

A CHINESE WEEKLY OF NEWS AND VIEWS

# Beijing Review

北京周報

Vol. 30, No. 9

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## China Reiterates Policy on Hong Kong



**GUIZHOU  
COMBATS  
POVERTY**

Mother and Child  
Photo by Xu Xiangjun

Mother and Child  
Photo by Xu Xiangjun

Childhood.  
Photo by Xu Xiangjun



Mother and Child.  
Photo by Xu Xiangjun





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<b>COVER:</b> In costume: Miao girls with a Bouyei girl (second, left).	

Xu Xiangjun

## HIGHLIGHTS OF THE WEEK



p. 14



p. 17

### Policy Towards Hong Kong Remains Unchanged

■ Ji Pengfei, head of the Office of Hong Kong and Macao Affairs under the State Council, reaffirmed China's policy towards Hong Kong in an interview with *Beijing Review*. He said the recent personnel change in the Party Central Committee and the ongoing struggle against bourgeois liberalization on the mainland do not affect Hong Kong, which will continue to operate under the capitalist system (p. 14).

### China Will Not Retrogress

■ Notes From the Editors outlines the relationship between China's struggle against bourgeois liberalization and its current policies of reform. Advocating bourgeois liberalization runs counter to China's efforts to build socialism with Chinese characteristics while the current policies have, over the last few years, proved beneficial. So China will continue its current policies while combating bourgeois liberalization (p. 4).

### Novella Censured for Insulting Tibetans

■ An authoritative report on the incident of a novella which has been accused of being insulting to the Tibetan people (p. 7).

### Statistics Show a Steady 1986 Economic Growth

■ Statistics recently released by the State Statistical Bureau show good economic progress in the first year of the Seventh Five-Year Plan (1986-90). Total product of society in 1986 reached 1,877.4 billion yuan, a 9.1 percent increase over 1985 (p. 20).

### Guizhou Combats Poverty

■ Traditionally one of China's poorest areas, Guizhou Province has now begun a concerted push to develop its rich natural resources. But there is still a long way to go (p. 15).

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# China Will Not Retrogress

by An Zhiguo

China's struggle against bourgeois liberalization has evoked widespread concern and comments abroad.

While some commentators have rightly said that it would not retard the progress of China's modernization, others worry that it will bring the reform and open policy to a premature end. This latter fear, it seems to me, originates from a lack of understanding of the basic forces operating in China and perhaps failure to analyze them scientifically.

The fight against bourgeois liberalization and the policy of reform, opening up and economic invigoration do not conflict with each other. The former means combating a tendency to negate the socialist system and Party leadership and advocate capitalism.

Economic structural reform aims to remove fossilized economic methods, overcome defects in the economic structure and establish a planned commodity economy which is based on public ownership and full of vitality. Political reform is intended to overcome over-centralization of power and confusion in the different roles of the Party and the government; to expand socialist democracy, strengthen the socialist legal system, strengthen and improve the Party leadership and consolidate the people's democratic dictatorship. To put it in a nutshell, reform is the self-improvement of the socialist system, not its negation.

Opening to the outside world is aimed at breaking down autarky: absorbing advanced foreign science, technology, managerial expertise and outstanding culture; and using foreign capital to expedite China's socialist construction. It is not directed at

importing the capitalist system. Opening to the outside world is fundamentally different from "complete Westernization" as preached by the trumpeters of bourgeois liberalization.

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***The campaign against bourgeois liberalization will not affect China's present economic policies. Rather, it can only steer economic reforms to the right track.***

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Zhao Ziyang recently said that the Party's political line—effective since the Third Plenum of the 11th CPC Central Committee in 1978—is, proceeding from China's reality, to build socialism with Chinese characteristics. This has two major aspects: One is upholding the four cardinal principles (i.e., upholding the socialist road, the Party's leadership, the people's democratic dictatorship, and Marxism-Leninism and Mao Zedong Thought—*Ed.*); the other is upholding the policy of reform, opening up and economic invigoration. The two are interrelated and neither can be dispensed with.

Of the four cardinal principles, the Party leadership and the socialist road are the most important. In China today, failure to criticize those who oppose socialism and the Party's leadership; and allowing the erroneous ideological trend that worships capitalism blindly and advocates "complete Westernization," will inevitably bring about political instability, splits and turmoil. Should that occur, implementation of any guidelines and policies, however correct, would be impossible. Combating bourgeois liberalization is therefore

aimed precisely at a smooth implementation of the policies of reform, opening up and economic invigoration in condition of continued political stability and unity.

Since the open policy began in 1979, China's import and export trade has developed rapidly, the scale of its foreign economic and technical co-operation has expanded, the area of co-operation has been widened and the methods of co-operation have been diversified.

Currently, there are 7,730 Sino-foreign joint ventures, Sino-foreign co-operative enterprises and wholly foreign-owned businesses. Cultural exchanges have expanded too. Experience has shown that the open policy helps quicken the progress of China's socialist modernization.

Meanwhile, the reforms under way nationwide have accelerated production and benefited people in general. In 1978, China's national income averaged 315 yuan per capita, the figure reached 735 yuan in 1986. People in over 90 percent of the rural areas have eliminated poverty and backwardness, and urban people's welfare has improved. As long as the current line and policies continue, it is estimated that total industrial and agricultural output value in 1990 will be double that of 1980, and that the goal of quadrupling 1980 production by the year 2000 can be achieved. Since the masses support the current line and policies and are full of confidence in the future, how could China abandon these policies whose efficacy has been tested and return to its former, fossilized economic methods and closed-doorism?

Although it is only eight years since China started the policies of reform, opening up and invigorating the economy, their benefits have been quite obvious. While combating bourgeois liberalization, China will continue these policies—long term. ■

## Li Peng on China's College Education

**L**i Peng, vice-premier and minister in charge of the State Education Commission, urged universities and colleges to provide more opportunities for college students to experience real off-campus life.

Speaking at a national meeting on education last week in Beijing, Li said that education this year should focus on two major tasks—continuing to carry on the reforms in the educational field

and opposing bourgeois liberalization. "The assignment system should be improved," he said, "and college graduates should be given opportunities for practical training, and strict examinations before they are assigned to work in government offices, research institutions and institutions of higher learning."

As for the training and enrolment systems of postgraduates, Li pointed out that institutions of higher learning

should make enrolment plans and set research tasks according to the needs of the state and their own capacities. Universities and colleges should admit more post-graduates who have become experienced through years of work.

When talking about the popularization of nine-year compulsory education, Li called on all localities to make practical plans for the development of basic

## Deng: Acting on Established Policies

**C**hinese leader Deng Xiaoping told the visiting Gabonese President El Hadj Omar Bongo that the recent change in Chinese leadership will not affect the country's established policies. "It will only help implement rather than affect our established

policies" Deng said. "In a word, we'll continue our work as planned."

China is going ahead with socialist modernization, he added. Modernization without socialism would be breaking away from the essential aspect of China's road

for development. "This is of crucial importance," he stressed.

He went on to say that China has made impressive development in recent years, and the people's living standard has improved. "We're full of confidence in our development. But we should be more meticulous in our work and sum up our experience and lessons from time to time," he said.

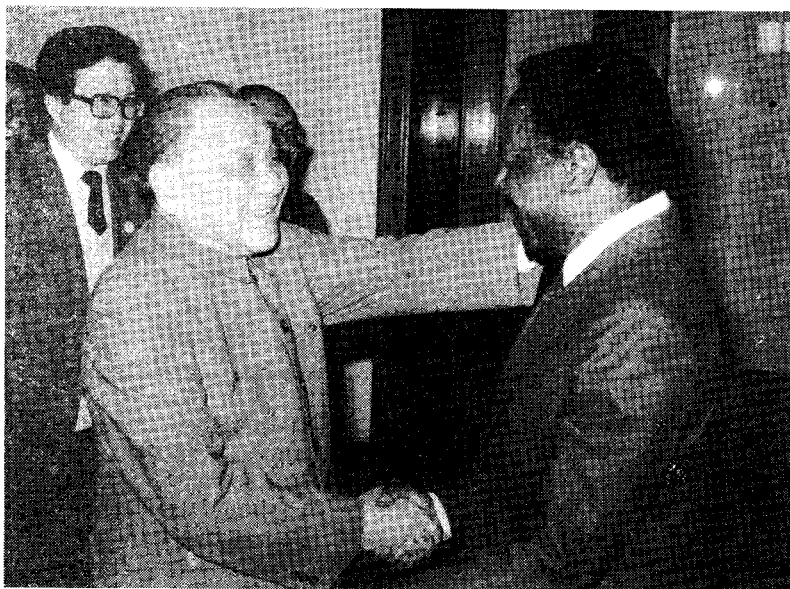
At the meeting which took place in the Great Hall of the People on February 18, Deng told his guest he wished that China could provide other third world countries with some experience in development; the experience of how to make a very backward country develop. "We don't expect other third world countries to copy our experience," he said. "But they may draw on what is useful to them from our experience."

Bongo said China's experience is something that Gabon could draw on.

It was the fifth meeting between the two leaders, who first met at a special session of the United Nations General Assembly in 1974. "It is your sixth visit to China," Deng told the Gabonese President, "and we've been good friends." ■

"This is your sixth visit to China, and we've been good friends," Deng told Bongo.

WANG CHUANGUO



education. "Some localities aim too high and expand basic education with undue haste. They should adjust their plans according to their own conditions," he said.

He stressed that the fight against bourgeois liberalization at universities and colleges should start with the improvement of ideological and political work.

Ideological work among students should be carried out in a patient and careful way, he said. "We should have a clear-cut stand and adopt appropriate methods."

"Last year's student demonstrations," he said, "resulted from years of vague and wavering attitudes towards bourgeois liberalization. They were wrong and produced bad social effects, no matter what motives the students involved had."

Li called for the establishment of facilities for students to express their opinions and suggestions through proper channels. "We should take into consideration reasonable suggestions and demands from students and improve our work earnestly," the minister said. "We should give patient and clear explanations to those suggestions that, though reasonable, cannot be put into practice immediately; as for unreasonable demands, instead of making facile promises, we should provide clear reasons why we oppose them."

He also said, "Most college students love the motherland and support the reform, the open policy and 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) and only a small number of students were involved in the upheaval. Influenced by the spread of bourgeois liberalization in the past few years, they still hold some wrong ideas. We should help them heighten their awareness and encourage them to change their ideas gradually."



### First Chinese Woman Artist in Antarctica

Chen Yadan, a lecturer and artist in the Central Institute of Arts and Crafts, arrived at King George Island on board the *Ji Di* (Polar Land) scientific survey vessel on December 28. She will be staying in the Great Wall Station together with the Chinese scientific survey team and will collect first-hand material for her artistic creations. She will return in mid-May this year.

Student demonstrations of last year, Li pointed out, revealed a conspicuous problem in some colleges—lax discipline and an unclear sense of the legal system. Therefore, he urged all schools, especially universities and col-

leges, to strengthen discipline and management. "While giving fuller play to socialist democracy, schools should enhance legal education among students starting from this new term," he added.

## Novella Censured for Insulting Tibetans

**S**how the Coating of Your Tongue, a novella published in the combined first and second issue of *People's Literature* this year, is really a horrifying piece that vilifies the Tibetan people," said Tang Dacheng, a member of the Secretariat of the Chinese Writers' Association, in an interview with *Beijing Review*.

"Written in the first person and based entirely on hearsay, it wilfully distorts social customs in Tibet and tarnishes the image of the Tibetan people with sensational language," he said.

The novella, by Ma Jian, 34, a former member of the Chinese Photographers' Association who now lives in Hong Kong, is full of descriptions of sex, adultery and incest. For instance, one character, a Tibetan woman who is given a sky burial, in which bodies are cut up and fed to birds of prey, married two brothers and also committed adultery with a soldier stationed in her locality. In another episode, an old Tibetan confesses that he committed incest with his mother, who became pregnant, and later with their daughter, ruining her life.

The publication of the novella has aroused great indignation among the Tibetan compatriots, who said the author not only defamed and insulted the Tibetan people but also the dignity of the Chinese nation. Many Tibetans living in Beijing have protested to the editorial department of *People's Literature*.

On February 20, the State Nationalities Affairs Commission and the Chinese Writers' Association and some Tibetan representatives in Beijing attended a forum on the novella. Tang Dacheng announced on behalf of the Chinese Writers' Association that Liu Xinwu, editor-in-chief of the literary journal, had been suspended from his post for a period

of time to make a self-examination. Tang also said the editorial department had been asked to make a public self-criticism, which was then offered by Zhou Ming, deputy editor-in-chief of the journal. He said the editorial staff has realized that publication of the novella has seriously violated the Party's and government's policies on nationalities and religious affairs, hurt the feelings of the Tibetan compatriots and national unity, and runs counter to the orientation of socialist literature, thus producing extremely serious consequences. "It is in effect the inevitable result of the ideological trend of bourgeois liberalization and other erroneous ideas," he said.

He expressed deep regret on behalf of the editorial staff of his journal and apologized to the Tibetan people.

Liu Xinwu also made a self-criticism at the meeting.

At the meeting, Tibetan representatives said the criticisms of the novella and the handling of the matter showed the Party and state were earnest in implementing their policies on nationalities and religious affairs.

One representative said that Tibet's civilized history dates back several thousand years and that its splendid culture is "a pearl in China's cultural treasure house." Tibet's great achievements under the leadership of the Party are objective facts which cannot be obliterated, he said.

To prevent the recurrence of such mistakes, the Tibetan representatives suggested energetic publicizing of the Party's and government's policies on nationalities and religious affairs throughout the country to strengthen mutual respect and understanding among all ethnic groups. They also invited writers and artists to go to Tibet so that they

can gain a true and correct understanding of their social customs.

Tang Dacheng told *Beijing Review* that in fact great changes have taken place in the life of the Tibetan people since the region's peaceful liberation. Ma Jian, however, had deliberately picked the dark sides and, therefore, under his pen the life of the Tibetan people appears to be very barbarous and unimaginably ignorant, Tang said.

Tang said it was natural that the publication of the novella aroused great indignation among the Tibetan people because it indeed "hurts their feelings." In addition, Tang said, the author knew very little about Tibetan culture and that is why he gave such a distorted picture. For instance, his depiction of religious ceremonies did not tally with facts at all, Tang said.

He added, "Socialist literary works should be conducive to the unity of the various nationalities rather than undermining it. That is why we say the novella has departed from the principles for socialist literature and art."

When asked about Liu Xinwu, Tang said the issue was not a simple question of literary criticism but a serious issue that might cause dissension between the nationalities and must thus be dealt with seriously.

He added that Liu Xinwu has only been suspended from his post and not removed. This does not affect his literary activities as a writer, he said.

When asked whether the case was related to the struggle against bourgeois liberalization, Tang said that the case of Liu Xinwu is completely different from that of journalist Liu Binyan. Liu Xinwu's case was unique—the publication of a bad literary work, which adversely affects national unity and hurts the feelings of a minority people. But, he said, it was a mistake in work and should not be put on a par with Liu Binyan's case.

Tang said, "When we say the case is in effect an inevitable result of the ideological trend towards bourgeois liberalization, we do not mean that Liu Xinwu himself or the novella deliberately advocated bourgeois liberalization, but the ideological trend towards bourgeois liberalization and other erroneous ideas had caused ideological confusion among the journal's editorial staff which resulted in the publication of the novella."

Tang said criticizing the novella does not mean that the writers should avoid writing about backward phenomena in society. The important thing is what attitude the writers adopt, he said.

He cited the example of Leo Tolstoy who also wrote about the backwardness of feudal Russia. "But the readers can only feel indignant about them and their causes," he said. "Lu Xun also wrote about sex and sexual psychology in some of his works, but they did not leave people feeling dirty. The author of this novella, however, just related what he had heard and dreamt up while in Tibet in a naturalistic way and with a pandering attitude. This cannot but arouse people's indignation." ■

## Diaz's Visit: A Move To Closer Links

China and Panama should strive to advance their friendship and co-operation, Chinese President Li Xiannian said at a meeting with a delegation from the Legislative Assembly of Panama led by its president Ovidio Diaz on February 15.

The two countries have had good relations since the mid-19th century when the Chinese people helped dig the Panama Canal and build a railway in Panama.

"Although they have not yet established diplomatic relations,"



LI PING

**President Li Xiannian tells Ovidio Diaz that contacts between the two Parliaments should be increased.**

Li added, "the parliaments of the two countries and people from the cultural and commercial circles can increase contacts."

Li noted that China and Panama, both third world countries, share identical or similar views on many international issues. He reiterated the support of the Chinese government for the proposal of the Contadora Group for solving the Central American issue.

Diaz agreed with the Chinese president saying that the delegation's visit shows the Panamanian assembly's interest in promoting relations between the two countries.

Earlier that day Diaz told Chinese and foreign correspondents in Beijing that the Panamanian Legislative Assembly hopes that Panama will establish diplomatic relations with China and is willing to exert influence to achieve this goal.

The Panamanian assembly delegation arrived in the Chinese capital on February 13 for an eight-day goodwill visit to China

at the invitation of the Chinese National People's Congress. They held talks with several Chinese officials. At a meeting with the delegation on February 14, Peng Zhen, chairman of the Standing Committee of China's National People's Congress, spoke highly of the function of the Panama Canal, which links the Pacific and Atlantic Oceans, describing it as a great contribution to mankind. However, he said, sovereignty over the canal and its surrounding area has not been returned to the Panamanian people. "China will continue its support to the Panamanian people's struggle to recover the canal," Peng added.

In reply, Panamanian Legislative Assembly President Ovidio Diaz declared his country's determination to continue the struggle to recover jurisdiction over the canal. "Panama hopes, by the year 2000, it will recover sovereignty over the area of the Panama Canal, and then people of the whole world will be able to use the canal," Diaz said. "For this end, Panama needs support from all countries, especially China." ■



## China Protests India's Illegal Act

A spokesman for the Chinese Foreign Ministry issued on February 21 the following statement on India's formal granting of statehood to "Arunachal Pradesh."

It is reported that on February 20, 1987, the Indian authorities formally declared the granting of statehood to the so-called Arunachal Pradesh and that an Indian leader presided over a statehood ceremony. The Chinese government and people express their indignation at India's officially granting statehood to the "Arunachal Pradesh" on a part of Chinese territory it has illegally occupied, an act that grossly violates China's sovereignty and territorial integrity and hurts the national feelings of the Chinese people.

The Chinese side has solemnly stated many times that China does not recognize the illegal "McMahon Line" and the so-called Arunachal Pradesh. The above-mentioned act of India's runs counter to the desire of the Chinese and Indian peoples for an early settlement of the Sino-Indian boundary question through friendly consultation. It can only bring new difficulties to the settlement of the Sino-Indian boundary question and to the improvement of bilateral relations.

The Chinese side has consistently held that the only fair and reasonable way to settle the Sino-Indian boundary question is to conduct friendly consultation in a spirit of mutual understanding and mutual accommodation. It simply will not work for the Indian side to demand unilateral concessions from the Chinese side and attempt to impose on the Chinese people the illegal "McMahon Line" concocted by the colonialists. ■

## Weekly Chronicle (Feb. 16-22)

### POLITICAL

February 16

■ Deng Xiaoping's speech at a Communist Party working conference in 1962, stressing the principle of democratic centralism, is carried by major Chinese papers. (The section dealing with the principle of democratic centralism will be published by *Beijing Review* in a coming issue. — Ed.)

■ China publishes detailed rules for the implementation of the Statistics Law promulgated three years ago.

■ Two drug smugglers from Thailand and Hong Kong are executed in Yunnan Province.

### FOREIGN RELATIONS

February 18

■ Chinese Premier Zhao Ziyang reiterates China's position of strict neutrality in the Iran-Iraq war and of working for reconciliation between the two countries.

### ECONOMIC

February 17

■ *Economic Daily* reports that usable resources discarded by China's industry and commerce total 25 billion yuan (US\$6.8 billion) annually.

■ Price checks this year will focus on daily necessities, services and capital goods such as machinery and raw materials, according to the State Administration of Commodity Prices.

February 18

■ At a UN meeting China expresses its wishes to offer its satellite services to other countries.

■ Xinhua says that this year the Industrial and Commercial Bank of China will issue bonds

worth 1.5 billion yuan (US\$405 million).

February 19

■ China has opened up over 3,000 regular road transport lines, each covering a distance of more than 1,000 km, says the overseas edition of *Renmin Ribao*.

February 20

■ China will reduce its timber output by 9 million cubic metres between 1986 and 1990 to restore its ecological balance, Forestry Minister Yang says.

■ China has 114 foreign trade seaports, airports, and highway and railway outlets, an increase of 54.4 percent in the past eight years, Xinhua says.

### CULTURAL

February 17

■ China's hunger-stricken giant pandas will be moved from the Wolong natural reserve in Sichuan to Shennongjia in Hubei, *Renmin Ribao* reports.

February 19

■ A 4,000-year-old village site has been excavated in northwestern Shaanxi Province.

■ China is constructing its first underground storage area in the Forbidden City in Beijing to preserve antiques, *Beijing Daily* says.

February 20

■ Xinhua reports that Wang Yingtai has developed a new technique to identify subtle chromosome abnormalities, which will provide more clues for the diagnosis of hereditary diseases and cancer.

### SOCIAL

February 16

■ In 1986 Chinese civil courts handled more than a million cases, a 20 percent increase over 1985, with 400,000 divorces and 150,000 disputes involving debts, according to the Supreme People's Court.

PAK-INDIA

## Tensions Ease As Leaders Meet

*Pakistan President Zia Ul-Haq's recent visit to India further defused tense relations along the border between the two countries.*

**P**akistan President Mohammad Zia Ul-Haq met with Indian President Zail Singh and held informal talks with Indian Prime Minister Rajiv Gandhi in New Delhi on February 21. After leaving New Delhi for Jaipur on February 22, the Pakistan president expressed the hope that his "re-establishing" communication with Indian leaders would lead to reductions in the tension on the Indo-Pakistan border.

According to Indian official sources, the two sides have agreed to move towards normalization by promoting trade and people-to-people contacts.

The visit followed two months of heightened tensions along the border between the two nations. The direct cause was that the two countries began holding military exercises along their own sides of the border starting in late December 1986. Pakistan said the Indian military exercises were a threat to its security.

While the Indian side was keeping a wary eye on Pakistan's exercises. On January 23, India, responding to what an Indian military spokesman described as "continued mobilization of Pakistan troops all along the western border," suddenly sent a large number of troops to seal its Punjab border with Pakistan.

Pakistan maintained that its armed forces' exercises were taking place in the usual areas and that troops had not been deployed in forward positions. On January 24, a Pakistan foreign office spokesman said Pakistan had taken "minimum defensive precautions" in response to an "unprecedented concentration"

of Indian troops on the border. He said the troops posed no threat to India's security.

Pakistan Prime Minister Mohammad Khan Junejo then held an emergency meeting of the cabinet defence committee and decided to enter into immediate consultations with India to de-escalate the tension. On January 25, he told a joint session of the Pakistan National Assembly and Senate that he was prepared to talk with India at any appropriate level. On January 26 he telephoned Gandhi. It was reported that each offered the other reassurances that they did not intend to attack each other.

On February 4, Pakistan Foreign Secretary Abdul Sattar and Indian External Affairs Secretary A.S. Gonsalves met in New Delhi and reached a 10-point limited agreement. Both sides agreed to adopt a "sector by sector" approach to the withdrawal of troops along the entire border. The agreed upon withdrawal of 150,000 troops along their common frontier was

completed on February 19. An Indian delegation is expected to visit Islamabad on February 26 to continue discussions held earlier in New Delhi on the pullout of troops to peacetime locations in other sectors of the common borders.

Pakistan-Indian relations have been characterized by deep-rooted mistrust ever since they became independent in 1947. The two countries have fought three wars in the last 40 years, twice over the disputed Kashmir territory. In recent years, however, both sides have reaffirmed their determination to take confidence-building measures with a view to establishing tension-free and neighbourly ties.

Recent attempts by Zia to improve relations include a December 1985 stopover in New Delhi, where he met with Gandhi. Both men also made verbal commitments not to attack each other's nuclear installations. That visit had led to other meetings among senior officials in early 1986. Zia met with Gandhi again in Harare, the capital of Zimbabwe, at the eighth Non-Aligned Summit on September 5, 1986. Both sides again said they would not interfere in the other's internal affairs.

Zia's latest visit can be seen as a further sign of a lessening of tension between the two countries.

**by Chang Qing**

JORDAN-PLO

## Is Reconciliation Possible?

*Jordan seems to have come to terms with the Palestine Liberation Organization again one year after their split.*

**W**hen Jordan announced suspension of its political co-ordination with the PLO one year ago, a PLO official in Amman predicted that Jordan and the PLO would come together sooner or later.

Today, that prediction has proved true. Following a meeting between King Hussein of Jordan and PLO Chairman Yasser Arafat last month in Kuwait, there are signs of a thaw in Jordan-PLO relations. During the meeting, the

two leaders agreed that Arafat's deputy, Abou Jihad, deported by Jordan last year, could return to Amman. He will help the Jordan-Palestine Committee, charged with providing and distributing funds from various sources to aid Palestinians in the Israeli-occupied West Bank, resume its work, which closed when the PLO and Jordan broke off ties.

The breach between Jordan and the PLO disappointed many people, including Jordanians. When King Hussein decided to bid the PLO goodbye on February 19, 1986, he believed that the peace search in the Middle East had been blocked by the PLO's refusal to recognize the UN Security Council's resolution 242 of September 1967. That resolution implicitly recognized Israel's right to exist but did not mention Palestinian rights to self-determination. Later actions by Jordan indicated that Jordan intended to seek peace without the participation of the PLO. However, after a year of trial and error, Jordan has failed to find any better arrangement than the one it had with the PLO, and the Middle East peace process remains stalemated.

There are many reasons why Jordan was not able to go it alone without the PLO. First, the break between the two sides met with strong opposition from the Palestinians. King Hussein had accused the PLO of being unable to represent the aspirations of the Palestinian people but said he would not object to formation of another organization of Palestinians that would join Jordan in talks with the United States. However, the Palestinian response, especially on the West Bank, took him by surprise. Thousands of Palestinians demonstrated, voicing their support for the PLO and Arafat. None of the prominent figures in the West Bank who have close ties with Jordan openly criticized the PLO; instead, they unanimously called on Jordan to resume co-operation with the PLO.

Another major factor leading to Jordan-PLO reconciliation was reactions from many Arab nations. Egypt, for example, favoured a reconciliation and has been mediating between the two sides. Iraq, though engrossed in its war with Iran, allowed a series of PLO meetings to be held in Baghdad as a response to Jordan's action.

The United States and Israel have long urged Jordan to cast the PLO aside. However, once King Hussein took that step, neither nation came forward with an alternative. Instead, they tried to exploit the rupture by making hasty efforts to bring Jordan into separate talks with Israel, which will get nowhere because Israel still rejects the so-called "land for peace" settlement.

Finally, active involvement by the Soviet Union has further

complicated the issue. On several occasions Jordan tried to prompt the United States to modify its position by showing support for Soviet participation in the Middle East peace process, and took the lead in backing a Soviet call for a special meeting of the five permanent members of the UN Security Council on the Middle East. However, King Hussein has come to see at last that his "Soviet card" has only aggravated the US-Soviet confrontation in the Middle East, instead of strengthening his country's hand.

The PLO, in the meantime, has tried to seek other ways out in the past year while dealing cautiously with Jordan for fear that relations might worsen. The recent meeting between King Hussein and Arafat is another step towards mutual reconciliation.

by Rui Yingjie

POLAND-US

## Warming Trend in Relations

*US deputy secretary of state's visit signaled a new move to normalize US-Poland relations, which have been at their nadir since 1981.*

United US Deputy Secretary of State John C. Whitehead's four-day working visit to Poland in late January was an important harbinger of improved Polish-US relations. During his stay in Warsaw, Whitehead met with Polish leader Wojciech Jaruzelski and many senior Polish officials. It was the highest level of contact between the two countries since December 1981, when martial law was imposed in the East European nation.

According to PAP, the official Polish news agency, the two countries will soon start negotiations on scientific co-operation, exchanges of visits by legislators, and reestablishment of a Polish-US trade committee. These moves indicate that progress has been

made and both sides want to improve relations.

Polish-US relations deteriorated dramatically in late 1981 after the Polish government introduced martial law following the strike by Solidarity workers. Washington's protest against Warsaw's actions took the form of economic sanctions, while the Polish government protested US interference in its internal affairs.

The sanctions intensified Poland's economic difficulties. Polish government spokesman Jerzy Urban said the US and its Western allies' sanctions have cost Poland more than US\$15 billion in direct and indirect losses. He said, "Every Polish family has suffered their effects."

The US suspended Poland's

most-favoured-nation treatment in November 1982. Between 1982 and 1986, Polish-US trade volume dropped to only a third of what it was between 1976 and 1980. Romuald Daniel, adviser to Poland's minister of trade, was quoted as saying that the import tariffs now levied by the US on Polish products are generally five times higher than before the suspension and have thus greatly lessened the products' competitiveness on US markets.

Added to this, Poland's alienation from the West has blocked badly-needed loans, technology, equipment, and raw materials. Poland's foreign debt is growing because its trade surplus with the West cannot even meet interest payments: Poland's foreign debt reached US\$33.5 billion, including interest, this year and there is no sign of its stopping. Nor is budget deficit, which is expected to surpass US\$750 million recently.

But the Western countries have also suffered greatly because of the sanctions. In 1985, the US missed more than US\$9 billion worth of purchase contracts due to the restrictions. According to one report by an American scientific organization, America lost US\$17 billion in all because of this policy. Politically, the US has also paid a heavy price for the halt in economic relations: Poland has had to rely more heavily on the Soviet Union and other East European countries.

After the break, the Polish government set US' respect for Poland's sovereignty and an end to its interference in Polish affairs as conditions for resumption of relations. But the US government insisted it would lift the sanctions only when the Polish government lifted the martial law and released its political prisoners.

With political situation under control and economic improvement made, the Polish government lifted martial law in July 1983 and announced its first

amnesty for political prisoners. Three more amnesties were announced in 1984, 1985 and 1986, and by September 1986, all Polish political prisoners had been back to their families.

While the US and other major Western countries have stuck to their sanctions and policy of isolation even though the Polish government lifted martial law in 1983, Italy and Japan, which attached no preconditions, have markedly improved their ties with Warsaw. Poland believes that Italy is the first West European country to understand the importance of resuming political dialogue. Poland and Japan have normalized relations as well.

To express its appreciation of the amnesties, US Assistant Secretary of State Rozanne Ridgeway met Polish Vice Foreign

Minister Jan Kinast in Geneva in late 1986. This was the first open attempt by the US government to resume dialogue, something both sides wanted.

Whitehead's visit was a clear indication of the importance both sides place on improving mutual relations. It also paved the way for Jaruzelski's coming visit to several Western countries.

If the economic sanctions remain in place, it will be impossible for Poland to pay back the US\$ 2.7 billion it owes and for the US to regain its lost Polish markets.

However, soon after Whitehead returned home, President Ronald Reagan announced that the US has decided to lift the economic sanctions and to restore Poland's most-favoured-nation status.

by Xin Di

## EASTERN EUROPE

### Economy Forges Ahead Against Odds

*Five East European countries registered major economic advances in 1986, and are poised for steady progress in 1987.*

**A**ccording to recent official statistics, national income rose by 5.5 percent in Bulgaria, 5 percent in Poland, 4.5 percent in Democratic Germany, 3.4 percent in Czechoslovakia, and 0.5 percent in Hungary last year.

A jump in foreign trade, which went up an average of 3 to 4 percent, is seen as the main reason for the increases.

Meanwhile, industrial output in Bulgaria and Democratic Germany grew by 4.3 percent, while that of Poland was up 4.4 percent and Czechoslovakia, 3.1 percent. Hungary experienced the slowest growth in industrial output among the five, only 1.8 percent.

These countries also reaped good harvests in 1986 despite a serious drought. For example, agricultural output in Bulgaria jumped 10 percent over the

preceding year, while Poland's grain output reached a record 25 million tons, about 610,000 tons more than 1984. Hungary harvested 14.2 million tons of grain. Although Hungary failed to hit its 16 million tons target, its resulting 1.3 ton per capita grain output meant it ranked first among the Council for Mutual Economic Assistance nations.

The economic growth rates of the five countries have been attributed to better labour productivity and reduced production costs. In 1986, productivity in Democratic Germany rose 8.8 percent while production costs fell 1.7 percent against 1985. Bulgaria's increase in productivity last year was equal to cutting 210,000 workers from the total labour force.

Another important factor un-

derlying these countries' economic growth was increased use of advanced industrial technology. Last year Bulgaria introduced technological changes based on more than 8,500 scientific and technological research results. About 7,000 Hungarian government departments and enterprises are using computers, and in Democratic Germany major efforts are being made to increase micro-electronic technology and to use computers in production.

However, Hungary failed to meet its main economic targets last year and Bulgaria experienced a slight shortfall in some industries, including electrical power production. In addition, the 5 percent growth rate in Poland's national income was still 5 percent lower than in 1979, when the country recorded an all-time high growth rate.

Because the five countries are short of resources and energy in varying degrees, they remain dependent on imports.

In addition, heavy foreign debt loads and shortcomings in economic management have been holding back growth in some of the countries.

In their drives for economic progress, these countries began 1987 with new measures, including structural reforms and a push for greater scientific and technological progress, designed to stimulate growth.

In January, the Czechoslovak government published a 37-point document giving more independence to enterprise managers and increasing rewards for worker initiative.

Hungary is introducing a new pricing, wage and tax system to improve the country's economic performance. This year, five profit-oriented commercial banks will be created, removing from the central bank the job of lending money to state companies.

In Bulgaria, revised regulations for economic activities went into effect January 1. They cover the

management, rights, duties and responsibilities of state institutions and autonomous economic bodies in advancing national economic development.

The five East European coun-

tries, which are taking various routes to greater economic growth, expect to meet with new successes in 1987 despite some difficulties at home and abroad.

by Zhou Dongyao

## EEC-C. AMERICA

### Joining Hands to Win Peace

*European Economic Community offers to help Central America both politically and economically.*

**T**he European Economic Community (EEC) pledged special trade treatment and US\$80 million in development aid to Central America at the conclusion of the third EEC-Central American ministerial conference in Guatemala City.

The 21 ministers from Europe, Central America and Contadora Group attended the two-day meeting which ended on February 10. The meeting was aimed at exchanging opinions about economic and political issues in Central America and finding solutions.

Although there are differences among the Central American nations, it is encouraging that, with the mediating efforts of Western Europe and the Contadora Group (Mexico, Venezuela, Panama and Colombia), they could transcend their differences at the meeting and discuss how to achieve peace in their region.

At the Guatemala meeting, support was again voiced for Contadora Group—significant because the group has suffered a series of setbacks recently.

On the eve of the meeting, there were attempts to work out a solution to the Central American problems outside of the Contadora framework, a move regarded as something that could result in greater foreign intervention in the affairs of the region.

The 21 ministers agreed that the

conflicts cannot be solved by force. Instead, they said, the Contadora Group's peace efforts are by far the best option. They stressed the importance of speeding up the process of democratization, respect for human rights, independence and self-reliance, and the principles of non-interference in each other's internal affairs and non-aggression.

The years of turmoil in the region have been the result of internal troubles as well as external intervention. The striking economic backwardness, political polarization, and continuing wars have thwarted social stability in the region.

The Guatemala conference is considered a success because the Central American countries sat down to exchange views face to face. EEC President Leo Tindemans said it is necessary to establish an environment of trust in Central America. He pledged EEC support for political dialogue among countries in the region. Foreign ministers participating in the conference noted the need to institutionalize annual meetings between Western Europe and Central America. The first ministerial conference of the EEC and Central America was held in 1984 and the second in 1985.

However, observers still have reservations on the prospects for peace in the region.

by Hu Jikang

## Ji Reaffirms China's Policy Towards Hong Kong

Ji Pengfei, director of the Hong Kong and Macao Affairs Office of the State Council, reaffirmed China's policy towards Hong Kong in an interview with *Beijing Review* on February 21. He was commenting on the January 16, 1987 Communiqué of the Enlarged Meeting of the Political Bureau of the Central Committee of the CPC (see *Beijing Review* No. 4, p. 5).

**Question: The people of Hong Kong have been very much concerned on learning about the change of personnel in the Party Central Committee and the struggle against bourgeois liberalization. Some fear that China will not continue to implement its policies of reform, opening to the outside world and invigorating the economy. Would you comment on the reaction?**

**Answer:** Such fears are not called for. The 1978 Third Plenary Session of the Party's 11th Central Committee summed up historical experiences and, starting from the realities in China, put forth a line, principles and policies for building a socialist society with Chinese characteristics. The basic points are to uphold 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 to persist in reform, opening to the outside world and enlivening the economy; these two basic aspects are linked and neither one can be dispensed with. Thanks to the implementation of the line, China has in the past eight years made great achievements in its socialist modernization drive, achievements that have won worldwide recognition. Since this line and these policies have proven beneficial to the nation and people, we will continue to follow



them for a long time to come. The personnel change in the Party's Central Committee and the struggle against bourgeois liberalization are aimed at fully and correctly carrying out the line of the Third Plenum of the Party's 11th Central Committee and not at altering it.

**Q: Some people are worried as to whether the personnel change in the Party Central Committee and the anti-bourgeois liberalization struggle will affect implementation of the policy of "one country, two systems" and the policy to keep the capitalist system in Hong Kong intact for 50 years after China resumes exercise of sovereignty over Hong Kong in 1997. What's your comment on this question?**

**A:** The scientific concept of "one country, two systems" has been advanced by Comrade Deng Xiaoping by pooling the collective wisdom of the Party's Central Committee; it was advanced in accordance with the principle of seeking truth from facts and

showing respect for history and realities. As a basic policy of the state formulated to realize the cause of reunifying the motherland, the idea of "one country, two systems" will not change because of any personnel changes. Comrade Deng Xiaoping has explicitly stated: "'One country, two systems' is a policy that has been adopted by the National People's Congress; it is a law. How will it change? If a policy is correct, no one will be able to change it."

I've just said that the personnel change in our Party's Central Committee and the struggle against bourgeois liberalization are aimed at better implementing the line of the Third Plenary Session of the Party's 11th Central Committee and building a socialist society with Chinese characteristics on the mainland. They do not have anything to do with the policy towards Hong Kong. The policy of maintaining the capitalist system in Hong Kong for 50 years and upholding Hong Kong's prosperity and stability has already been laid down in the Sino-British Joint Declaration and ratified by the National People's Congress, so it will not change.

**Q: Will the struggle against bourgeois liberalization involve Hong Kong, which is under the capitalist system?**

**A:** No. The struggle against bourgeois liberalization does not affect Hong Kong at all. According to the principle of "one country, two systems," the mainland is carrying out socialism, and Hong Kong, capitalism. The mainland must persist in the four cardinal principles, while Hong Kong continues to operate according to the system of capitalism. In fact, even on the mainland, the scope within which we combat bourgeois liberaliz-

ation is also strictly limited. It will be confined within the Chinese Communist Party. It will be carried out only in the political and ideological fields, and we will never allow "leftist" practices to be repeated. It is not a political campaign and will never flare up into one. So, I see no reason to fear that the struggle against bourgeois liberalization will involve Hong Kong.

**Q: Will the personnel change in the Party Central Committee and the struggle against bourgeois liberalization affect the drafting of the Basic Law of the Hong Kong Special Administrative Region?**

**A:** No, not at all. The drafting of the Basic Law is going on in an orderly manner as scheduled. Now all the special-subject groups are hard at work preparing for the 4th plenary session of the Basic Law drafting committee to be held in April. I am pleased to see that all the committee members, both from the mainland and Hong Kong, are active in the discussions and eager to put forward

proposals reflecting the policies of the Chinese government for Hong Kong in a serious and responsible manner and in the spirit of democratic consultations, mutual respect and trust, and have reached common understanding on many issues. As for questions on which agreement has not been reached for the time being, members of both sides can continue to seek their settlement through democratic consultations. I am sure that the drafting of the Basic Law will be completed on schedule by 1990 through their joint efforts.

**Q: Will the co-operative efforts of China and Britain to implement the Sino-British Joint Declaration on the question of Hong Kong be affected by the personnel change in the Central Committee and the anti-bourgeois liberalization struggle?**

**A:** No, they will not. The Chinese government and the British government have worked well together to implement the Joint Declaration signed two years

ago. The Sino-British Joint Liaison Group is very successful in its work; it has solved a series of important problems, including Hong Kong's status in the General Agreement on Tariffs and Trade, its status in the Asian Development Bank, its residents' travel documents, transitional arrangements of civil aviation accords between Hong Kong and other countries and regions, the setting up of Hong Kong's independent shipping register, and its public servants' pension system. The Sino-British Land Commission has also made marked progress, having settled questions of land leases that extend beyond 1997 and other problems in that connection. The friendly Sino-British co-operation, along with its encouraging results, has been widely acclaimed by people of all fields in Hong Kong. Their confidence in Hong Kong's future has been enhanced. I am sure that the friendly co-operation between China and Britain in carrying out the Joint Declaration will continue. ■

## Guizhou: Fight Against Poverty

by Our Correspondent Lu Yun

**G**uizhou Province is located in southwest China. The Chinese associate it with this ancient phrase: "The people there are very poor, the weather is unreliable, and the land uneven."

After the founding of the People's Republic of China in 1949, especially since the onset of economic structural reforms in 1979, Guizhou Province, like other parts of China, made much headway. In 1985, its gross output value of industry and agriculture was 15.4 times more than in 1949. Even so, Guizhou with a population of 29.72 million is still one of the poorest provinces in China. The average per-capita

income and its gross output value have long been the bottom or next to last in China. Guizhou's industrial output value accounts for less than 1 percent of the total of China's 29 provinces, autonomous regions and municipalities.

After my recent visit to the

Bouyei and Miao Autonomous Prefecture in southern Guizhou, the Miao and Dong Autonomous Prefecture and Anshun District in southeastern Guizhou, I gained a better understanding why the place is so poor.

	National	Guizhou
Average per-capita gross output value of industry and agriculture in 1985	1,170 yuan	496.4 yuan
Average per-capita annual income	646.5 yuan	365.4 yuan
Farmers' average per-capita income	397.6 yuan	287.83 yuan
Average per-capita grain	365 kg	202 kg

## Small Peasant Economy

It takes three hours to fly the 1,960 kilometres from Beijing to Guiyang, capital of Guizhou. However, three hours' bus drive in southern and southeastern Guizhou can cover only 100 kilometres. The province covers 176,000 square kilometres, 87 percent mountainous and 10 percent hilly. There are only 23 areas of flat fields each covering over 670 hectares. As one-third of the townships and towns in southern Guizhou have no motorized transportation, farmers living in remote mountain villages must cross the mountains on foot to sell their products and buy what they need.

The terrible communications have fostered a small peasant economy since ancient times. Peasants in many villages have been for centuries growing grain for their own consumption, weaving cotton cloth for their own use, raising pigs for the Spring Festival, keeping buffaloes for ploughing and breeding chickens for workaday purposes.

Their tools are primitive. Several years ago, threshing machines were used in some places but people quickly dispensed with



Cadres, the masses of Shui minority nationality, and others celebrating their own festival in Sandu County.

LU YUN

them fearing the grains of rice would be damaged; besides, they were cumbersome and impractical in terraced fields. After the responsibility system was introduced, peasants there accepted some new technology and chemical fertilizers. Many people learnt that hybrid strains could increase production but some others still stick with their original farming methods, including slash-and-burn cultivation.

Obviously, poor education hampers the use of technology. In

the three autonomous prefectures, 52 percent of the people are illiterate or semi-illiterate.

Due to excessive forest felling, the environment has been damaged. Beginning in the mid 1960s, unitary cultivation was pursued and a wasteland was opened up in the mountains, replacing the forests, resulting in water loss and soil erosion. Seven counties suffered particularly with forest coverage dropping from 44 percent to 16 percent, while in five others, nearly half their land suffer from soil erosion.

Although people's living standards somewhat improved after liberation, and the poorest peasants could eke out a living with government relief, more people in Guizhou wore tattered clothes than elsewhere, and there were few brick and tile-roofed houses. According to provincial statistics for 1985, some 8 million peasants, or 30 percent of the rural population of the province, did not have sufficient food and clothing. This figure is higher than in many other provinces.

Transporting timber by water.

XU XIANGJUN



## Natural Resources

An enormous range of flora is native to Guizhou which has



tropical, temperate and icy regions. There are 1,480 kinds of woody plant, more than 44 kinds of herbaceous plant, and 2,500 kinds of medicinal herbs. Over 300 species of animal are registered as indigenous.

Thirteen of the 64 kinds of proven mineral deposits in Guizhou are in the first five places in China. The deposits of phosphorus, manganese, aluminium, coal, antimony, mercury, iodine, marble, barite and limestone are substantial. Exploitable water resources could generate 13.25 million kw of electricity, the sixth greatest in China.

There are scenic wonders in Guizhou too, including the

the Han have been the rulers for the bulk of the period, because the Han had developed economy and culture and military strength, so the minority nationalities were gradually squeezed out to the poorer remote areas.

After liberation, the policy of national unity, equality and common prosperity replaced racial discrimination against and oppression of the minorities. Through social reform, various class oppressions were eliminated, so that every nationality, big or small, was equal politically and the minorities were helped by the government to develop their economy and culture. However, centuries of history cannot be

in holiday clothes got together and the young people scouted out a mate. The villages in Sandu County celebrated their New Year holiday in turn over a month, although the autumn harvest was going on.

In many villages, there are also elders-leaders chosen by the villagers themselves. In every village in Sandu, Anshun and Ziyun counties, I was greeted by the elders. They are held in respect, support the village headman and the Party branch in their work and help solve local disputes.

Some of their traditional culture and arts are kept intact, including embroidery and brocade.

In a Gelao village of Anshun County, I witnessed eight young men performing the local opera to celebrate the good harvest. They wore black masks and veils, long plumes on their heads, and four colourful triangular flags on their shoulders. They dressed in light-coloured coats and sarongs and variously held a feather fan, a folding fan, a wooden sword or a knife, singing and dancing accompanied by gongs and drums. One Gelao cadre said proudly that one of the local opera troupes was visiting France and other countries in Europe. There are more than 60,000 Gelao people residing in Guizhou.

Some of their old customs, charming though they may be, are apt to affect the development of production. For instance, they have a long celebration during the busy autumn harvest season; some families feed one sow only; a lucky day must be found before all sorts of trips and commercial transactions; feet must not touch the doorstep. Some minority cadres think that these old customs will go by the board with the development of the commodity production and greater exchanges with the outside world.

### Combating Poverty

To help 8 million peasants free



Bouyei girls doing their special batik.

XU XIANGJUN

Huangguoshu Falls and the Rhinoceros Caves.

China's west is typical for having rich resources but backward economy and culture. Guizhou has many minority nationalities living in compact communities. There are 8 million people classified as minority people there.

### Trace of History

Since 221 BC, China has been a unified multinational country, but

eliminated overnight, and 24 of the 26 poor counties in Guizhou contain national minorities living in compact communities.

On September 28 last year, I entered two villages in Sandu Shui Autonomous County during their New Year celebrations. Each family held a banquet to offer sacrifice to the ancestors or in honour of friends and relatives. Horse racing, dragon lanterns and performances on the mountainside were part of the festivities. People from a dozen miles around

themselves from poverty, the State Council announced that beginning in 1980 Guizhou Province would be given special preferential treatment for minority autonomous regions, with the state subsidies increasing at an annual rate of 10 percent between 1980 and 1986. In 1986, the province was given or lent 100 million yuan.

The grain purchase quotas for 26 poverty-stricken counties have been reduced or remitted. Some 3,400 younger cadres in the province have been formed into a poverty-eliminating work team, and sent to the poor areas for one year in turn. Many scientists and technicians are helping people to choose appropriate items for production and are providing technical instructions.

Guizhou's Ludian County is a natural "hothouse" for early-ripe vegetables. It is densely populated by Bouyei and Miao nationality peoples, who, unfortunately, have no tradition of vegetable growing. Li Guilian came to the county in 1979. She is an assistant researcher at the Guizhou Agricultural Science Institute and was awarded the title "Excellent Worker" in December 1985. She began spreading advanced cultivation techniques and opened classes to train peasants. Her students totalled 3,000. Li experimented with covering hot pepper field with plastic sheeting in Xinhe Village. It doubled the yield and ripened the peppers 10 days early. Since then 74 households in the village have adopted the new method, and in 1985, their income was 600 yuan, and 2.5 million kg of early-ripening vegetables were transported to the urban areas each year.

The provincial government gives over 3 million yuan a year to subsidize short-term training classes to teach educated youth in villages some production skills.

Young villagers often want to be workers or pedlars but they complain nobody helps or organizes them. There are some

exceptions. When three Miao peasants in Danzhai County heard that dried mushrooms fetched a good price in Guangzhou, they each purchased 25 kg of mushrooms and sold them in Guangzhou. A week later, they returned, each 500 yuan better off.

Tang Zhifang, a 71-year-old peasant in a Miao village in Leishan County 955 metres above sea level, helped 69 households plant grapes in their courtyards. The land is fertile and wet there, and peasants can expect a good harvest if they know how to prune. The income from selling two trellises of mature grapes equals that of one pig, but grape growing needs less effort. As a result, some neighbouring villages followed suit. In 1986, grapes from 292 trellises brought in over 4,000 yuan, accounting for 7.26 percent of the village's total income. Tang said that villagers could have had more grape trellises if they could be sure to sell all their grapes.

Wei Songxi, vice secretary of the Party Committee of Dongtang Township, Libo County, took the initiative in looking for a market for 50,000 kg of wild sour dark plums. He and his colleagues were able to sell their plums in Guangxi for a good price. The Dongtang government has bought Peking ducklings in the capital and sold them in Dongtang at cost price. At the village fair, the township head introduced the fairgoers to the benefits of breeding Peking ducklings. Ducklings were sold in front of the government office building and lecture on breeding method held in meeting rooms inside.

### Disseminating Know-How

Outside a farmer's house in Libo County, I saw a wooden handloom for weaving cotton patterns, renovated by the technicians of a work team. A traditional handicraft of the Bouyei nationality, Libo's hand-woven cotton cloth is characterized by clever



Bouyei girls weaving a carpet.

LU YUN

techniques and elegant patterns. The county has some 10,000 looms producing 2 million metres of cloth annually. It is exported to Japan, France, Southeast Asia, Hong Kong and Macao, and supply falls short of demand. These improved machines have doubled the efficiency and reduced the labour needed by 50 percent.

It is not easy to introduce a new tool, a new breed of poultry or a new strain of plant. Cao Guanglong, director of the Nationalities Affairs Commission of Zhengyuan County, said he was beset with difficulties when he and his work team were popularizing the new hybridized rice in the Baojing Township. Even though the yield of more than 20 households went up in 1985 due to their growing the hybridized rice, even though the work team funded the peasants' buying rice seeds and chemical fertilizer and building seedbeds, and even though it was announced that no relief food would be given to the households who refused to grow hybridized rice, still, peasants did not believe the method, fearing the hybridized rice won't taste good, won't swell in cooking and won't produce enough straw. Tai Dongfu and his wife, for example,

# Local Conditions and Customs in Guizhou

Guizhou is a multinational province in southwest China. It has rich and varied local customs and boasts many famous scenic attractions.

*(All photos by Xu Xiangjun)*

Huangguoshu Waterfall.

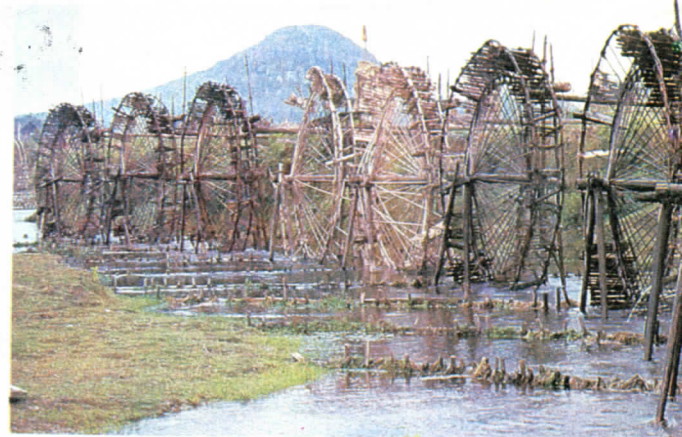
The entrance to the spectacular Dragon Palace—a karst cave.





A Miao woman dressed for the festival: wearing jeweled adornments weighing 10 kg.

Water is st  
field through



A visitor drinks from the ox horn before entering a Miao village.

Bull-fighting, a traditional sport of the Miao and Dong people.





Miao craftsmen making "lusheng"  
— a reed instrument.



Youngsters of the Shui nationality  
perform the dragon dance on their  
traditional festival.

pumped to the  
water wheels.



Bouyei girls in costume for the  
festival.



A Dong woman embroidering.





Three drum towers are the symbol of a Dong village, and the place for villagers to gather.



Inside the wooden Fengyu Bridge: meaning wind and rain, from which the bridge gives shelter.

The Fengyu Bridge over the Xihe River.



gave away most of their rice seedlings. However, this was discovered by work team members and the Tais reluctantly transplanted them all. To the couple's surprise, the village saw a considerable increase in yield, as high as 15 percent.

Compared with developed provinces, Guizhou's factories at township and county level have been left far behind. Over the last few years, one-third of the villages have established such enterprises and their output value has tripled every two years. Although they are small-scale mining, building materials, wine-making and raw material businesses, Deputy Governor Zhang Shukui notes, "Don't belittle them; they will be large-scale joint enterprises in just a few years."

## Bright Future

China's open policy has led to an influx of both domestic and foreign funds, technicians and technology into Guizhou. Tang Jinming, 51, director of the Sansui County Down Processing Factory, told me that in 1984 her factory introduced a set of auto-control down processing equipment from West Germany through compensatory trade. Since the imported machines were put into operation in February 1985 the factory has seen a sharp growth in output value and profits. The county plans to build up its duck hatching, breeding, slaughtering, processing and down coat production.

Guizhou's commodity economy has encountered many difficulties in its development and will remain far behind. The strategy for China's economic development in the early 21st century is to shift its emphasis onto the northwest (Xinjiang, Gansu, Ningxia and Qinghai) and the southwest (Yunnan, Guizhou, Guangxi and Tibet), which are sparsely populated and have rich natural resources.

A leader from the provincial Party committee, who feels optimistic about its economic development, said Guizhou's advantage in natural resources can be fully utilized when east and central China have been developed. He hopes the central government will view with favour the applications for loans and investments for some proposed large-scale projects in the area.

## Foreign Funds Welcome

Wang Chaowen, governor of Guizhou Province, declared recently that all overseas industry and commerce are welcome to invest in Guizhou. He said the stress for Guizhou is to import foreign funds and technology for the productions of aluminium, phosphorus, coal and chemicals, silicon and manganese alloys. Also improving hydro and thermal power facilities, breweries, setting up a flue-cured tobacco base, developing animal farming, traditional Chinese medicine, machinery and electronic equipment production, improving transport by land and water, and tourism.

Guizhou has taken 8 measures to improve the investment climate, Wang said:

1. Foreign funded enterprises have top priority in finding a site, labour and materials at lower cost. Generally, export-oriented and advanced technological enterprises are charged land use fees of between 3 to 10 yuan per square metre annually, while other joint ventures, between 10 to 15 yuan. Foreigners investing in Guizhou's remote areas can use the self-developed land free for five years and labour there is cheaper than in the coastal cities.

2. After the expiration of the period for the reduction or exemption of enterprise income tax in accordance with the provisions of the state, export enterprises whose value of export products in that year amounts to

70 percent or more of the value of their products for that year, with approval of the local tax organization, may pay enterprise income tax at one-half the rate of the present tax. With approval of state department concerned, more preferential terms will be given to export enterprises which earn more foreign exchange through export of their own products.

3. Foreign funded enterprises contracting to manufacture products China cannot, but which are needed in Guizhou and are imported from abroad, may have part or all of their goods priced in foreign currency with the approval of the Guizhou Provincial Foreign Exchange Control Department.

4. Foreign funded enterprises which are doing well and have earned plenty of foreign currency can be subsidized by their supervisory departments if they do not have enough currency to meet their immediate needs.

5. Foreign funded enterprises in Guizhou have priority in inclusion in the province's plan on investment in fixed assets, in getting building materials and labour, and in paying the same price as state-owned enterprises for materials.

6. Foreign funded enterprises in Guizhou are not charged by the local financial department, except that each employee must pay 40 yuan "local financial allowance fee" every month, excluding employees of export-oriented and advanced technological enterprises.

7. The agreement, contract and articles of association of foreign funded enterprises in Guizhou shall be examined and handled by the departments in charge within a month and a half. A definite answer, even if it is a refusal, is guaranteed.

8. Specific regulations concerning foreign funded enterprises in Guizhou shall be co-ordinated by their supervisory departments under the supervision by the Guizhou Provincial Economic Commission. ■

# Communique on the Statistics of 1986 Economic and Social Development

— Issued by the State Statistical Bureau of the People's Republic of China

In 1986 under the leadership of the Chinese Communist Party and the people's government, the Chinese people strictly implemented the policy of structural reform, opening to the outside world, and invigorating the domestic economy, consolidated and developed the fruit of reforms. As a result, new achievements were made in economic and social development. The total product of society of 1986<sup>1</sup> came to 1,877.4 billion yuan, an increase of 9.1 percent over the previous year. Of this sum, the total output value of industry and agriculture was 1,510.4 billion yuan, a 9.3 percent increase over 1985. National income reached 779 billion yuan, up 7.4 percent over 1985. Along with the steady growth of production, technological transformation was speeded up, the domestic market flourished, foreign trade was brisk, people's income increased, and progress was made in science and technology, culture and education, health, and sports. According to preliminary estimates, the gross national product<sup>2</sup> was 938 billion yuan, up 7.8 percent from 1985. The major problems in the economy were excessive investment in fixed assets, incoordinate growth in consumers' demand, and an imbalance in the national finances and in foreign exchange earning and expenditure.

## I. Agriculture

With sustained development of agricultural production and growth in the grain yield, some improvements were made within the agricultural structure. The total agricultural output value in 1986 reached 394.7 billion yuan, up by 3.5 percent over 1985, exceeding the planned growth rate of 3 percent. The proportion of forestry, animal husbandry, fishery and other sideline production within that figure rose from 37 percent in 1985 to 37.6 percent in 1986.

The total grain crop was 391.09 million tons, 11.99 million tons more than in the previous year. There was an increase in the tea, silkworm cocoon, vegetable, and fruit crops, and a decrease in cotton, oil-bearing crops and sugar-bearing crops. There was also a large drop in jute and ambary hemp, and cured tobacco production as a result of the planned reduction in the land devoted to them.

The output of staple agricultural products was as follows:

The new forestry policies stimulated en-

	1986 (tons)	changes from 1985(%)
Grain	391,090,000	3.2
Cotton	3,540,000	-14.6
Oil-bearing crops	14,730,000	-6.7
of which, rapeseed	5,870,000	-4.7
Sugarcane	50,280,000	-2.5
Beetroot	8,310,000	-6.8
Jute, ambary hemp	1,430,000	-65.4
Cured tobacco	1,380,000	-33.4
Silkworm cocoon	372,000	0.3
Tea	463,000	7.2
Fruit	13,400,000	15.2

thusiasm for planting, managing and protecting forests, promoted the development of afforestation, and quickened the construction of bases for fast growing trees. Progress was also made in afforesting the vast plain areas, as well as in establishing "shelter-forest" in north, northwest and northeast China.

Animal husbandry also expanded. The output of pork, beef, mutton, milk, poultry and eggs increased steadily. The number of cattle, horses, and pigs at year's end continued to grow. Sheep began to multiply, reversing the downward trend of the last few years.

The output of major animal by-products and head of livestock were as follows:

	1986	increase over 1985(%)
Pork, beef and mutton	19,180,000 tons	9.0
Milk	2,860,000 tons	14.4
Sheep's wool	183,000 tons	2.5
Pigs slaughtered	256,920,000 head	7.6
Large animals at year's end	118,910,000 head	4.5
Pigs at year's end	336,930,000 head	1.7
Sheep at year's end	165,830,000 head	6.4

Fishery developed rapidly. The output of aquatic products was 8,130,000 tons, up by 15.3 percent over the previous year. The total catch of freshwater products increased by 20.3 percent, while marine products, 11.9 percent.

Improvement was made in the conditions of agricultural production. By the end of 1986 the aggregate power of the country's farm machinery reached 228.1 billion watts, a 9.1 percent increase over 1985. There were 871,000 large and medium-sized tractors, a 2.2 percent increase; 494,000 trucks,



an increase of 14.9 percent; and the power of irrigation and drainage equipment was 60.1 billion watts, a 4.4 percent rise. A total of 19.52 million tons of chemical fertilizers were applied during the year, a 9.9 percent increase over 1985. The total consumption of electricity in rural areas was 57.8 billion kwh, an increase of 13.5 percent over the previous year. However, a lack of motivation remained a major hindrance to the agricultural development.

Reforms in the countryside continued to develop in depth, and rural economic structure was further readjusted. The total rural product of society in 1986<sup>3</sup> reached 742.9 billion yuan, an increase of 11.6 percent over the previous year. Of the sum, the total output value of rural industry, construction, transport and commerce increased by 22.3 percent, bringing up their proportion of the social production from 42.9 percent in 1985 to 46.9 percent in 1986.

## II. Industry

Industrial production was developed along a sound track. The total industrial output value in 1986 was 1,115.7 billion yuan, an increase of 11.1 percent, exceeding the planned growth of 8.8 percent. Excluding rural industry, the growth was 9.2 percent. Of the total, the state-owned sector's output value increased by 6.2 percent, collectively owned industry by 16.7 percent, individually owned industry by 60.6 percent, and industry of other kinds of ownership by 34.3 percent.

Light and heavy industries developed in proportion, and improvements were made within the industrial structure. The total output value of light industry in 1986 was 532.4 billion yuan, an increase of 12.7 percent; while the total output value of heavy industry was 583.3 billion yuan, an increase of 9.6 percent. In light industry there was a rapid growth in sections which consume other industrial products and in the sections which produce high-quality brand-name products. In heavy industry there was a rapid growth in raw materials industry. However, the lack of co-ordination between industrial production and consumer demand remained a major problem. There was also an increase in the oversupply of unpopular commodities.

Of 100 major products, 90 fulfilled or overfulfilled their targets including sugar, cotton yarn, television sets, steel, chemical fertilizers, coal, electricity, crude oil, cement, railroad freight cars, and power generating equipment. Those that did not fulfil the planned targets included motor vehicles, tractors, and computers.

The output of major industrial products was as follows:

	1986	changes from 1985 (%)
Cotton yarn	3,960,000 tons	12.1
Cloth	15,800,000,000 metres	7.8
Woolen goods	240,000,000 metres	12.3
Machine-made paper and paper board	9,140,000 tons	0.3
Sugar	5,240,000 tons	16.1
Cigarettes	25,930,000 boxes	9.4
Bicycles	35,700,000	10.6
Sewing machines	9,860,000	-0.6
Watches	64,450,000	18.3
TV sets	14,470,000	-13.2
of which, colour sets	4,140,000	-4.9
Tape recorders	16,390,000	17.7
Cameras	2,150,000	20.0
Household washing machines	8,990,000	1.4
Household refrigerators	2,240,000	54.8
Coal	870,000,000 tons	no change
Crude oil	131,000,000 tons	4.6
Electricity	445,500,000,000 kwh	8.5
Hydro-electricity	93,200,000,000 kwh	0.9
Steel	52,050,000 tons	11.2
Rolled steel	40,540,000 tons	9.8
Timber	62,880,000 cubic metres	-0.6
Cement	161,560,000 tons	10.7
Sulphuric acid	7,510,000 tons	11.0
Soda ash	2,150,000 tons	6.9
Insecticide	223,000 tons	5.7
Power generating equipment	7,120,000 kw	26.5
Machine tools	159,000	-5.1
Motor vehicles	369,000	-15.6
Tractors	34,000	-24.7
Locomotives	818	9.7
Steel ships for civilian use	1,540,000 tons	-30.7

As a result of the popularization of new energy-saving technology and the strengthening of management, in 1986 industry saved up to 20 million tons of energy, a rate of 4 percent. However, because of poor management in many enterprises, and other factors outside their control, profits were for the most part declining. Profits and taxes of state-owned industrial enterprises were 119.3 billion yuan, down by 0.2 percent from the previous year. The turnover period for working funds extended by 7.3 days, and production cost was overspent by 6.6 percent. Losses increased and the quality of products remained unstable. Per-capita productivity increased by 4 percent.

Advances were made in the structural reform

of industrial enterprises. Statistics from 21 provinces, autonomous regions and municipalities showed that 43 percent of the state-owned enterprises had adopted a factory director responsibility system, and 8 percent of small state-owned enterprises has either been transformed into state-owned collectively run enterprises, leased or contracted to individuals. Horizontal economic associations were on the rise. By the end of 1986, there were altogether 6,833 horizontal economic associations in industry above the county level, with an investment of 11 billion yuan from 15,740 participating enterprises. The production and profits turned out to be better than the average for industry as a whole.

### III. Investment in Fixed Assets and Construction

Control was exercised over the hasty growth of investment in fixed assets. In 1986 the country's investment in fixed assets both in the cities and the countryside totalled 296.7 billion yuan, 42.4 billion yuan or 16.7 percent more than in the previous year; a lower growth rate than the 38.7 percent rate of 1985. Of the total, investment in fixed assets, 193.8 billion yuan was made by state-owned enterprises, 40.4 billion yuan by collectively owned enterprises, and 62.5 billion yuan by individuals. State-owned enterprises' investment in capital construction was 115.2 billion yuan, 7.8 billion yuan or 7.3 percent more than the year before.

Improvement was also made in the investment structure. Of the investment in capital construction, 24.1 billion yuan went into energy projects (an 18.6 percent increase); 18.8 billion yuan into transport, posts and telecommunication (a 3 percent increase); 14.3 billion yuan into the raw materials industry (a 9.8 percent increase); and 8.5 billion yuan into education, public health and scientific research (a 13.7 percent increase over the previous year). The proportion of construction investment in energy, communications and the raw materials industry rose to 49.6 percent from 48 percent in 1985. If classified as productive construction and non-productive construction, investment in productive construction was 70.3 billion yuan with its proportion increasing to 61 percent from 56.9 percent in 1985; while investment in non-productive construction was 45 billion yuan with its proportion falling to 39 percent from 43.1 percent in 1985. Of this, investment in housing was 18.1 billion yuan, its proportion dropping to 15.7 percent from 20 percent. However, the investment structure remained inadequate: investment in energy, transport and raw materials industry was comparatively less than in various kinds of housing and accommodation facilities.

Construction of key projects was stepped up. An investment of 27.9 billion yuan was made in 190 key construction projects organized by the state and scheduled for a reasonable construction period, 109.1 percent of the year's plan. All the major construction of key projects including oilfields, coal mines, railroads and ports was completed, overfulfilling the year's plan.

A total of 96 large and medium-sized projects and 165 single items attached to large and medium-sized projects were completed and put into operation in 1986. Most of the large and medium-sized projects and single items which were planned and required to be completed were finished on schedule. New production capacities in capital construction include: 5.96 million kw of power generating capacity, 19.06 million tons of coal, 15.46 million tons of crude oil (including capacities added through oilfield renovation and transformation or other investments), 958 kilometres of newly built railways, 286 kilometres of electrified railways, 27.32 million tons of port cargo handling capacity, 3.7 million tons of steel production, 108,000 cotton spindles, 61,000 tons of chemical fibre, 110,000 tons of machine-made sugar, 420,000 cubic metres of timber and their transport, 5.43 million tons of cement, and 4.7 million boxes of plate glass. Except for cotton spindles, chemical fibre and machine-made sugar, all gained the biggest annual increase in a decade. New production capacities in the communication field like telecommunication, cable, microwave telecommunication and postal centre also grew considerably.

Headway was also made in the technological transformation of existing enterprises. State-owned enterprises used an investment of 78.6 billion yuan for equipment replacement, technical updating and other purposes; this was 18 billion yuan more than in the previous year, or an increase of 29.7 percent. Of this amount, 60.1 billion yuan was invested in equipment replacement and technical updating, an increase of 33.8 percent. Of this investment, 29.6 billion yuan was used to purchase equipment and machine tools, an increase of 31.7 percent; 19.9 billion yuan in enlarging production capacity, an increase of 23.8 percent; and 3.7 billion yuan in improving the quality of products, up 38 percent from the previous year. A total of 42,000 projects were replaced or transformed and put into operation in 1986, and 43.4 billion yuan worth of fixed assets was added, giving a big boost to updating existing enterprises.

However, investment in fixed assets was still excessive. As a result of the large number of new projects started in the last few years, there are altogether 163,000 projects of capital construction and replacement and transformation still under way in state-owned enterprises, of which 922 are larger capital construction projects.

Reforms in the management system of the building industry and of capital construction were carried out. Of all the large and medium-sized projects now under construction, 44 percent adopted various forms of investment responsibility system. The economic contracted responsibility system was applied to as many as 110,000 state-owned construction projects, covering a construction area of 150 million square metres and accounting for about 80.3 percent of the total. The country's construction market was effectively strengthened. In 1986 the total output value of the state-owned building industry increased 8.2 percent; per-capita productivity improved by 2.7 percent; while profits in construction enterprises under budget came to 2.28 billion yuan, a slight decrease from the previous year.

Geological survey work registered new achievements in 1986. The discovery of 65 minerals has increased reserves. A number of oil/gas fields, and 237 major mineral bases were discovered and verified, of which 128 could produce larger mineral reserves as could larger bases. More reserves were also discovered in 148 existing mining areas. Last year 9.8 million metres of tunnel were dug.

#### IV. Transport, Post and Telecommunications

Further reforms were carried out in transport. More efforts were made in building new railways while transforming the old, thus increasing capacity. The different roles of the railways and the highways were emphasized so as to make fuller use of their respective advantages. Water and air transport also made remarkable progress.

Volumes of passengers and cargo handled by various means of transportation are as follows:

	1986 (all in millions)	changes from 1985 (%)
Volume of cargo	1,817,800 ton/km	9.0
Railway	876,000 ton/km	7.8
Highway	37,900 ton/km	7.1
Waterway	842,000 ton/km	11.0
Air	500 ton/km	20.5
Oil/gas pipes	61,400 ton/km	1.8
Volume of passengers	457,300	
	person/km	6.8
Railway	258,700	
	person/km	7.1
Highway	167,200	
	person/km	6.3
Waterway	17,000 person/km	-2.3
Air	14,400 person/km	23.1
Volume of cargoes handled at major seaports	377.98 tons	12.7

Post and telecommunications progressed steadily. Business transactions throughout the country in 1986 totalled 3.28 billion yuan, a 10.8 percent increase over 1985. The year-end number of telephone users in urban areas amounted to 2.5 million, 313,000 more than in the previous year. Income from post and telecommunications reached 3.86 billion yuan, an increase of 16.1 percent compared with 1985.

Transport's economic results were improved. In 1986 average daily productivity of each locomotive was 806,000 ton/km, an increase of 5.4 percent over 1985; income and profits from the railways increased 10.5 percent and 33.6 percent respectively; labour productivity of railway workers rose 5 percent. The volume of transportation per ship directly managed by the Ministry of Communications was 46,700 ton/km, an increase of 7.4 percent over the previous year. Working order at the ports was improved, and the length of time foreign cargo boats had to dock at China's ports was shortened from 11.1 days in 1985 to 7.2 days.

Horizontal economic association was reinforced within the transport departments. Over 200 through transport corporations were established above the county level throughout the country, while over 2,600 highway routes for miscellaneous goods centred on large and medium-sized cities were opened. Over 60 waterway transport businesses in six provinces and one city on the Changjiang River were set up, and through traffic of railway and international ocean-going container ships was also under trial operation.

#### V. Domestic Commerce, Supply and Marketing

The domestic market thrived in 1986. The supply and demand for most commodities were normal. The value of China's 1986 retail sales totalled 495 billion yuan, a 15 percent increase over the previous year. When price rise was factored in, the actual increase was 8.5 percent. Of the total retail sales, the value of consumer goods was 437.4 billion yuan, up 15.1 percent, including a 15.3 percent increase in consumer goods sold to residents and a 12.9 percent increase to institutions. The retail sales of farm production materials and equipment reached 57.6 billion yuan, a rise of 14.4 percent. Retail sales in the state-owned sector grew by 12.1 percent; in the collective sector, by 12.7 percent; in the jointly owned sector, 15.7 percent; and in the individual sector, 21.7 percent. A 28.9 percent rise was registered in the transactions between farmers and non-agricultural people.

The retail sales volume of all consumer goods

increased over 1985. Increases included food, 16.4 percent over the previous year (8.7 percent if price increases are factored in); clothes, 4 percent; and other necessities 20 percent. Of household electrical appliances, the sales of luxurious, new-model, good-quality, famous-brand goods increased by a large margin.

Structural reforms of commerce progressed further. By the end of 1986, three quarters of the small state-owned commercial enterprises were delegated to collectives, turned over to collective ownership or leased to individuals. The number of urban and rural markets increased from 61,000 in 1985 to 66,000 in 1986. The business volume in 1986 amounted to 89 billion yuan, a 26.2 percent rise over the preceding year. Commercial associations spread quickly, numbering more than 5,700 by the end of 1986, employing 131,000 people. Their turnover in 1986 was 8.5 billion yuan, netting 620 million yuan in profit.

There was a drop in the economic results of state-owned commerce and of supply and marketing co-operatives. Because of price and cost rises in the circulation field, as well as competition between different commercial enterprises, the sales volume of state-owned commerce and supply and marketing co-operatives only had a slow growth. Expenses for every 100-yuan sale of commodities grew 6.5 percent in 1986 and profit dropped by 19.5 percent. There was an increase in the quantity of unsalable goods.

Market prices continued to rise. Because the expanded number of farm and sideline products purchased at negotiated prices in 1986, the purchasing price index rose an average of 6.4 percent. The general retail price level increased by an average of 6 percent, as a result of the readjustment of some commodity prices in the latter

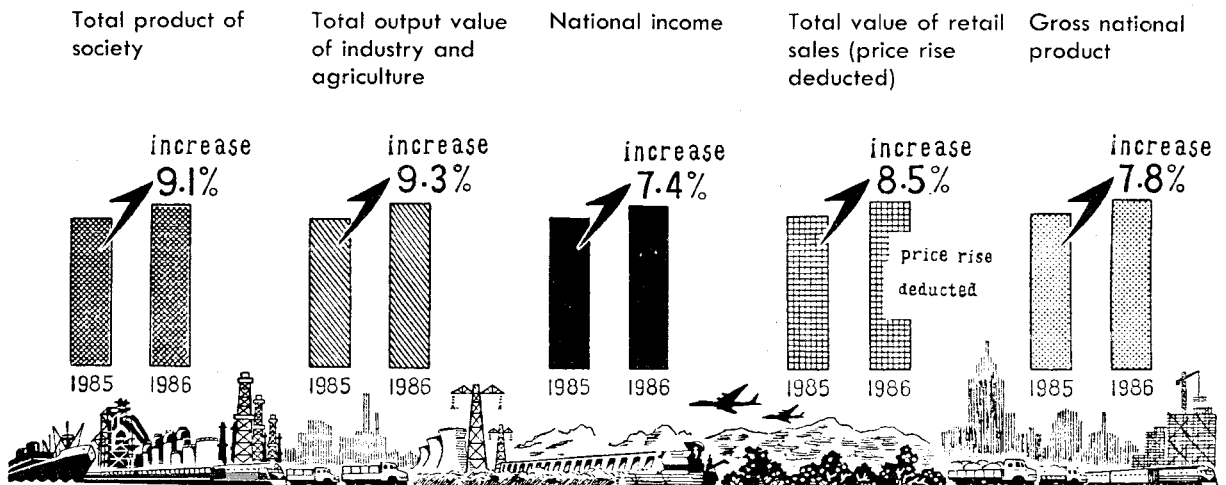
half of 1986 and the widening of the price difference in different regions, seasons and qualities. The retail price index rose 7 percent in urban areas and 5 percent in the countryside. Prices of foodstuffs went up by 7.4 percent in 1986 after a 14.4 percent price rise in 1985; the price of meat, poultry and eggs rose 10.1 percent; aquatic products, 11.7 percent; and fruit, 10.5 percent. The cost of clothes rose by 3.2 percent, (woollen goods rose 10 percent); articles of everyday use went up by 6.1 percent; books, newspapers and magazines by 13.9 percent; and fuel by 3.9 percent. The phenomenon of price increases in a disguised form, selling products of poor quality as good, and giving insufficient quantity was widespread in some regions.

The cost of living index for workers and staff went up 7 percent in 1986 with service costs rising 7.1 percent.

With the progress in the economic reforms, the scope of market regulation of capital goods expanded, entailing a drop in the proportion of material distributed according to the state plan. Rolled steel dropped to 53.1 percent from 56.9 percent in 1985; coal, to 42.3 percent from 50.4 percent; cement, to 16.2 percent from 19.4 percent; and timber, to 30 percent from 30.7 percent. The sales volume of the material departments was 118.3 billion yuan, a 10.7 percent increase over the preceding year. Of this, the volume handled by trade centres of means of production reached 15.8 billion yuan with a growth of 47.7 percent.

## VI. Foreign Economic Relations and Tourism

In 1986, China's foreign economic relations and exchange developed. According to Customs



statistics, the nation's 1986 total import and export value amounted to US\$73.8 billion, a 6.1 percent rise. Exports totalled US\$30.9 billion, up 13.1 percent over the previous year; imports totalled US\$42.9 billion, up 1.6 percent.

Non-trade foreign exchange income increased. In 1986, the nation's non-trade exchange income was US\$5.61 billion, 9.9 percent more than in the previous year; expenditure, at US\$1.82 billion, up 12.9 percent. Income was US\$3.79 billion more than expenditure.

More foreign capital was used. In 1986, the nation used US\$ 6.99 billion of foreign funds, 56.6 percent more than in 1985.

China widened its economic and technical cooperation with foreign countries. In 1986, China signed 845 contracts for overseas projects and labour service, altogether worth US\$1.27 billion, a 0.4 percent rise over 1985. Business volume amounted to US\$950 million, a 13.6 percent increase.

The tourists industry developed quickly. In 1986, China received 22.82 million tourists from 170 places abroad, 28 percent more than in 1985. Foreign exchange earned through tourism during the year amounted to US\$1.53 billion, up 22.4 percent over 1985.

## VII. Science, Education and Culture

Structural reform of science and technology developed steadily. Science and technology played an increasingly noteworthy role in economic construction. In 1986, 26 inventions and discoveries won state prizes, and 14,246 scientific and technological research results won prizes from the State Council departments and local governments. Of the nation's key research projects during the Seventh Five-Year Plan period, over 2,600 contracts for special projects were decided upon. Technological markets began to take shape. Last year, 87,000 research results transferred and the turnover was 2.06 billion yuan. The state fund for natural sciences began to be used in basic research and some in the field of applied sciences. The "sparkling programme\*" began to play an important role in invigorating local economies and bringing about the technical progress of township enterprises. Scientific research serving policy-making and management took on a new aspect, 160 such subjects had been decided on by the State Science and Technology Commission. Meteorological departments made fairly prompt and accurate forecast on weather and ocean, which helped raise social and economic results.

To protect inventors' rights and advance

science and technology, the Chinese Patent Office has granted 3,116 patents since April 1985 when the patent law was put into practice.

The ranks of scientists and technicians continued to expand. In 1986, 8.25 million natural science professionals and technicians were employed in state-owned units, 440,000 more than in 1985. The number of people working in the social sciences also increased considerably.

Education developed steadily. Institutions of higher learning enrolled 41,000 postgraduates in 1986. There were 110,000 postgraduates in study, 23,000 more than in the previous year, and 17,000 postgraduates completed their degrees. Universities and colleges enrolled 572,000, and had a total student body of 1.88 million, 177,000 more than in 1985. Last year, 393,000 students graduated.

Secondary vocational and technical schools developed rapidly. They had 5.22 million students, 610,000 more than in 1985. Vocational and technical senior middle schools had 4.8 million students, accounting for 38.3 percent of the total 12.53 million students in senior middle schools. The secondary education structure underwent some readjustments.

The implementation of nine-year compulsory education was under way. In 1986, there were 41.17 million students in junior middle schools, 1.52 million more than in the previous year. There were 131.83 million pupils in primary schools, and the attendance rate of school-age children increased from 95.9 percent in 1985 to 96.4 percent in 1986. Considerable headway was made in pre-school education and programmes for the blind, deaf-mute and mentally retarded.

Adult education also developed. In 1986, there were 1.86 million students at adult universities and colleges, 1.51 million at adult secondary technical schools and 4.42 million at adult technical training schools.

The nation's culture flourished. In 1986, China produced 134 feature films; and 192 new full length films were released. The country boasts 172,000 cinemas and film projection teams, 3,204 performing art troupes, 2,992 cultural clubs, 2,406 public libraries, 777 museums and 3,138 archives. In addition, there are also 278 broadcasting stations, 605 radio transmitting and relay stations, 288 television stations, and 622 television transmitting and relay stations each with a capacity of more than 1,000 watts. Some 19.6 billion copies of national and provincial newspapers, 2.38 billion copies of

\* The "sparkling programme" was introduced nationwide in 1985, designed to set off the necessary "sparks" to start a technological revolution in China's rural areas to boost their economic development.

magazines and 5.28 billion books and picture books were published last year.

### VIII. Public Health and Sports

Medicine and health services improved. The number of hospital beds in China reached 2.3 million at the end of 1986, an increase of 3.2 percent over the year before. Professional health workers numbered 3.51 million, up 2.9 percent over 1985. The total included 1.44 million doctors, of whom 743,000 were physicians practising traditional Chinese medicine and Western medicine, a 1.9 percent increase; and 681,000 were nurses, up 6.9 percent. New successes were achieved in preventing and controlling acute and chronic infectious diseases, and endemic diseases. The incidence of measles, whooping cough and diphtheria decreased by about 40 percent from the previous year. The incidence of other infectious diseases also declined.

New achievements were made in sports. In 1986, China's athletes won 26 championships in world tournaments. They broke nine world records on 12 occasions; they also broke 172 national records on 404 occasions. China's sports team won 94 gold medals at the Tenth Asian Games, keeping their lead. Mass sports activities developed widely.

### IX. Living Standards

Living standard in both the cities and the countryside further improved. A sample survey of urban employees' families showed an average annual per-capita income of 828 yuan for living expenses in 1986, a 20.9 percent rise over 1985. If price rises are factored in, real per-capita income rose 13 percent. The real income of a small number of families dropped because of price rises and other factors.

A sample survey of farmer families showed an average annual per-capita net income of 424 yuan, 6.7 percent more than in the preceding year. When price hikes are considered, the real income increased 3.2 percent in real terms. The total net income included 374 yuan from productive activities, a 6.7 percent increase; and 50 yuan from non-productive activities, up 6.3 percent. In the countryside average annual per-capita net income of 11.3 percent of farmer families was below 200 yuan.

Employment increased and the reforms of the labour system progressed. In 1986, 3.2 million people found jobs in urban areas. The nation had 127.68 million employees by the end of the year, 4.1 million more than at the end of 1985. Of them, contract workers numbered 5.18 million, up 1.86 million. Self-employed workers in the cities and towns totalled 4.61 million, 110,000 more than the previous year. The nation's wage-bill in 1986

totalled 166 billion yuan, up 20 percent. The average annual cash wage for workers and staff was 1,332 yuan, a 16 percent rise. When costs of living rises are factored in, the real increase in the workers' wages stood at 8.4 percent, higher than the growth rate of productivity.

Urban and rural savings deposits increased by a wide margin. By the end of 1986, individuals' bank savings amounted to 223.7 billion yuan, 61.4 billion yuan or 37.9 percent more than the 1985 year-end figure.

Housing for both urban and rural dwellers improved. In urban areas 180 million square metres of housing floor space were built in 1986, and 800 million in the countryside.

Social welfare services continued to improve. In 1986, the nation had 34,000 social welfare establishments, providing for 426,000 people throughout the country. Urban and rural collectives provided for 2.4 million people: elderly, disabled or orphaned who had no other means of support. Families who were suffering great hardships could find relief.

### X. Population

China's population growth rate increased. According to a sample survey of 413 counties and cities in 29 provinces, autonomous regions and municipalities, the country's birth rate in 1986 was 20.77 per thousand, the mortality rate was 6.69 per thousand, and the natural growth rate was up to 14.08 per thousand from 11.23 per thousand in 1985. The sample survey indicated that by the end of 1986 China had 1,060,080,000 people, 14,760,000 more than the 1985 year-end figure.

#### Notes

All the figures given in this communique are preliminary statistics, and do not include those for the province of Taiwan. The gross national product, national income and the total output value listed here are calculated in terms of 1986 prices, and the rate of growth over the previous year is calculated in accordance with comparable prices.

1. Total product of society is the sum of agriculture, industry, construction, transport, posts, telecommunication, and commerce (including supply and marketing of material and equipment and catering). National income is the sum of net output value of the above-mentioned five departments.

2. Gross national product refers to the increased value of both the "productive" and "non-productive" sectors, and net income from abroad.

3. Total rural product of society includes the total output value of agriculture and of collectively and privately owned rural industries, construction, transport and commerce. ■

## Chiang Urged to Negotiate Reunification

**"ZHONGHUA ZAZHI"**

(China Magazine)

The danger of the country breaking up has loomed large in China since 1912, and to this day, the issue of unification has been at the heart of political polemics and will remain so in the foreseeable future. This was the theme of a signed article published in the December 1986 issue of Taiwan's *Zhonghua Zazhi*. The author urged Chiang Ching-kuo to consult with the mainland authorities on the possibility of reunifying China.

The article continues to say that after its 1924 reshuffle the Kuomintang developed two totally different strategies towards the Communist Party and reunification. One was Sun Yat-sen's policy of "tolerating the Communist Party and reunifying China through peace and democracy;" and the other was Wu Zhihui's conservative advocacy of "eliminating the Communists and reunifying China through military force."

Sun, showing profound understanding of the world situation and influenced by the new ideology coming into being in the wake of the May 4th Movement, dismissed the anti-Communist policy. He proposed that a national assembly be convened so that political alienation could be avoided and a consensus reached to unify China through peaceful means and rally all forces against imperialism.

As the KMT leader, Chiang Ching-kuo still has a chance to guide his party through the door of modern Chinese history, so long as he chooses to learn from Sun and take the initiative to go to the mainland and begin a dialogue

with his compatriots, Deng Xiaoping included, on state affairs.

If Chiang is willing to do so, he will win warm applause from the Chinese living overseas and on both sides of the Taiwan Straits. Whether he succeeds or not, his name would go down in modern

Chinese history. If he decided to sit at the negotiation table, could Deng and the CPC refuse him? He would become a real hero, one who was brave enough to go to the mainland for the sake of China's democracy, the people's livelihood and the national unity.

The author hopes that Mr. Chiang Ching-kuo, now in his 70s and at the pinnacle of his power, will follow the historical trend and set aside Party disputes, in favour of a peaceful and unified China that is democratic and strong. ■

## Help Chinese Women in Self-improvement

**"RENMIN RIBAO"**

(People's Daily, Overseas Edition)

More and more Chinese women in various fields have come to realize that their education is not efficient to keep up with the four modernizations and the various reforms. Participants at a recent national theoretical seminar on women appealed to society to help women improve themselves.

According to reports at the seminar, in the countryside 40 percent of specialized households have women at their head. The proportion of individual businesses in urban areas run by individual women is just as great. But, still, the average standard of education for women is still lower than for men. According to the third national census in 1982, some 49 percent of rural women and 24 percent of urban women were illiterate. Women are not equipped to the developing socialist commodity economy, with its increasingly fierce competition between people, although they are naturally able to manage things quite calmly and resourcefully. Women can only keep up by being educated in advanced skills and technology.

Furthermore, the present re-

forms of the economic structure and labour system are badly affecting women's work. In the past women's social status was improved by giving them jobs, but further education was ignored. So their security is threatened as the "iron rice bowl" is being broken, because they bear more responsibility in looking after their children and in doing household chores.

In the establishment of a fine family, woman's morality, and cultural level play a decisive role. At present, most Chinese women work in the cultural, artistic, educational, sanitation, commercial and communication fields—all windows of normal socialist civilization. Thus women's occupational ethics and technical ability influence the general mood of society directly or indirectly and play a special role in enhancing moral value of the whole society.

It is impossible to remedy women's inferior education in a short time. For instance, in 1985, the number of women in school was the highest ever. At that time, the proportion of women in primary school was 45 percent, in middle school 40 percent, in university 30 percent, with only 14 percent of the postgraduate student women. ■

## Hydropower: Cure for Electric Shortage

### "GUANGMING RIBAO"

(Guangming Daily)

A serious shortage of electricity has gone on for 16 years in China. In 1985, the shortfall amounted to 60-70 billion kwh. A recent national symposium asserted that greatly accelerating the development of hydroelectric power stations is a task which can no longer be delayed.

Experts at the symposium pointed out that China has the world's greatest hydropower resources, with a total reserve of 680 million kilowatts. Of this, 370 million kilowatts could be tapped, which would mean an annual electricity output of 1,900 billion kwh. By the end of 1985, however, only about 26.4 million kilowatts, or 7.1 percent, of exploitable hydropower resources, have been tapped, with an annual output of 92.3 billion kwh.

Some experts considered that three things accounted for the backwardness in China's exploitation of hydropower resources: First, hydropower is not regarded as the primary energy resource, and not enough attention was paid to and investment made for its development. Secondly, some drawbacks in the existing electric power management system have hindered the self-development of hydropower industry. For instance, although hydroelectricity can earn bigger and quicker returns, the profits are not fed back into expanding its production. Thirdly, there is no long-term, unified plan for tapping the resources of major rivers. Projects are started and abandoned repeatedly, causing enormous losses.

For the sake of speeding up the construction of hydropower stations and mitigating the contradiction between the development of the national economy

and the lack of electricity, some experts made the following suggestions:

1. The primary energy position of hydroelectric power should be acknowledged and the investment for its development should be independently allocated. After turning the necessary profits and taxes over to the state, the hydropower departments should have the right to use their surplus profits in self-transformation and self-development.

2. More power should be delegated to the enterprises and power stations, barriers between different regions and departments

should be broken, so as to encourage localities to develop hydroelectric power.

3. The electricity users should foot part of the bill in order to break the "big-rice-bowl" practice in hydroelectric power distribution.

4. A long-term plan for developing hydroelectric power should be immediately worked out and the departments concerned should pay more attention to research and the early-stage construction of hydropower projects. In survey, design, construction and installation, the bid and contract system should be encouraged. Moreover, it is necessary to make the best of talents and state-of-the-art technology in order to meet the needs of large-scale construction. ■

## Rebirth of An Old Ethnic Group

### "JINGJI RIBAO"

(Economic Daily)

The Luobas are an old and little known ethnic group, living in the ancient forests in Milin county, southeastern Tibet. As late as the early 50s, they were still in a primitive society, farming by the slash-and-burn method and keeping records by tying knots.

The Luobas, whose name means "southerners" in Tibetan, speak their own native language, but write in Tibetan. Something over 300 Luobas live north of the "McMahon line." They were discriminated against so much before liberation that the local government did not allow them to till land and forced them to live in thatched straw sheds in the mountains, subsisting on wild animals and fruits. It was not until the democratic reform of 1959 that they were given land and returned

to a settled life on an equal footing with other nationalities.

Nanyiluoba Village, situated at the foot of a hill beside a stream, is surrounded by a great forest. Its eight families (42 people) work over 200 *mu* of land, and are more than self-sufficient in grain. Villagers—primarily the women—have learned how to raise yaks, sheep, pigs and chickens, grow fruit trees, and weave bamboo articles. The men still enjoy following the old custom of going hunting in the mountains after the autumn harvest, armed with bows and arrows and fire-lock musket, and augmenting their incomes by selling the game.

Improved production has brought a touch of modernity to the once primitive villagers. For example, a quarter of the villagers now wear wrist watches, half of the households have sewing machines, and 80 percent have bought radios or tape recorders. ■



## Consulting Services for Foreign Firms

**O**n February 19 in Beijing the China Industry & Commerce Development Corp. and the ABN Bank of Holland concluded a consultancy service agreement for the bank's business in China. Before this the corporation signed agency contracts or contracts on consulting services with the US General Electric Co., the US Union Carbide Corp., the French Banque Indosuez, the Ned Loyd Group of Holland, the US General Motors Corp. Detroit Diesel Allison Division and the US Connecticut National Bank.

Consulting service for foreign investors is new in China, but is already yielding good results. The US General Electric Co., the first company to sign a consultancy contract with the corporation, has exported to China four sets of 350,000 kw generating equipment and transferred internal combustion engine manufacturing and repairing techniques through international bids. Now the US company is talking with Shanxi Province about bartering two sets of 350,000 kw generating equipment for Shanxi coal.

The US Union Carbide Corp. recently signed a contract with the Liaoyang Petrochemical Complex in northeast China on transferring technology valued at US\$2.4 million, and has already transferred part of the technology for Daqing Oilfield's 300,000-ton ethylene project. At present the US company is discussing nine projects for transferring technology and running joint ventures in China.

Chinese consulting and agency services are drawing great interest from foreign companies. Currently the China Industry & Commerce Development Corp. is discussing the possibility of providing consulting and agency

services to the US General Motors Corp., US Combustion Engineering, C. Melchers & Co. of the Federal Republic of Germany, V. Benson of Britain and GIA of Brazil.

An independent economic entity responsible for its profits and losses, the corporation was established in March 1985. It also handles imports and exports and attracts foreign capital and technology.

by Yao Jianguo

## China Plans to Offer Satellite Service

**C**hina is willing to lease its recoverable scientific exploration and technical experimentation satellites to other countries, in the hope of promoting international co-operation in space science and technology, and peaceful use of space. This was announced on February 17 at the opening meeting of the 24th Session of the Scientific and Technical Sub-Committee of the UN Committee on the Peaceful Uses of Outer Space by Fang Xiao, chairman of the Chinese delegation to the session.

Fang said China has successfully launched and recovered eight scientific and technical experimentation satellites since 1975 and welcomed other countries to hire part or even the whole payload on such satellites for their own research programmes. ■

## Chinese Assistance To Third World

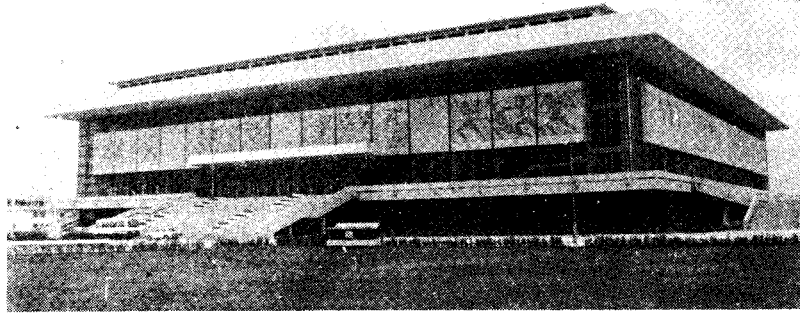
**A**lthough China is short in funds for its own economic construction, it will still help 63 other

countries to construct 222 projects this year: 13 new projects, 59 left over from last year, 100 technological and managerial co-operation projects and 50 others. Of them 40 will be completed this year.

It has been China's consistent policy to provide other third world countries with economic and technical assistance. Last year, or the first year of the Seventh Five-Year Plan (1986-90), China provided new help to more than 40 countries while continuing aid agreements concluded in the previous year. China was involved in a total of 98 assistance projects abroad in 1986, including 27 new ones, and 28 of them were completed that year. The completed projects included the Port of Friendship for 10,000-ton class vessels in Mauritania, the 324-km-long Serenje-Mansa Highway in Zambia, the Lagdo Hydroelectric Power Station with an installed capacity of 72,000 kw in Cameroon, the Marien Ngouwabi Military Academy in the Congo and a sugarcane plantation in Togo. Of the money used to help other countries, 69 percent went to equipment.

Statistics show that between 1954 and 1986 China helped build 1,154 projects in other countries. Most of them are now operating well and have contributed to the local economies and to the improvement in the local people's living standards. A few of the projects were not a success and last year China made efforts to consolidate 101 projects. With Chinese help, some of them have developed their production and improved management. Good results have been reported in a leather factory in Mali, a textile mill in Burundi, a textile mill in Zambia, a cement works in Rwanda, a hydroelectric power station in the Congo, a farm in Tanzania and the Tanzania-Zambia Railway.

At technical co-operation meetings of the Asian-Pacific developing countries, sponsored by the



ZHANG YUNFEI

**Burma's No.1 State Gym, built with Chinese help, covers an area of 25,300 square metres and accommodates 10,800 spectators.**

UN Industrial Development Organization in New Delhi, India, and by the UN Development Programme in Beijing, China, China took on responsibility for 111 technical co-operative projects and expanded South-South co-operation.

By the end of last year, 90 countries had received China's economic and technical assistance, 20 in Asia, 46 in Africa, 14 in Latin America, 5 in Oceania and 5 in Europe.

**by Zhang Kewei**

## Shanghai Sets Up More Joint Ventures

**W**hile many foreign businesses are still hesitant about investing in China, the Carrier Corp., the No. 1 manufacturer of air conditioners, radiators and cold storage equipment in the United States, has opened two joint ventures in Shanghai—the Shanghai Tonghui-Carrier Air Conditioning Equipment Co. Ltd. and the Shanghai Hezhong-Carrier Air Conditioning Equipment Co. Ltd.

The two, formally inaugurated on February 20, involve 26 million yuan (about US\$6 million) and 42 million yuan (about US\$11 million) respectively, and the joint management terms are 20 and 30 years. The US side possesses 51 percent of the shares bought with cash, while the Chinese side owns 49 percent of the shares, having contributed factory buildings, equipment and land.

John R.S. Kirkham, vice-president of the Carrier Corp. in the Asian-Pacific region, said the decision to establish two joint ventures in China was taken because each of the Chinese partners had its own advantages, suitable for producing different types of products. The joint ventures will help the Carrier Corp. hold its ground in China. The Carrier Corp. is now fully confident of China and believes that China's open policy will remain unchanged. It is still seeking new investment opportunities in China.

The two ventures' boards of directors are headed by Chinese presidents, with the US side appointing general managers. They will produce air conditioners, semi-hermetic compressors, reciprocating chillers, centrifugal chillers and other

products of the most up-to-date designs provided by the Carrier Corp., in addition to the Chinese factories' traditional brand-name products.

Both sides are optimistic about the ventures' production and marketing prospects. The Tonghui-Carrier Co. Ltd. is expected to go into full operation in September this year and sell 61 million yuan's worth (about US\$16 million) of products a year in the first few years. The Hezhong-Carrier Co. Ltd. is expected to sell 171 million yuan's worth (about US\$46 million) of products five years later. Part of its products will be sold abroad.

The Carrier Corp., a subsidiary of United Technologies, is the first foreign air conditioning equipment business to set up productive joint ventures in China.

**by Yao Jianguo**

## Trade News in Brief

■ This year the General Administration of Civil Aviation of China will open five new flight routes from Beijing to Fukuoka, to Tokyo via Dalian, to Canada, to the German Democratic Republic and to Istanbul via Urumqi and Sharjah. China-US flights will begin stopping off at Tokyo.

■ The Nanjing Petroleum Transportation Co. Ltd., the first international company of its kind in China, went into operation on February 20 in Nanjing. Its first oil tanker loaded with 5,000 tons of leadless petroleum left the Nanjing Port the same day for Japan's Yokkaichi.

The company now has four oil tankers. Its main business is transporting petroleum and petrochemicals along the Changjiang (Yangtze) River, coastal waters and short-distance sea navigation routes. The company also hires out ships and crew.

## Exploration in the Kingdom of Medicinal Plants

Medicinal plants are yielding their phylogenetic secrets to a new approach by medicinal plant experts. This will help medical scientists develop more new drugs directly or indirectly from medicinal plants.

"Phylogeny of medicinal plants" is a frontier science founded a few years ago by Prof. Xiao Peigen, director of the Institute of Medicinal Plant Development of the Chinese Academy of Medical Sciences.

This new branch of science, says Xiao, emphasizes the comparative study of correlations between the phylogeny, chemical constituents and pharmacological actions of medicinal plants using computer techniques.

In the course of his scientific work, Xiao found that many medicinal plants have similarities in their chemical composition and curative effects. For example, ginseng (*P. ginseng*), American ginseng (*P. quinquefolium*), Japanese ginseng (*P. japonicum*), *san qi* (*P. notoginseng*) and *zhu zi shen* (*P. japonicum* var. *major*), all contain terpenoid saponins and thus serve as general tonics.

In recent years, Xiao has published more than 40 papers, which have helped shape the new discipline. He and his colleagues have successfully collated 40,000 separate pieces of data, classified according to therapeutic categories in terms of Chinese medicine, and computerized for quantitative analysis based on the traditional efficacy of these medicinal plants. Now many medicinal plants, for which we were formerly dependent on imports, have been successfully replaced by these phylogenetically closely related domestic species. The new method has also helped Xiao discover a new drug,

*herbamine*, which has the effect of increasing the number of white cells in the blood. These achievements have attracted the attention of colleagues at home and abroad.



American ginseng "*Panax quinquefolium*" cultivated in the institute.

Xiao, 55, has been engaged in the study of medicinal plants for more than 30 years. To establish sources of medicinal herbs, he has toured all over the country. He has also visited more than 30 countries in Asia, Africa and Europe, where he investigated local medicinal herbs. Now his extensive knowledge of medicinal plants makes him a "walking dictionary."

In all, Xiao has published over 90 papers on medicinal plants in China and abroad. Together with his colleagues, he has also compiled about 20 works, such as *Chinese Materia Medica* in four volumes (in Chinese) published in the early 1960s. A revised edition in six volumes is being prepared — the first three appeared in 1979, 1982 and 1984.

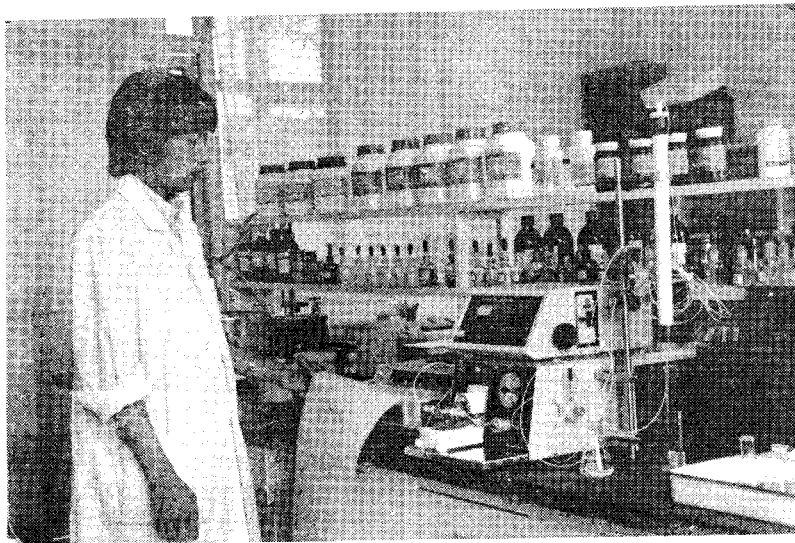
His research institute has many excellent scientists exploring Chinese traditional medicinal plants. One of them is associate research fellow Xue Jintan, an expert on the cultivation of *tian ma* (*Gastrodia elata*).

*Tian ma* is a valuable and commonly used traditional Chinese medicine. It is particularly effective against crooked eyes and mouths, numb limbs, high blood pressure and associated diseases. There is now an increasing demand for *tian ma*, and the study of its cultivation is becoming urgent. Now the life cycle of this miraculous medicinal plant, with neither root nor leaf, has yielded at last to Xue's many years of careful study. It was found that two kinds of symbiotic fungi are essential to the growth of *tian ma* during its asexual and sexual reproductive cycles. This botanical breakthrough has guaranteed its supply, which depended formerly on a scarce natural source.

The institute, says Xiao, has carried out a nationwide survey and identified more than 5,000 species of living plants in China, 2,000 of which have been brought under cultivation. A medicinal herbarium with 50,000 specimens has been set up.

Partly because the institute has a group of qualified researchers, and partly because China is rich in medicinal plants and has a long history of using them, it has been designated a WHO (World Health Organization) Collaborating Centre for Traditional Medicine. Xiao is concurrently an advisor on traditional medicine to the WHO Western Pacific Region Office.

Dr. Hiroshi Nakajima, regional director of the WHO Western Pacific Region Office, values the achievements of the



Extracting the active elements from medicinal plants.

institute. He also hopes that "the institute, with its excellent facilities and qualified staff in the field of herbal medicine, will be able to co-operate even more closely and enhance its contribution as a WHO Collaborating Centre for Traditional Medicine."

What are Xiao's plans for the

future? He says without hesitation: "Our goal is to build the institute into a first-class one in the world. The institute should make more contributions to the development of Chinese traditional medicine and to world health care."

by Jin Jianzhong

## 1,000 Bronze Statues Unearthed

**M**ore than 1,000 bronze statues, the first of their kind ever found in China, were unearthed between July and September 1986 from two big pits in Sanxingdui Village, Guanghan County, in southwest China's Sichuan Province.

According to Shen Zhongchang, a council member of the China Archaeological Society and one of the leading members responsible for the excavation work, these bronze statues provide valuable data for studies of bronze craftsmanship and ancient life during the Bronze Age in this area.

The relics, dating back 3,000 years, include a bronze statue of a

person 1.7 metres tall with a 90-centimetre-high pedestal. It is believed to have been cast in the Shang or the following Zhou Dynasty (c 1,600—221 B.C.) and is reported to be the biggest representing that period ever found in China.

Also unearthed were dozens of life-size human heads; ten statues with human faces in diameters ranging from 1.3 metres to dozens of centimetres; a 1.4-metre-high bronze tree with rare animals and pheasants as well as branches, leaves and fruit on it; some miniature bronze human statues, and human and animal faces; animal statues such as chickens,

snakes, birds, tigers and animal-deities, and several serrated dagger-axes. The estimated total weight of these treasures is around one ton.

The eye-balls of the largest statue with a human face protrude several centimetres past the eyelids and the ears turn upward.

Other objects found in the same site include a 1.4-metre-long gold stick with exquisite designs of human faces, fishes, birds and leaves; gold face-guards, more or less life-size; gold vessels and gold foil.

In the archaeological world, life-size bronze human statues, human head statues, or gold face-guards life-sized, have been found before only in Greece and Egypt. Naturally, the discovery of these bronze relics has attracted the attention of Chinese scientists specializing in the study of world bronze art and culture.

No two faces of the dozens of statues have the same expression. Each looks as if it came into this world with its own feelings and goals. One is smiling, another is thoughtful, another is frowning. Also interesting are the holes for earrings in the ears of the male statues.

According to some experts, the different postures and head-gear of the life-size head statues reflect a strict hierarchy. The head decorations of the statues found in No.1 pit can be divided roughly into four varieties. Some have protruding horn-like beams on both sides of their hats, some have tall flat-top hats, some have their hair braided at the back, and some of them simply have bald heads.

The large number of bronze statues reveals a new area in ancient China where a particular type of state system was set up and where politics, economy, craftsmanship and religion had developed to a fairly sophisticated level.

However, the reasons for burying all those bronze statues have yet to be worked out. ■

**Foreign Things to Be Assessed Critically**

In recent weeks the demonstrations in China have made headlines throughout the world.

It seems that students are demanding more freedom and "democracy."

To some extent their demands for freedom are just. However, when they demand that the culture be abandoned and that a completely new political system be brought in, they will certainly cause some raised eyebrows.

While there is a need for reform, both politically and economically, Chinese students should try to safeguard their heritage and be proud of it, because if they think that China's problems can be solved by importing other cultures wholesale, then they are in for a surprise. It seems most of them want to adopt the lifestyle of the leading industrial countries without taking the consequences into consideration. They should remember that some of these powers tried to reduce China to a semi-colonial state, and dominate it politically, economically and culturally. This brought disaster to China and economically, China has not recovered.

It is true that China needs to learn from the industrial countries about technology, and needs some more freedom to master that technology, but if the students think that the culture of the industrial countries needs to be imported wholesale, they are mistaken. From the experiences of many Asian, African and Latin American countries taking on the culture of a dominant country creates political and economic dependence and that leads to perpetual underdevelopment.

The Chinese people have one of the most long-standing cultures in the world and their heritage is very strong. As political leaders for China's tomorrow the students should be made to understand the

importance of that. Perhaps the long Maoist era, especially the "cultural revolution," can, to some extent, be blamed for the uncritical yearning for foreign things, because during that period the Chinese were not given the opportunity of gaining a perspective and discovering just what these "advanced" cultures were like. In the aftermath of Mao's era, many people in China therefore think that everything foreign must be good. China needs to learn a lot from industrial countries. However it should be critical in assessing anything especially something cultural.

*Stephen Isabirye*  
Arizona, USA

**Government Is Right to Hold Back Demonstrations**

The demonstrations the students held in China last December made the headlines worldwide.

The Chinese government was commended for not using force to put down the students, though they caused some destruction and traffic jams. The police's moderate attitude was fully in tune with the "four cardinal principles."

When faced with the demonstrations, Chinese authorities obviously remembered Mao Zedong's teachings in "On the Correct Handling of Contradictions Among the People," and followed his saying that "the only way to settle questions of an ideological nature or controversial issues among the people is by the democratic method, the method of discussion, criticism, persuasion and education, and not by the method of coercion or repression." To execute demonstrators like some other countries would do, would only increase resentment, and provide the reactionary forces of the world with ammunition against communism. Students who have been misled into opposition to the four

cardinal principles (see *Beijing Review* No.2) should remember that if they were in capitalist countries, the police would use high pressure hoses, tear gas and police batons to break up such demonstrations. It is the bourgeois politicians who talk about "freedom and democracy" who are the real upholders of rigid limits.

In the final analysis, China should not choose capitalist democracy and the capitalist road. Chinese history and bourgeois economic crises prove this.

Your magazine, through news reports and comments (*Beijing Review* No.1, 2, 1987) gave readers the true situation about the students' demonstrations. I read them with great interest. It was to their credit that Chinese leaders did not lose their heads during this turmoil. Articles such as "Concerns of Today's Students" which said that students mainly wanted to promote Chinese modernization, and that they thought bureaucracy should be overcome and more democracy is wanted, show that the students' demands do not differ from the authorities'. But, just as the article of the *People's Daily* which was reprinted in your magazine states: the Chinese reform policy is practical only when it is tied up with the "four cardinal principles."

*H.G. Foerster*  
Bielefeld, F.R.G.

CORRECTION: The second heading in the "Highlights of the Week" column, on the "Content" page, issue No. 8, should read "Multilateral Asian-Pacific Party Meeting Declined."





# SHANGHAI FAIR 1987

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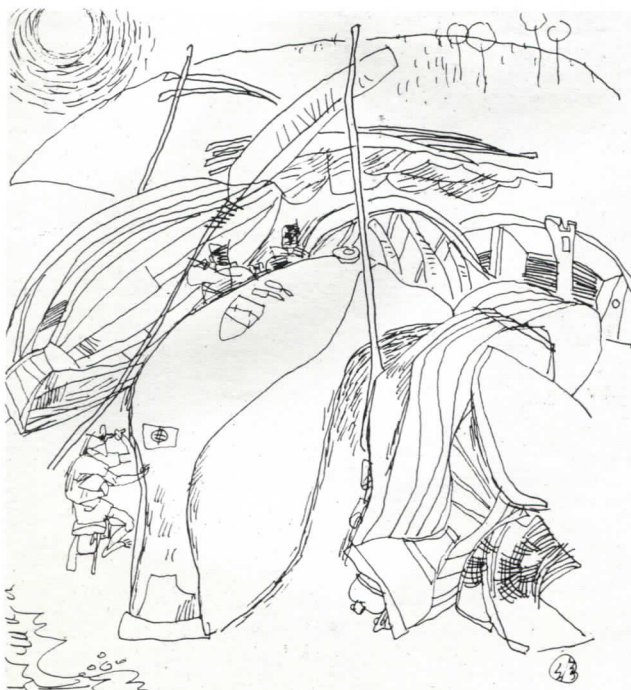
Ospreys.

## Sketches by Xu Donglin

Xu Donglin, 36, works in the Studio of Painting and Calligraphy of Jiujiang City, Jiangxi Province where he was born. The sketches here are all to do with fishing.



A Fishing Girl.



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