat.

### Party Leadership

Third, we must uphold the leadership of the Communist Party. Since the inception of the international communist movement, it has been demonstrated that its survival is impossible without the political parties of the proletariat. Moreover, since the October Revolution it has been clear that without the leadership of a Communist Party, the socialist revolution, the dictatorship of the proletariat and socialist construction would all be impossible. Lenin said: "The dictatorship of the proletariat is a persistent struggle—bloody and bloodless, violent and peaceful, military and economic, educational and administrative—against the forces and traditions of the old society. . . . Without an iron party tempered in the struggle, without a party enjoying the confidence of all that is honest in the given class, without a party capable of watching and influencing the mood of the masses, it is impossible to conduct such a struggle successfully." (*"left-wing" Communism, an Infantile Disorder*). This truth enunciated by Lenin remains valid today.

In our country, in the 60 years since the May 4th Movement, no political party other than the Communist Party of China has integrated itself with the masses of the working people in the way described by Lenin. Without the Chinese Communist Party there would be no socialist new China. The misdeeds of Lin Biao and the gang of four aroused the resolute opposition of the whole Chinese people as well as of the whole Party precisely because Lin Biao and the gang cast aside the Chinese Communist Party, the long-tested leading force that maintains flesh-and-blood ties with the masses. And if the Party's prestige among the people throughout the country has been



enhanced since the downfall of the gang of four, and particularly since the Third Plenary Session of the Eleventh Central Committee, it is precisely because the entire nation pins all its hopes for the future on leadership by the Party. Although the mass movement of 1976 that culminated in the incident at Tiananmen Square where the people gathered to mourn Premier Zhou Enlai was not led by the Party organizationally, it staunchly supported the Party's leadership and opposed the gang of four. The revolutionary consciousness of the masses in that movement was inseparable from the education given by the Party over the years, and it was precisely members of the Party and the Communist Youth League who were the principal activists among them. Hence we must on no account consider the mass movement at Tiananmen Square to have been a purely spontaneous one like the May 4th Movement, which had no connection with Party leadership.

In reality, without the Chinese Communist Party, who would organize the socialist economy, politics, military affairs and culture of China, and who would organize the four modernizations? In the China of today we can never dispense with leadership by the Party and extol the spontaneity of the masses. Party leadership, of course, is not infallible, and the problem of how the Party can maintain close links with the masses and exercise correct and effective leadership is still one that we must seriously study and try to solve. But this can never be made a pretext for demanding the weakening or liquidation of the Party's leadership. Our Party has made many errors, but each time the errors were corrected by relying on the Party organization, not by discarding it. The present Central Committee is persistent in promoting democracy in the Party and among the people and is determined to correct past errors. Under these circumstances, it would be all the more intolerable to the masses of our people to demand the liquidation or even the weakening of leadership by the Party. In fact, bowing to this demand would only lead to anarchism and the disruption and ruin of the socialist cause. Lin Biao and the gang of four, as they put it, kicked aside the Party committees to "make revolution," and it is clear to all what kind of revolution they made. If today we tried to achieve democracy by kicking aside the Party committees, isn't it equally clear what kind of democracy we would produce? In 1966 the Chinese economy, having gone through a few years of readjustment, was in a position to develop rapidly. But Lin Biao and the gang of four did it grave damage. Only now, under the leadership of the Central Committee and of the State Council, has our economy returned to the road of sound growth. If a handful of people are again allowed to kick aside the Party committees

and make trouble, the four modernizations will vanish into thin air. This is not an exaggerated statement I am making to scare people; it is the objective truth corroborated by a wealth of facts.

## **Marxism-Leninism and Mao Zedong Thought**

Fourth, we must uphold Marxism-Leninism and Mao Zedong thought. One of the key points of our struggle against Lin Biao and the gang of four was opposition to their falsification, doctoring and fragmenting of Marxism-Leninism and Mao Zedong thought. Since the smashing of the gang, we have restored the scientific character of Marxism-Leninism and Mao Zedong thought and have guided ourselves by them. This is a resounding victory for the whole Party and people. But a few individuals think otherwise. Either they openly oppose the basic tenets of Marxism-Leninism, or else they uphold Marxism-Leninism in word only while in deed opposing Mao Zedong thought, which represents the integration of the universal truth of Marxism-Leninism with the practice of the Chinese revolution. We must oppose these erroneous trends of thought. Some comrades say that we should uphold "correct Mao Zedong thought," but not "erroneous Mao Zedong thought." This kind of statement is also wrong. What we consistently take as our guide to action are the basic tenets of Marxism-Leninism and Mao Zedong thought or, to put it another way, the scientific system formed by these tenets. When it comes to individual theses, neither Marx and Lenin nor Comrade Mao could be immune from misjudgements of one sort or another. But these do not belong to the scientific system formed by the basic tenets of Marxism-Leninism and Mao Zedong thought.

Now I want to talk at some length about Mao Zedong thought. China's anti-imperialist and anti-feudal revolution went through innumerable cruel defeats. Was it not Mao Zedong thought which enabled the Chinese people—about a quarter of the world's population—to find the correct road for their revolution, achieve nationwide liberation in 1949, and basically accomplish socialist transformation by 1956? This succession of splendid victories changed not only China's destiny but the world situation as well.

While conducting our modernization programme in the present international environment, we cannot help recalling Comrade Mao's contributions. 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? In analysing

his defects and errors, we certainly should recognize his personal responsibility, but what is more important is to analyse their complicated historical background. That is the only just and scientific—that is, Marxist—way to assess history and historical figures. Anyone who departs from Marxism on so serious a question will be censured by the Party and the masses. Isn't that natural?

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. The case of Karl Marx was similar. In his estimation of Marx, Frederick Engels said that it was only thanks to Marx that the contemporary proletariat became conscious for the first time of its own position and demands and of the conditions necessary for its own liberation. Does this mean that history is made by any one individual? History is made by the people, but this does not preclude the people from respecting an outstanding individual. Of course, this respect must not turn into blind worship. No man should be looked upon as a demigod.

To sum up, in order to achieve the four modernizations we must keep to the socialist road, uphold the dictatorship of the proletariat, uphold the leadership of the Communist Party, and uphold Marxism-Leninism and Mao Zedong thought. The Central Committee considers that we must now repeatedly emphasize the necessity of upholding these four cardinal principles, because certain people (even if only a handful) are attempting to undermine them. In no way can such attempts be tolerated. No Party member and, needless to say, no Party ideological or theoretical worker, must ever waver in the slightest on this basic stand. To undermine any of the four cardinal principles is to undermine the whole cause of socialism in China, the whole cause of modernization.

### **On Incidents Provoked By a Few People**

Is the Central Committee making a mountain out of a molehill when it takes this view of the matter? No, it is not. In the light of current developments the Party has no choice.

In the recent period a small number of persons have provoked incidents in some places. Instead of accepting the guidance, advice, and explanations of leading officials of the Party and government, certain bad elements have raised sundry demands

that cannot be met at present or are altogether unreasonable. They have provoked or tricked some of the masses into raiding Party and government organizations, occupying offices, holding sit-down and hunger strikes and obstructing traffic, thereby seriously disrupting production, other work and public order.

Moreover, they have raised such sensational slogans as "Oppose hunger" and "Give us human rights," inciting people to hold demonstrations and deliberately trying to get foreigners to give worldwide publicity to their words and deeds. There is a so-called China Human Rights Group which has gone so far as to put up big-character posters requesting the President of the United States to "show concern" for human rights in China. Can we permit such an open call for intervention in China's internal affair? There is also a so-called Thaw Society which has issued a declaration openly opposing the dictatorship of the proletariat on the ground that it "divides mankind." Can we tolerate this kind of freedom of speech which flagrantly contravenes the principles of our Constitution?

In Shanghai there is a so-called Democracy Forum. Some of its members have slandered Comrade Mao Zedong and put up big counter-revolutionary posters proclaiming that "proletarian dictatorship is the source of all evils" and that it is necessary to "resolutely and thoroughly criticize the Communist Party of China." They allege that capitalism is better than socialism and that, therefore, instead of carrying out the four modernizations China should introduce what they call "social reform," by which they mean that it should turn to capitalism. They publicly declare that their task is to settle accounts with those whom the gang of four called the capitalist roaders but whom it had failed to deal with. Some of them have asked to go abroad to seek political asylum, and some have even made clandestine contact with the Kuomintang secret service, plotting sabotage.

It is obvious that these people are out to use any and all means to disrupt our effort to shift the focus of our work to the achievement of modernization. If we ignored these grave problems, our Party and government organs at various levels would be so harassed that they would find it impossible to function. How, then, could we concentrate on the four modernizations?

It is true that there are very few such incidents and that the overwhelming majority of our people disapprove of them. Nevertheless, they merit our serious attention. First, these trouble-makers generally say they speak in the name of democracy, a claim by which people are easily misled. Second, taking advantage of social problems left over from the time when Lin Biao and the gang of four held sway, they may deceive some people who have difficulties which the government cannot help to

clear up at the moment. Third, the trouble-makers have begun to form all kinds of secret or semi-secret organizations which seek to establish contact with each other on a nationwide scale and at the same time to collaborate with political forces in Taiwan and abroad. Fourth, some of these people work hand in glove with gangster organizations and followers of the gang of four, trying to expand the scope of their sabotage. Fifth, they do all they can to use as a pretext—or as a shield—indiscreet statements of one sort or another made by some of our comrades.

All this shows that the struggle against these individuals is no simple matter that can be settled quickly. We must strive to clearly distinguish between people (many of them innocent young people) and the counter-revolutionaries and bad elements who have hoodwinked them, and whom we must deal with sternly and according to law. At the same time, we must educate comrades throughout the Party about the necessity of sharpening their vigilance, bearing in mind the interests of the country as a whole and uniting as one under the leadership of the Central Committee. We must encourage them to continue the emancipation of their minds and consistently promote democracy so that they can mobilize all positive forces while at the same time endeavouring to clear up the ideological confusion among a small section of the people, especially young people.

## Democracy

We must make a special effort to explain the question of democracy clearly to the people, and to our youth in particular. The socialist road, the dictatorship of the proletariat, the leadership of the Communist Party and Marxism-Leninism and Mao Zedong thought—all these are tied up with democracy.

What kind of democracy do the Chinese people need today? It can only be socialist democracy, people's democracy, and not bourgeois democracy, individualist democracy. People's democracy is inseparable from dictatorship over the enemy and from centralism based on democracy. We practise democratic centralism, which is the integration of centralism based on democracy with democracy under the guidance of centralism. Democratic centralism is an integral part of the socialist system. Under this system, personal interests must be subordinated to collective ones, the interests of the part to those of the whole, and immediate to long-term interests. In other words, limited interests must be subordinated to overall interests, and minor interests to major ones. Our advocacy and practice of these principles in no way means that we can ignore personal, local or immediate interests. In the final analysis, under the socialist system there is a unity of personal interests and collective interests,

of the interests of the part and those of the whole, and of immediate and long-term interests. We must adjust the relations between these various types of interests in accordance with the principle of taking them all into proper consideration. Were we to do the opposite and pursue personal, local or immediate interests at the expense of the others, both sets of interests would inevitably suffer. In the final analysis, the relations between democracy and centralism and between rights and duties are the political and legal expressions of the relations between these diverse interests. This is precisely why Comrade Mao Zedong said that our aim is to create a political situation in which we have both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness. That is the political situation which exists when there is true socialist democracy—the situation we must strive to create today and in the years to come.

We have not propagated and practised democracy enough, and our systems and institutions leave much to be desired. The constant promotion of democracy is therefore a firm, long-term Party objective. However, while propagating democracy, we must strictly distinguish between socialist democracy on the one hand and bourgeois, individualist democracy on the other. We must link democracy for the people with dictatorship over the enemy, and with centralism, legality, discipline and the leadership by the Communist Party. At present when we are confronted with manifold difficulties in our economic life which can be overcome only by a series of readjustments and by consolidation and reorganization, it is particularly necessary to stress publicly the importance of subordinating personal interests to collective ones, interests of the part to those of the whole, and immediate to long-term interests. Only when everyone—whether inside or outside the Party, in a leading position or among the rank and file—is concerned for the overall interests shall we be able to overcome our difficulties and ensure a bright future for the four modernizations. Conversely, departure from the four cardinal principles and talk about democracy in the abstract will inevitably lead to the unchecked spread of ultra-democracy and anarchism, to the complete disruption of political stability and unity, and to the total failure of our modernization programme. If this happens, the decade of struggle against Lin Biao and the gang of four will have been in vain, China will once again be plunged into chaos, division, retrogression and darkness, and the Chinese people will be deprived of all hope. This is a matter of deep concern not only for the Chinese people of whatever nationality but also for all people abroad who wish to see China strong, and even for those who merely wish to expand trade with China.

## Social Conduct and Party's Work Style

Here I would like to raise the question of standards of social conduct. Thanks to the correct leadership of the Party and government, these standards were quite sound in our country for a decade or more after the founding of the People's Republic. Most of the young people who grew up under the Party's education had high ideals, ardently loved the socialist motherland, responded actively to the calls of the Party and government, defended the people's interests, helped safeguard public order, and generally displayed a fine spirit of dedication and discipline. This type of conduct on the part of young people had a good influence on the conduct of other members of society, and vice versa. And this won the praise of foreigners as well as of our own people. However, in the decade of the "cultural revolution," Lin Biao and gang of four plunged our Party, government and society into chaos, poisoned the minds of many young people and did grave damage to socialist moral standards. The situation has improved considerably since the downfall of the gang of four, but we must not underestimate the residue of their pernicious influence in certain spheres. The present state of affairs is entirely incompatible with the requirements of the shift of focus in the Party's work.

We encourage normal contact between Chinese and foreigners, because it is essential to the growth of understanding and friendship between our people and other peoples and to the acquisition of foreign technology and funds. There will be a vast increase in such contact in the future. However, some unhealthy phenomena have emerged among a small number of young people, because we have not adequately educated or guided them. Some young men and women blindly admire the capitalist countries, and some even show a blatant disregard for both national and personal dignity in their contact with foreigners. This is a matter requiring our serious attention. It is imperative that we educate our younger generation, take effective measures in all spheres to raise the standards of social conduct and deal sternly with offensive behaviour which seriously lowers them.

To raise the standard of social conduct, we must first of all improve the Party's work style, and in particular this requires that leading Party

comrades at all levels set a good example. The Party is a model for entire society, and the leading Party comrades at all levels are models for our entire Party. If the Party organization ignores the views and interests of the masses, how can it expect to win their trust and their support for its leadership? If leading cadres in the Party do not set strict standards for themselves and observe Party discipline and the laws of the state, how can they be expected to help reform the standards of social conduct? How can they do so if, in violation of Party principles, they engage in factionalism, use their positions to obtain personal privileges, seize advantages through connections or influence, indulge in extravagance and waste, and seek personal gain at the expense of the public interest? How can they do so if they fail to share the joys and sorrows of the masses, refuse to be the first to bear hardships and the last to enjoy comforts, disobey the decisions of the Party organization and reject supervision by the masses or even retaliate against those who criticize them? In the present period of historical change, when problems have piled up and a thousand things wait to be done, it is crucial for us to strengthen the leadership of the Party and correct its work style. Comrade Mao Zedong said: "Once our Party's style of work is put completely right, the people all over the country will learn from our example. Those outside the Party who have the same kind of bad style will, if they are good and honest people, learn from our example and correct their mistakes, and thus the whole nation will be influenced" (*Rectify the Party's Style of Work*, 1942). Only if we improve the Party's style of work can the standards of social conduct be improved and the four cardinal principles be upheld.

Is anything I have said here out of keeping with the spirit of the Third Plenary Session of the Party's Eleventh Central Committee (held in December 1978). No, everything I have said relates to measures that must be taken to carry out the principles and policies laid down at that session. Let me repeat: If we fail to adopt these measures, these principles and policies will come to naught. So will our effort to shift the focus of our work, so will our modernization programme, and so will the promotion of democracy inside and outside the Party. Therefore, it is entirely wrong to say, as some have said, that the Central Committee has decided on a "tightening up" policy, or that it has changed its policy of promoting democracy. □

## Multi-Party Co-operation in China

"RENMIN RIBAO"

(People's Daily)

Yan Mingfu, head of the United Front Work Department of Chinese Communist Party Central Committee, recently called for more co-operation between the Communist Party and the other political parties of China. Such co-operation would be of great significance in extending the patriotic united front, developing socialist democracy, promoting national unity and fulfilling the tasks of the new period.

Yan said that in recent years the Chinese Communist Party has corrected the erroneous view that the non-Communist parties are "bourgeois" parties, and stressed respecting independence of these parties, and their political freedom and equal status before the law within the limit of the Constitution. Efforts should also be made to help them contribute to socialist modernization, and to expand their ranks.

The past few years have seen the Chinese democratic parties which opposed Chiang Kai-shek before 1949 play a part in the formation of China's principal policies, helping to implement them, and contributing to the country's modernization in various other ways, including forging links of friendship with other countries. "This shows that the various political parties in China are co-operating more now than at any time since 1949," Yan said.

China has eight democratic parties, with about 80,000 members, many of them recruited in recent years. In order to carry out the principles of "coexistence for a long period of time and mutual supervision" and "showing absolute devotion to and sharing honour or disgrace with one another," Yan explained that it is

necessary to have a clear view of the basic changes that have taken place in the democratic parties, that is, most members of the democratic parties are intellectuals of the working class, and other workers and patriots who support socialism. Each party accurately reflects the opinions of different sections of people. So the Communist Party of China should

make good friends with them and support them in the exercise of their democratic rights. There are the conditions and needs for these parties to exist in a long time to come. The policy of "one country, two systems" will be used in unify the country. It will be still implemented after reunification is achieved. Then, the non-Communist parties would be in a position to shoulder heavier responsibilities and able to develop their role to the full.

## Remarriage of the Elderly

"JINGJI RIBAO"

(Economic Daily)

According to 1982 statistics, 45.79 percent of people aged 60 or over in China—some 35 million people—are widowed, divorced, or unmarried. Of this number, about 68.6 percent are women. Clearly, potential isolation and loneliness among the elderly is an important social problem.

One possible solution to this problem may be voluntary remarriage. This would benefit society, their families, and their health. The elderly need spiritual comfort and special care in their daily lives. So society should create positive conditions that encourage the remarriage of old people. In keeping with the times, marriage agencies for the elderly have sprung up around the country and should be supported in all respects.

However, feudalism dominated China for more than 2,000 years and its legacy still influences people's lives today. Some feudal ideas still prevalent in society are unfavourable to the remarriage of the old, especially old women. Frequent reports about these negative attitudes have been drawing increasing public attention. For instance, some old people met with strong opposition

from their friends, relatives and children when they announced their intentions of finding a partner who could help and support them in their journey through life's twilight. Some young people maltreated and pressured their remarried parents so much that the old couples had to get divorced.

If the Chinese Marriage Law guarantees freedom of marriage for young people, it guarantees the same freedom for their elders as well. Both are citizens with equal civil rights. If parents must not interfere in their children's marriage plans, then children must not obstruct their parents' own matrimonial decisions either.

At present, there is in China a general lack of legal awareness, and remarriage of the elderly is considered a family dispute, not an issue that is protected by the law. This tendency should be brought to the attention of Chinese legal scholars and the relevant judicial departments. As soon as possible the departments concerned should promulgate a special law to protect the legitimate rights and interests of the elderly. Moreover, the whole society should go into action to strongly condemn unlawful deeds which interfere in the remarriage of the old. Those who maltreat the old should be punished according to the law. ■

## Utilizing Foreign Investment

**C**hina made steady progress in using foreign capital in 1986. The statistics from the Ministry of Foreign Economic Relations and Trade show that in 1986 China signed foreign loan agreements totalling US\$6.936 billion and used US\$4.831 billion, up by 96.3

followed by the United States and Japan.

The utilization of foreign capital in 1986 had the following features:

Foreign loans increased, because projects with the financial assistance from the World Bank,

**The Liwang Shoe Factory, a Sino-Japanese joint venture in Nantong, Jiangsu Province, exports all its products to Japan.**

XUE CHAO



percent and 92.7 percent respectively over 1985. Contracts involving direct foreign investment totalled US\$3.308 billion, a drop from 1985, and US\$2.155 billion were put into use, up 10 percent.

In 1986 China signed 1,460 contracts, 870 for establishing Sino-foreign joint ventures, 560 for co-operative enterprises, 18 for wholly foreign ventures and 6 for jointly exploiting offshore oil, all together worth US\$2.8 billion including US\$1.8 billion already put into use. These joint ventures and co-operative enterprises spread through all sectors of the national economy and more than 70 percent of them are productive enterprises. Direct foreign investment from Hong Kong and Macao accounts for 80 percent,

the International Monetary Fund (IMF) and the Overseas Economic Co-operative Fund of Japan entered a period of implementation; commercial loans also increased substantially.

The value of new contracts involving direct foreign investment fell. The main reason is that China began controlling the number of non-productive enterprises. At the same time China has put more emphasis on encouraging investment in advanced-technology and export-oriented enterprises. It is therefore only natural that there was a drop in the number of the newly approved joint ventures with direct foreign investment. Certainly, the environment for foreign investment should be improved and the management and legal system

should be bettered in order to meet the demand of China's foreign co-operation.

The contracts signed for absorbing foreign capital in the latter half of 1986 were 150 percent more in number than in the first half of the year. This is due to a series of policies China has adopted to encourage foreign investment and improve the environment for foreign investment (including the Provisions for the Encouragement of Foreign Investment issued by the State Council on October 11, 1986, the 10 detailed rules and regulations and other preferential treatment offered locally).

Between 1979 and 1986 China established 3,210 Sino-foreign joint ventures, 4,390 co-operative enterprises and 138 wholly foreign-owned enterprises. Nearly half of them have gone into operation and shown good economic results.

## Co-operation With African Countries

**I**n the first 10 months of 1986, China signed 105 contracts on constructing projects and providing labour services with African countries through international bidding. These contracts are valued at US\$430 million, or 1.63 times the total value of contracts signed in 1985 with Africa.

Over 90 percent of these contracts are valued at US\$10 million each and most of them are paid for in cash by international financial organizations and other multi-national organs. In addition, China also contracted some projects paid in kind.

Last year, China not only increased the value of such contracts in Egypt, Algeria and Zaire but also opened new markets in Benin, Ivory Coast and Zimbabwe, thus increasing the number of countries with whom China has concluded such contracts to 30.

Between 1979 and October 1986, more than 30 Chinese companies concluded 621 contracts with African countries for constructing projects and providing labour services abroad, worth US\$1.68 billion, and established 30 co-operative enterprises in African countries.

## Ship Exports Up

**C**hina will export ships with a total tonnage of 240,000 in 1987 and will contract another

300,000 tons. Some of these ships are built to a high technical level, according to Gu Guangshun, a spokesman for the China Shipbuilding Industry Corporation.

Gu said that ships to be exported in 1987 include two 69,000-ton-class oil tankers for Norway, a 64,000-ton Panama-type container ship for Hong Kong and two 2,700-ton-class multi-purpose ships for Denmark.

To increase exports of ships, China has also signed shipbuilding contracts with the Soviet Union and East European countries as well as with companies from West

European, African and Asian countries.

In 1986 China met some difficulties in exporting ships as international demand decreased and the price of raw materials and production costs rose. Despite this, China still made some progress, concluded contracts for building 13 ships with a total tonnage of 242,000 and finished and exported four ships with a total tonnage of 123,000. Together with platform ships and repair ships, China exported ships valued at US\$100 million in 1986.

The value of ships for export built by the Dalian Shipyard in 1986 ranks first in the country.

MIAO MING



## Chinese Aeroplanes On Show in Paris

**C**hina will show its A5-C attack aircraft, FT-7 trainer and Y-12 multi-purpose transporter for the first time at the 37th International Aviation Fair to be held on June 11-21 in Paris. These three aircraft will be shown complete with their missiles, bombs and auxiliary tanks.

At the fair China will also demonstrate models of high-altitude, high-speed attack aircraft, bombers, helicopters, pilotless aeroplanes, aviation motors, passenger aeroplanes, air-to-air missiles and sea defence missiles.

At an international fair held in September 1986 in Britain, China displayed models of its 8-II attack aircraft for the first time, drawing great attention from international aviation circles.



## Rustic Woodblock Pictures

**Y**angjiabu Village, in Shandong's northern Weifang county, is noted for its woodblock prints depicting scenes celebrating the Chinese New Year. These famous prints first appeared during the late Ming Dynasty (1368-1644), when a eunuch, returning to visit his family, brought with him a colourfully

printed picture of a door god. The picture, which was painted by an imperial artist, was enjoyed by everyone so they asked to have it copied. An engraver was found who carved the picture onto a block of hard wood. Dipping the sturdy woodblock in ink, he was able to make many copies which he then distributed to the villagers.

**This original printing plate of a Henan Province new year picture dates back to the Qing Dynasty.**

WANG GANGFA



Thus began Yangjiabu's long association with woodblock printing.

By the 18th century, Weifang had established 60 workshops which were producing 50 million prints annually. These were sold to six neighbouring provinces and cities. Today, Weifang is still one of China's three famous centres for these special Spring Festival woodblock prints. The other two major centres are Yangliuqing in Tianjin and Taohuawu in Suzhou.

The colourful pictures are produced as a result of four main processes: drawing, engraving, printing, and mounting. The original drawing is first painted on a plain sheet of paper which is then pasted onto a flat board, usually made of birch leaf. A carver then begins engraving the woodblocks with the major images, using a separate block for each colour. The stack of paper which the pictures will be printed on must be carefully and securely mounted so, as each new colour block is applied, no movement will occur which would ruin the colour and continuity of the prints.

The pictures are used chiefly as decorations during the Spring Festival. Quintessentially rustic and simple in form, the woodblock pictures are symbolic and romantic in content. The bold lines and bright colours often represent farmer's hopes for a peaceful and prosperous New Year.

Among the most popular and symbolic prints are the door god, which is protectively pasted to the main entrance, the large character "Happy Lot," which is traditionally placed on an inner wall facing the main gate, the "Gods of Fortune, Emulation, and Longevity" would be put up on an inner gate, and the "qilin," a unicorn symbolizing fertility, would adorn a young couple's bedroom door asking to bring them happy, healthy children in the New Year.

The folk art of Yangjiabu's woodblock printing has also



served as a medium for researching the local customs of Shandong Province. To preserve and study this traditional art, the Yangjiabu New Year Picture Research Institute was set up in 1979. It has collected some 500 varieties of traditional New Year pictures and put out some 10 publications, including an *Album of New Year Pictures*. In addition to meeting domestic needs, the pictures have been exported to some 20 countries and regions including the United States, Japan, France, Holland, Southeast Asian countries and Hong Kong. ■

## An Old Legend Finds New Expression

A new dance-drama based on the legend of *Niulang and Zhinu* (Cowherd and Girl Weaver), combines modern electronic music with traditional Chinese folk music. It was performed recently at China's Central Conservatory of Music in Beijing. Chen Yuanlin, a graduate student at the conservatory, has turned the ancient legend into an innovative experiment of music and drama. In the renovation, traditional singing and lively dance are now accompanied mainly by modern electronic instruments.

The version of *Niulang and Zhinu* on which Chen based his score was written by playwright Wu Zuguang in 1943. "Niulang" is the legendary name for Altair, and "Zhinu" for Vega, two bright and steady stars in a constellation in the heavens. The legend tells of the story of Niulang, a mortal young man, who falls in love with Zhinu, a beautiful fairy. They get secretly married, despite the heavenly laws forbidding such unions. As a result, they are kept asunder by the powerful Queen Mother of the Heavenly Emperor. After their repeated requests to be joined again, the couple is finally allowed to see each other once a



Chen Yuanlin at work.

year on July 7 of the lunar calendar. However, even during this enchanting annual reunion our heroic couple is separated by the Milky Way—in Chinese the "Silver River." The distraught couple shed so many tears that, today, each year on July 7, people still expect heavy rain.

Chen, a 29-year-old native of Guizhou Province, developed his version of the legend for his master's degree thesis. He explained his intention was to create a work that was original, easy to understand, and characteristic of Chinese folk music.

"The story is very beautiful, and also very colourful," says Chen. "I hoped that the electronic instruments would be able to create special effects and give it a mysterious quality. To achieve continuity among the story's episodes, Chen kept the structure of the composition simple, building the score on small motifs which are repeated and intermixed. The score uses Western twelve-tone compositional principles and computerized composing methods which are applied to traditional Chinese musical ideas.

Chen began studying violin when he was nine. Six years later, he joined a Beijing opera troupe in

Guiyang, Guizhou Province. Here he received immeasurable exposure to traditional local operas and folk music. In 1978, he entered China's Central Conservatory of Music as a composition student. He became one of its top students, and was later accepted into the conservatory's graduate composition programme supervised by Professor Wu Zuqiang. Chen's major classical compositions include a string quartet, a violin sonata and a piano suite.

Chen's interest in electronic and computerized composing came to the fore in 1984, when the conservatory held its first electronic music concert. He has since become one of China's pioneers in this field, and the conservatory has already offered him the job of supervising its electronic and computerized composing laboratory upon his graduation.

Chen feels that there is more work to do on *Niulang and Zhinu*. Although the electronic instruments have given the old story a new and original quality, the music seemed imitative of the effect of a band. "I plan to give it one more try, using only electronic instruments, in order to eliminate this effect," he said. ■

**Chinese Reform  
— Developing Marxism**

I have been reading *Beijing Review* regularly for almost nine years, and find the magazine of great interest, for two reasons. Firstly, it gives reports on many aspects of modern China. This reason alone is enough to make it of interest for anyone. But for me, the main reason is the second one: learning how such a complicated and vast country as China develops Marxism in its national economy and political construction.

By reading your magazine I know the Chinese people, their political leader the CPC, and other democratic parties and people with no party affiliation, are facing an unprecedented challenge to build China, with its population of over a billion, into a highly modernized country, and that China's cultural progress is unparalleled.

Recent articles on political and economic reform have been very interesting. Especially the following two: the reprinted "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for building a Socialist Society With an Advanced Culture and Ideology" (issue No. 40, 1986) and "Why the Political System Needs Further Reform" (issue No. 33, 1986).

China's present reform—an unprecedented event in the history of socialist construction is being led by the CPC.

The CPC again is the party, which dares to break away from existing models and ideas, and while applying Marxism, is combining socialist construction and development with modern times, and is taking a historical step forward.

All socialist countries have some shortcomings. This applies also to China not only in the past but in the present too. But no

country, except China, has dared to face the facts, overcome these faults, and eradicate those that were not in keeping with material and cultural needs in the economic, political and cultural construction.

Finally, I would like to say, reform may bring about some big problems and many small mistakes, but if corrected and examined in time they need not be harmful. I think the CPC has been working along these lines since its founding.

*Juanxo Arteaga  
Guipuzcoa, Spain*

**Domestic &  
International Events**

I read *Beijing Review* No. 45, 1986 with great interest. In BR I get news of China and other countries, which I don't from *People's China* and *China Pictorial*. For instance, the articles in that issue "US-Soviet Relations. Twists and Turns After the Summit," "Dr. Sun Yat-sen's Message for Today," "The Tujia People: A New Image" were very interesting. However, I think you should print photographs to show more graphically what you say about national minorities or scenery. It was very interesting to read about the Tujia nationality, but you ought to have introduced its traditional customs and culture while dealing with their new life.

*Eiji Asano  
Shimane, Japan*

**Struggle Against  
Racial Discrimination**

I liked the report about the death of President Samora Machel (in *Beijing Review* No. 45, 1986).

You gave a good analysis of the situation.

Samora Machel's death was a tremendous loss for the people struggling against racial discrimination. China has always supported people suffering racial discrimination around the world. I admire China for this.

After the "cultural revolution," China overcame many difficulties, and has solved many of the new problems that have arisen. It also actively helps poor countries in their fight for freedom. In military policy, China remains neutral between the two superpowers. In this way it maintains friendly contacts with many other countries.

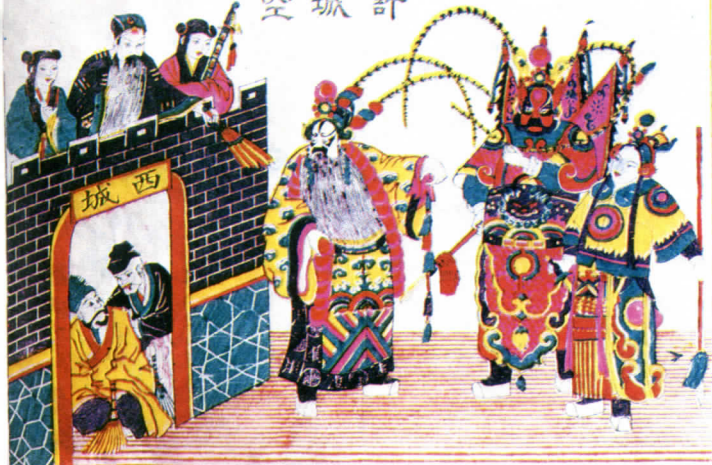
I agree with China's domestic and foreign policies, and oppose racial discrimination. China holds a balance in the world, it always stands for world peace.

Your articles on world events are fine, and show that China has a deep understanding of diplomatic affairs.

*Alma Van de Pol  
Holland*



空城計



Beijing Opera.

# New Year's Woodblock Prints



The Door God.

Peace and Happiness.



Child with Chickens.

Woodblock prints are part of the Chinese New Year's (Spring Festival) tradition. The pictures here come from Yangjiabu, a village in the Shandong Province city of Weifang.

ART PAGE

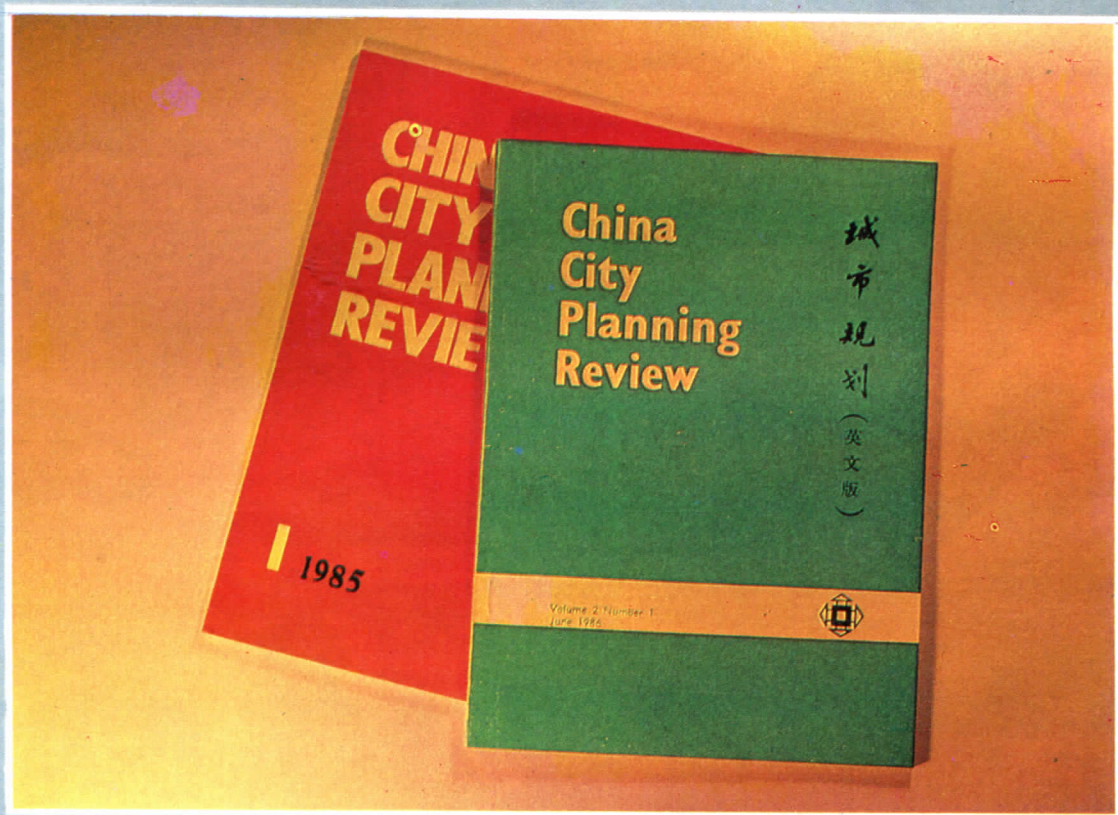
新春大吉



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