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Role of the Working Class *A Look at the Taiwan Situation*



**INNER MONGOLIAN AUTONOMOUS
REGION: 40 YEARS OLD**



A Courtyard

Photo by Li Jiangshu

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Cover: Buhe (Mongolian), chairman of the Inner Mongolian Autonomous Regional Government.

Xu Xiangjun

HIGHLIGHTS OF THE WEEK



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Protecting Workers' Vital Interests

■ Protecting workers' rights remains an important task for China's trade unions which, in the last few years, have helped defend workers' material and cultural needs. With their vital interests protected, the workers will work harder, take a more active part in reform and thus contribute more to socialist modernization (p. 4).

Inner Mongolia: 40 Years of Regional Autonomy

■ Founded May 1, 1947 Inner Mongolia is China's first minority nationality autonomous region. In 40 years it has made great strides in industry, agriculture and animal husbandry. Chairman Buhe writes on the region's achievements, problems and future plans. Our correspondent reports from Hohhot on the workings of regional autonomy. (p. 14).

A Close Look at Taiwan.

■ Two articles on Taiwan are published here. One, a summary of a recent Beijing forum, focuses on the changes in the island's political and economic situation in 1986 and its prospects for 1987. It is the consensus of the participants in the forum that Taiwan's economic prosperity is ephemeral, while its troubles are real. The second article by a deputy director of the Institute of Taiwan Studies analyzes the recent upturn in Taiwan's economy. (p. 22).

Charity Concert Conducted by Mr. Heath

■ An unusual concert was recently given by former British Prime Minister Edward Heath in Beijing. All the donations for the performance will be spent on the construction of a rehabilitation and recreation centre for the Chinese handicapped in coastal Shandong Province (p. 33).

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Workers' Vital Interests Protected

by Xin Lin

Protecting workers' vital interests remains an important task for China's trade unions which have a combined membership of 90 million people.

As the leading class of the country, workers in socialist China face a different situation from that before the founding of the People's Republic in 1949. At that time, the working class was being ruled and oppressed. To safeguard their interests, the workers had to organize themselves into trade unions to wage struggles against the old regime. Today the state serves the workers and other labouring people and protects their interests.

But this does not mean that the trade unions no longer play a vital role. Although the basic stands of the government and the trade unions are identical, they have different responsibilities, so they see things from different angles. The bureaucratic style and the wrongdoing of some leaders of government organizations and enterprises have meant that workers' legitimate rights and interests are often encroached upon. To counter this tendency, the government and the trade unions are both required to protect workers' interests, otherwise the trade unions will become divorced from the workers, thereby also divorcing the Party and the government from the latter.

In the last few years, China's trade unions have helped the government defend workers' interests materially and culturally.

Materially, the trade unions protect workers' legitimate and reasonable demands in wages, bonuses, housing allocation and other welfare matters. The unions have done a great deal in stopping

such practices as making workers work overtime endlessly to increase production, neglecting safety and wilfully punishing workers, which are all contrary to state policies. The wage level of the nation's worker families has, since 1978, increased at an average annual rate of over 8.5 percent.

Culturally, the trade unions protect workers' right to study, and to have access to sports and other recreational activities. At present, 30 million working people are engaged in various forms of spare-time study throughout the country. In the early post-liberation years, 80 percent of the working people were illiterate; now 85 percent have reached secondary school level. Some enterprise leaders have undermined their employees' cultural life by turning workers' clubs and libraries into warehouses, and sports grounds into coal dumps. Speaking for the workers, trade unions at the enterprises pressed the administration to correct these inappropriate practices.

As part of workers' participation in managing state and social affairs, the Federation of Trade Unions has sent representatives to take part in the nation's wage and price reform groups, and has made its opinions known to the government departments concerned on the plans for enterprise reforms. In drawing up the provisional regulations on the reform of the labour system, the Law on Joint Ventures Using Chinese and Foreign Investment, and the Bankruptcy Law for State-Owned Enterprises (draft), the government consulted with the trade unions. Last year, 21 sets of laws and regulations were worked out after opinions were solicited from the All-China Federation of Trade Unions.

Employees generally take an active part in the democratic management of enterprises. This is done mainly through the system of workers' congresses, which have been set up in 380,000 enterprises across the country, 80 percent of all enterprises. The workers' congress has the right to examine and discuss major decisions on the enterprise's production, management and technology. It also has the right to decide on major issues concerning workers' well-being; to appraise and supervise the leaders; to make proposals about appointments, rewards and punishment of leaders; and to recommend and sometimes elect factory directors (managers).

From 1984 to 1986, 80,000 enterprises across the country introduced democratic elections of factory directors and another 150,000 enterprises began appraising the competence of leading cadres.

Some enterprise administrative leaders still pay no heed to workers' demands for involvement in management. They wrongly believe that democratic management would adversely affect their ability to direct. They do not understand that without full democracy, there can be no correct decisions or strong worker support. Much remains to be done to improve the democratic management system.

When their vital interests are guaranteed, the workers will come to a better understanding of their role as masters of the state and society. So they will exhibit a greater sense of responsibility. They will work harder, take a more active part in the reforms, make useful suggestions, engage in creation and invention and thus contribute still more to socialist modernization. ■

Visit Shows Closer Sino-Czechoslovak Ties

Czechoslovak Premier Lubomir Strougal's six-day visit to China, starting April 24, represented a major event in the two countries' ties and will elevate Sino-Czechoslovak relations to a new phase of development.

The visit, the first by a top Czechoslovak government leader in 30 years, came at a time when China's relations with East European countries are warming up.

In Beijing, Strougal met Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, Li Xian-nian, Chinese president, and Zhao Ziyang, State Council premier and acting general secretary of the CPC Central Committee. The leaders briefed each other on the situation in their respective countries and exchanged views on international issues of common concern.

Meeting the Czechoslovak premier on April 26, Deng Xiaoping said that China and Czechoslovakia have common language on many issues. "Our relations

have grown satisfactorily over the past few years. The past is over. Let's move towards the future and continue to do so," he added.

Deng praised Czechoslovakia for its achievements, saying that it is ahead of China in science, technology and industry.

"You have a lot of things for us to learn," he said.

Deng recalled Czechoslovakia's contributions when China was building its industrial foundation in the 1950s and expressed thanks to the Czechoslovak experts who helped China in those years.

On socialist construction and reform, Deng said the two countries have the common objective of building socialism. "However," he said, "the ways of building socialism should be decided according to each country's actual conditions instead of copying others."

Strougal said he completely agreed with Deng's remarks on bilateral relations and the appraisal that these relations have entered a new phase. He stressed

that there are no obstacles to expanding bilateral relations, and Czechoslovakia and China can cooperate well in all fields.

Chinese Premier Zhao reaffirmed China's commitment to better relations in all fields with Czechoslovakia in talks with Premier Strougal on April 24.

Zhao, who will go to Czechoslovakia and four other East European countries in June this year, said that Sino-Czechoslovak relations had enjoyed a rapid and obvious development over the past few years. "China treasures this development and is ready to push the friendly and co-operative relations between the two countries to a new height," he added.

He attributed the smooth progress of Sino-Czechoslovak relations to the common ground shared by the two countries.

He said that the two are both devoted to socialist construction with their own characteristics, to the maintenance of world peace, to the improvement of bilateral relations and mutual respect and understanding.

China highly values the common ground shared by the two countries, he said, adding that China also fully understands the differences between the two countries caused by their different positions.

However, Zhao said, these will not affect the development of relations between the two countries so long as both sides take active and realistic measures to promote bilateral relations under the principle of mutual respect and understanding.

On April 26, the two countries signed an agreement setting up a Sino-Czechoslovak shipping company to serve the increasing trade between the two countries. They also signed an agreement on the transfer of Tatra 815 truck technology to China.

A school girl presents a bouquet to Czechoslovak Premier Lubomir Strougal at the April 24 welcoming ceremony presided over by Premier Zhao Ziyang.

LI SHENGNAN



Strougal left Beijing the same day on a visit to Shanghai, Guangzhou and the Shenzhen Special Economic Zone in south China. ■

Concern Over Sino-Indian Border

India has been amassing troops in areas along the Sino-Indian border and conducting a large-scale military exercise, arousing grave concern in Beijing.

A Chinese Foreign Ministry spokesman said at a news briefing on April 22 that the Indian side should, in the overall interests of Sino-Indian friendship, refrain from provocation.

"China has always held that an early, fair and reasonable settlement of the Sino-Indian boundary question should be brought about through friendly consultations and in a spirit of mutual understanding and accommodation," he noted.

The Chinese side, he said, has made sincere efforts to maintain peace and tranquility in the Sino-Indian border areas. However, Indian troops have repeatedly crossed the line of actual control by the two sides, nibbling at Chinese territory, forcibly occupying some Chinese territory and sending military aircraft to violate China's airspace.

Last February, the Indian authorities even granted statehood to the so-called Arunachal Pradesh in a part of Chinese territory it has illegally occupied.

Recently, the Foreign Ministry spokesman said, India is amassing troops and carrying out military exercises, code-named "chess-board" in areas along the Sino-Indian border, creating tension there.

At the same time, the spokesman said, some Indian news-

papers reported that China "is building up forces in Tibet" to "teach India a lesson." This is a sheer fabrication concocted with ulterior motives, he said.

"It is our hope that the Indian side should, in the overall interests of Sino-Indian friendship, refrain from such provocations," he said. He disclosed that the Chinese side has made representations on the matter to the Indian side through diplomatic channels.

He also said that the Chinese frontier guards are making routine patrols in the area along the border and that China has not built up its military strength there.

Chinese leader Deng Xiaoping said at a recent meeting with E.M.S. Namboodiripad, general secretary of the Indian Communist Party (Marxist), that China's basic policy is to develop its national economy and maintain world peace. It has settled all border issues with neighbouring countries, except those with the Soviet Union and India, he said.

He hopes that the border issue between China and India will be settled reasonably in a spirit of mutual understanding and mutual accommodation.

The Sino-Indian boundary runs some 2,000 kilometres, and the successive governments of China and India have never signed any boundary treaty or agreement on it. A traditional customary boundary between the two countries respected by the two peoples had naturally taken shape on the basis of the extent of each side's administrative jurisdiction.

After India's independence, the Indian government not only took over the part of Chinese territory occupied by the colonialists across the traditional customary boundary but pushed further north and brought under its occupation large tracts of Chinese land. As a result, a line of actual control by the two sides has taken shape on Chinese territory, and about 90,000 square kilometres of Chinese land has become disputed territory. ■

Workers' Congress Plays Bigger Role

The workers' congress, a forum for workers to take part in the democratic administration of the enterprises where they work, is playing an increasingly important role in China.

According to statistics released by the All-China Federation of Trade Unions, prior to May 1, a total of 380,000 work units, including almost all enterprises owned by the state, have established their own workers' congresses. The major task of a workers' congress is to examine and make decisions on the enterprise's plans for production and technological reform, supervise the work of the directors, and protect the legitimate rights and interests of the workers and staff.

With the workers taking an active part in management through the congress, their sense of responsibility is strengthened and their initiative brought into play. Available statistics show that last year the workers' congresses put forward a total of 6.77 million motions, 43.1 percent of which concerned the improvement of management.

The practice of publicly evaluating administrative and managerial personnel through the congress is gaining ground. This is linked with the promotion or demotion of cadres, having a great influence on the enterprise officials' sense of responsibility. Many enterprises, including a few big and medium-sized ones, have experimented with choosing factory directors through democratic election. Last year, workers' congresses throughout the country rewarded 106,000 cadres for their good work, and relieved 9,000 of their posts. In addition, 56,000 enterprises, mainly small and medium-sized ones, chose their administrative leaders through workers' congresses. In Wuhan, the direc-

tors of 24 large, state-owned enterprises were elected this way.

In the process of consolidating the democratic management system, trade unions (or workers' congresses) in some 57,000 enterprises have signed collective contracts with their factory directors on behalf of the workers and staff. The contracts clearly state the rights and responsibilities of the trade unions and provisions for workers' welfare, as well as yearly production goals for the units, and measures to meet these targets. The Shijiazhuang Wristwatch Factory, for example, introduced the collective contract system six years ago. Since then the factory's output has increased at an average annual rate of 24 percent, and profits and taxes handed over to the state increased by 3.8 percent. At the same time, welfare for the workers and staff has also been greatly improved.

Water Scarcity Checks Development

Although there have been several spring showers, a serious water shortage is costing the country some 20 billion yuan (US\$5.4 billion) annually, says *Renmin Ribao* (People's Daily). Last year's losses were equal to the total industrial output value of Guangdong Province and Guangxi Zhuang Autonomous Region put together.

Beijing, for example, has faced a daily water shortage of 200,000 tons during the summer months in recent years. Experts predict the period will be longer this year, according to Xiao Shaoyong, a section chief in the Ministry of Urban and Rural Construction and Environmental Protection. And reports from Shanxi say that the province is suffering from a water shortage of more than 1 billion cubic metres per year.

Xiao quoted Vice-Premier Wan

Li as saying that China's urban construction has never 'been so vigorous and has never met so many difficulties, notably water deficiency. By this he refers to the facts that water shortage has delayed production and affected the quality of some products.

Although the country's water supplying capacity is seven times greater than it was 30 years ago, Xiao said, another 10 million tons are needed daily. About 200 cities have been affected by the scarcity.

Experts warn that fresh water resources available around cities in north China and some coastal areas are drying up; the construction of new urban water supplies has been held up by economic factors; pollution and over-tapping of ground water resources in many cities have been responsible for worsening water quality. Subsiding ground tables and even allowing seawater to seep into fresh water aquifers can also be traced to the overtapping of ground water.

Xiao blames the water deficiency on the country's scarce water resources, saying that China's per-capita water supply is one quarter of the world's average. At the same time, the construction of water supply projects cannot keep pace with the rapid increase in water consumption in urban areas as more factories and apartment buildings are being built. Low costs to industrial users results in an inefficient use of the available water, he said.

He said that water diversion efforts have been made to buffer the scarcity. The first phase of a project to channel Luanhe River into Tianjin was completed in 1985, while other diversion works in cities like Beijing, Dalian, Qingdao and Xian are either under construction or on the drawing board.

The inadequate rainfall in north China, however, limits water storage, he explained, and the channelling projects seem unlikely to solve the problem thoroughly.

The more practical and immediate way is to pursue the efficient use of water in production and other services.

Last month the Ministry of Urban and Rural Construction and Environmental Protection urged cities to save water in its circular — "Main Points for Promoting More Efficient Use of Water in Cities." And administrative offices have been set up in more than 160 cities around the country to overlook industrial water consumption, Xiao said.

Beijing has been controlling enterprise consumption of water with a strict plan introduced earlier this year. Those who go beyond the limits are not only fined but their quota of water for the next rationing period is reduced by the amount that exceeds their ration quota. In addition, the city has moved to popularize water saving facilities for enterprises, public services as well as apartment buildings.

In Datong, Shanxi Province, where water resources are even more inadequate, 4.35 million tons have been saved in the past three years, equalling the city's total consumption in about half a year.

"By the year 2000, half of our country's urban water supplies will come from recycling facilities," Xiao predicted.

He said that wastewater treatment plants will be built near Beijing, Shanghai and other big cities to fight pollution and water shortage. Yet as they will not make a profit, investments are hard to obtain.

Some hydraulic experts see moving water from the mighty Changjiang (Yangtze) River to north China as the ultimate way to supply the needs of the area. But the idea has been questioned by environmental experts, who argue that it may have a negative impact on the agriculture and ecology of the Changjiang Delta. ■

Rewi Alley: 60th Year in China Marked

Rewi Alley, a New Zealander who has made outstanding contributions to the Chinese revolution, was honoured with a reception in Beijing's Great Hall of the People. The reception, given by the Chinese People's Association for Friendship With Foreign Countries on April 21, marked the 60th anniversary of Alley's arrival in China.

Alley, 90, came to China in 1927. In 1938, he organized the "Gungho," an industrial co-operative, during the War of Resistance Against Japan. In the 1940s, he set up a technical school in Shandan County, Gansu Province, to train children from peasant families.

In 1953, Alley moved to Beijing. As a poet and social activist, he has written a lot of reports, poems and articles to present China's historical changes to the West. He has also put forward many valuable proposals for China's socialist construction and economic development. In 1982,

he became Beijing's first honorary citizen.

Deng Yingchao, chairman of the Chinese People's Political Consultative Conference, and New Zealand Prime Minister David Lange sent greetings to the reception, which 150 people attended.

In her message, Deng thanked Alley for his great contributions to both the Chinese revolution and the construction of New China over the past 60 years, and for his important role in safeguarding world peace and promoting understanding and friendship between the people of China and New Zealand as well as other countries.

In his message, Lange said, "We in New Zealand are proud of you. The ties of friendship and co-operation that you so successfully began to develop as an individual 60 years ago, are now mirrored in the close links that New Zealand as a country enjoys with China and its people. We look forward to

developing them further in the years ahead."

Recently the Chinese version of Rewi Alley's autobiography—*At 90: Memoirs of My China Years* was published by the Gansu People's Publishing House. The text is 240,000 characters long and illustrated by 109 photos. ■

Private Businesses Have a Vital Bearing

Individual economic activities have become an indispensable part of China's socialist economy and a necessity for the country's economic life, said Ren Zhonglin, director of the State Administration for Industry and Commerce, at a national conference attended by directors of provincial bureaux for industry and commerce, which opened in Beijing on April 10.

Ren told the participants that despite a slight drop early in the year, China's private business and free market economy developed greatly in 1986, enriching people's lives.

Statistics collected by the administration show that by the end of 1986, more than 12.11 million individually run business units had been set up in China, employing 18.46 million people and covering industrial, commercial and service trades. Their turnover came to 91.42 billion yuan (US\$24.6 billion) in 1986, up 21.8 percent over the previous year and accounted for 11.8 percent of the country's total retail value last year.

Some 12 percent of these individuals work in industry, 8 percent in transport, 0.4 percent in construction, 53.1 percent in commerce, 10.3 percent in the catering trade, 6 percent in sideline industries and 7.2 percent in the repair trades.

In addition, China has 283,000 collectively managed economic organizations with more than 3.45 million employees.

The Chinese People's Association for Friendship with Foreign Countries gives a reception to mark the 60th anniversary of Rewi Alley's arrival in China.



"China's private sector has moved from a period of sharp increase to one of stable development," Ren told the participants.

"Generally speaking," he said, "private businesses have not been able to meet demand."

He urged administrators at all levels to support private trade, especially by supplying raw materials and goods. "The proper rights and interests of the private economy must be protected," he said.

Ren emphasized that this year China will continue its support of private industry, and regards this as a "long-term and consistent policy."

A major drive is to be launched to educate business people and workers of professional ethics in private trade in order to raise the managerial level of the people in this sector.

Meanwhile, said Ren, the state will strengthen supervision of businesses to stamp out tax evasion, poor quality products and unlicensed trading. The state will also crack down on the use of forged trademarks.

Ren urged local advertising administrators to improve the supervision of advertisements for food, medicine, household electrical appliances and other goods indispensable to people's everyday lives. China has over 6,900 units in advertising with over 80,000 employees. The annual turnover of the industry is 800 million yuan.

In his speech, Ren Zhonglin urged localities to pay more attention to the development of wholesale markets for agricultural and sideline products and specialized markets in order to enhance the exchange of goods between the town and the countryside and between different regions.

By the end of 1986, China had established 892 wholesale markets for agricultural and sideline products and their turnover during the year totalled 2.8 billion yuan.

Weekly Chronicle

(April 20-26)

POLITICAL

April 24

■ The State Council will submit nine new laws, including regulations on ocean trade, copyright and water resources, to the National People's Congress for examination and approval this year. It also announced a five-year programme to draft 50 new laws and 300 administrative regulations.

ECONOMIC

April 20

■ China produced 8.99 million washing machines, 34.82 million electric fans and 2.24 million household refrigerators in 1986, making it the largest producer of washing machines and electric fans in the world and the sixth largest producer of household refrigerators, according to the Ministry of Light Industry.

■ Savings in China's urban and rural banks reached a record high of 131.94 billion yuan in the first quarter of this year, up 12.14 billion yuan or 30.8 percent from the same period last year, according to the Industrial and Commercial Bank of China.

April 21

■ The Chinese government has decided to allocate 3 billion yuan (US\$800 million) to treat and utilize solid industrial waste during Seventh Five-Year Plan period (1986-90).

April 24

■ The export volume of Chinese-made household electric appliances earned more than

US\$100 million last year, according to a government statistical release.

■ The Bank of China signs an agreement on 200 million Asian US dollar worth of floating rate notes with 37 banks and securities companies in Singapore, Xinhua reports.

April 25

■ The People's Bank of China is instructed to issue nine new notes, including one, two, five, 10, 50 and 100 yuan denominations, and one, two and five *jiao* notes beginning April 27, according to a State Council order signed by Premier Zhao Ziyang. One yuan is equal to 10 *jiao*.

FOREIGN RELATIONS

April 21

■ The Chinese government's special envoy and Vice-Foreign Minister, Qian Qichen, returns to Beijing after attending the 10th round of Sino-Soviet consultations in Moscow, saying that the two sides exchanged views on Sino-Soviet bilateral relations and the Kampuchean issue.

April 23

■ The affirmation of a contract for a new Sino-US joint-venture, the Beijing International Information Processing Company Limited, is signed by the Beijing Municipal Commission for Science and Technology and the Electronic Data System Corporation of the United States.

April 24

■ The Sino-US Joint Commission on Commerce and Trade ends its fifth meeting in Beijing after trade officials of the two countries called on each other to address problems in their economic relations and trade.

PLO

An Important Step Towards Unity

The 18th session of the Palestine National Council recently held in Algiers will encourage the Palestinian people to fight for their national existence and the restoration of their national rights.

After a week-long dialogue between disparate Palestinian factions, the 18th session of the Palestine National Council (PNC) was held in Algiers on April 20-26. It was called "a meeting of national unity and solidarity with the people in refugee camps and in the occupied territories." In the discussions prior to this meeting, leaders of the Fatah, the Democratic Front for Liberation of Palestine (DFLP), the Popular Front for Liberation of Palestine (PFLP) and other five factions held reconciliatory dialogue, where they discussed unification.

The resolution adopted on April 25 reiterates the "special and unique" relations between the Palestinian and Jordanian people. Any relations between them in the future should be based on the confederation of two independent states, it stresses.

On relations with Egypt, the resolution praises that country's historic role in the struggle against the Israeli enemy within the framework of Arab nations, and the sacrifices they have made in defence of the Palestinian people. It underlines that the Palestinian-Egyptian relations should be established on the basis of resolutions of all PNC sessions, especially that of the 16th PNC.

Members of the PNC elected a 15-member Executive Committee of the PLO with Yasser Arafat as its chairman, it was announced at the closing of the session on April 26.

On the political line, the PLO said it would reject the Camp David accords signed in 1978 between Egypt, Israel and the United States, US President

Reagan's plan put forward in September 1982 and any other separate settlement with Israel. The PLO supports the 12th Arab summit resolution adopted in Fez, Morocco, in 1982 and all resolutions of the PNC, especially that of the 16th PNC, which laid down the foundation for the development of PLO's relationship with Syria, Jordan, Saudi Arabia, Egypt and other Arab countries.

Disputes within the PLO are long-standing. Since Israel launched a large-scale aggressive war against Lebanon in June 1982, the Fatah and other Palestinian factions have had different

opinions about the situation. The future programme of action of the Palestinian revolution has been uncertain since PLO's Chairman Yasser Arafat's tour to Cairo in 1983. As a result, a dispute also emerged within the Fatah. The DFLP, the PFLP and other organizations refused to attend the 17th session of the PNC held in Amman on November 1984. It was then that the division of the PLO was made public.

In February 1985 Chairman Arafat and King Hussein of Jordan signed a joint accord of action aimed at promoting the peace process in the Middle East, but the Amman accord was criticized and rejected by the other organizations of the PLO, deepening their division. Afterwards the Palestine National Salvation Front (PNSF), consisting of six groups headed by the PFLP, was founded in Damascus, Syria in March 1985. The PNSF has stood up to the PLO led by the Fatah.

The PLO's internal division has weakened its position and influence in the Arab world and the

The opening ceremony of the 18th session of the Palestine National Council.



international community. Some Palestinians have pointed out that the division of the PLO might strangle the cause for which the Palestinian people have been fighting for so long.

In February 1986 Jordan declared a suspension of the joint action with Palestine, and the Amman accord existed in name only. This was considered a major development of events in the direction towards the realization of conciliation among the various factions of the PLO.

Meanwhile, the half-year long conflict in the Beirut refugee camps has forced all the factions of the PLO to see that the fundamental issue of safeguarding the Palestinians' basic interests transcends all of their differences. If the divisive issues could be put aside while they seek common ground, it would be possible for them to take joint action. This has strengthened their desire for unification.

Recent developments in the Mideast also have pushed for the conciliation of all the PLO factions. The international community as well as parties concerned have engaged in frequent diplomatic activities, urging an international conference on Mideast peace to be sponsored by the United Nations, and pressing for the Palestinian right to take part in the conference. Therefore, the PLO urgently needs unity to speak with one voice in order to safeguard its national interests.

The efforts of all the PLO factions have won support and help from Algeria, Libya, Arab Republic of Yemen and other Arab countries as well as the international community. That is why the 18th session of the PNC was successfully held in Algiers.

The final communique issued at the end of the week-long session states that the international conference should be attended by the five permanent members of the United Nations Security Council and all the parties involved in the

conflict, including the PLO. The PLO should take part on an equal-footing basis along with other participants. It says that the Palestinian people are entitled to wage an armed struggle against the Zionist occupation forces for

the restoration of their national rights. It stresses the importance of Palestinian national unity in the struggle for self-determination and the creation of an independent state on their own land.

by Chang Qing

INDONESIA

Golkars Expect Landslide Victory

Indonesia held on April 23 its fourth general election since President Suharto assumed office in 1966. The ruling Indonesian Golkar Party expects to win a clear-cut victory.

Indonesia, the country that consists of more than 10,000 islands with a population of 165 million, held elections April 23 for 400 members in the 500-seat National Assembly. The other 100 seats are reserved for military appointees.

This is the fourth election since President Suharto assumed office in 1966. The official results of the election will be announced in early June, but the ruling party has said it hopes to win 70 percent of the votes.

Official campaigning started March 24 and ended on April 17. More than two thousand candidates took part in the election campaign. They are from three parties, the ruling Golkar Party and two opposition parties—the Development Unity Party and the Democracy Party.

The Golkar Party, which has 8 million cadres working in grass-roots units, is the strongest party. In the first election in 1971, Golkar won 62.8 percent of the votes, and became the biggest party in parliament. In each of the two elections that followed, Golkar succeeded in winning more than 60 percent of the votes. All the cabinet members are from the Golkar Party.

Observers in Indonesia believe that there is no doubt about the ruling Golkar Party's overwhelm-

ing victory in the election. The only question is how many votes it will win.

The Suharto government's biggest opposition, the Development Unity Party (DUP) which consists of four Islamic political groups, is the second largest party in parliament. It won about 28 percent of votes each in the previous three elections.

The local press is not optimistic about the performance of the DUP in the election, however, saying the DUP will be quite satisfied if it can retain the 94 seats it won in the last election.

The Democracy Party, which is considered the smallest among the three parties running in the election, is composed of the National Party founded by the late President Sukarno and four other small parties.

The Democracy Party has certain influence among lower and middle class urban residents and is said to be trying to make use of the internal strife of the DUP to win more votes. It expects to gain 10 percent of the votes.

The election campaigning this year was active and energetic compared with the previous ones. However, the general situation remained stable in the country.

After the election of the members of the National As-

sembly, Indonesia will hold a presidential election next year, for which President Suharto is the only candidate.

Suharto's presidency actually began in 1966 when, as a consequence of the September 30 Incident, former Indonesian President Dr. Sukarno was forced to transfer emergency executive powers to then Army Chief of Staff, General Suharto. In 1967, President Sukarno transferred full power to Gen. Suharto and finally in March of 1968, Suharto was inaugurated as president.

For the past 20 years, Suharto and his army have ruled the country with absolute power and made significant economic progress.

In order to ensure his reelection, Suharto has taken the following steps:

1. Public trial of the former

industry minister and his followers last June on charges of plotting the assassination of President Suharto and planning to overthrow the present government.

2. Execution of nine former leaders of the Indonesian Communist Party last October, who had been imprisoned for nearly 20 years, and ordering 3,500 officials who were suspected of having contact with Indonesian Communist Party to retire in advance, and firing 1,700 oil miners involved in the movements of the Indonesian Communist Party.

3. Conferring posthumously Sukarno as a national hero on the occasion of the Indonesian Martyr Festival on November 10.

These steps are believed to have divided and weakened the dissident groups, pacified his followers and improved his public image.

by Li Yongmin/Shu Hai

ARGENTINA

'Democracy Is Not Negotiable'

Argentine President Alfonsin resolved a most serious challenge to Argentina's three-year-old democracy by peacefully calming a military rebellion, thus strengthening Argentina's constitution.

The three-year-old Argentine democracy withstood a serious challenge during the recent rebellion sparked by the refusal of Major Ernesto Barreiro, a former interrogator at La Perla army detention camp during the 1976-83 military regime, to testify before a civilian court on charges of human rights abuses, including murder and torture of political prisoners in the 1970s.

Barreiro took refuge in his 14th airborne regiment in Corodoba, 770 kilometres northwest of Buenos Aires, where fellow officers refused to arrest him. In addition, the officers demanded amnesty for all military officers accused of human rights violations under the preceding

military rule. Meanwhile, Lieutenant Colonel Aldo Rico, commander of the 18th regiment at Misines in the north, announced that he and 150 rebellion officers had taken the infantry school in the Camp de Mayo base, 20 kilometres north of the capital, and demanded the dismissal of Chief of General Staff Rios Erenu, who angered middle- and lower-ranking officers by ordering them to appear in civilian courts to answer human rights charges. Rico declared that no more officers will answer court summons in human rights trials.

President Raul Alfonsin stepped in personally to end the revolt, flying by helicopter to the

Camp de Mayo base for a face-to-face negotiation with the rebels. Eventually he urged them to surrender. When answering their demands for a political solution to what was called the "war against subversion" staged by the former military junta, President Alfonsin said, "Democracy is not negotiable," adding, "We are risking much more than an absurd coup, we are risking our future, the future of our children."

Argentina drew up its constitution in the mid-1950s, modelled after that of the United States. It established a government with a representative, federal and republican system. However, since the 1950s many of the country's presidents have been military men, who came to power by coups. At various times the constitution was suspended.

Alfonsin's assumption of power in December 1983 ended the country's autocratic rule by military men. Since he came to office, President Alfonsin, in his capacity as commander in chief of the armed forces, has ordered the establishment of a military court and an investigation committee to look into the matter of "the missing" during the 1976-82 "war against subversion," popularly known as the "dirty war." According to official statistics, the war claimed at least 9,000 "missing" persons. As a result of the investigation, ten military and police officers have been given jail sentences ranging from four years to life for their roles in the murder and torture of dissenters. Over 200 other officers are awaiting trial.

To strengthen the democratic political system in Argentina, Alfonsin, acting in accordance with the constitution of Argentina, has changed the former military system and placed the highest authority of the army, air force and navy in the civilian government. In addition, he has halved the military budget and reduced the number of career military men by two thirds. All

these moves infuriated some military men, like Major Barreiro and Lieutenant Colonel Aldo Rico.

But the government's reform, as well as Alfonsín's effort to end the rebellion, was hailed and strongly supported by Argentinians who have a clear memory of the harsh

military rule several years ago.

Since the crisis erupted, many constitutionally elected Latin American leaders as well as the United States, France, Spain and other countries have expressed their firm backing for the Argentine government.

by Xin Di.

USSR-FRG

Spring Thaws Bilateral Relations

A new political spring seems to have warmed relations between West Germany and the Soviet Union.

Following a cold and chilly winter in their bilateral relations, Moscow and Bonn are beginning to make efforts to usher in a warm, diplomatic spring.

On April 1 a 40-member Soviet delegation, headed by Alexei Antonov, vice-chairman of the Soviet Council of Ministers, arrived in Bonn to discuss bilateral economic co-operation between the Soviet Union and the Federal Republic of Germany (FRG). West German Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher met the Soviet delegation, and they reportedly discussed wide-ranging topics including Euromissiles in a good atmosphere. Both sides expressed their hope that an agreement on the elimination of medium-range missiles in Europe, or the "zero option," can be reached this year and that the range of co-operation between the two sides can be increased. During the visit, the two countries agreed to set up 10 joint ventures.

A series of additional visits between Moscow and Bonn is being planned. West German officials to visit Moscow include Federal Minister of Research and Technology, Heiz Riesenhuber, and Federal Minister for Youth, Family and Health Affairs, Rita Sussmuth. West German President Richard von Weizsäcker and Foreign Minister Genscher also plan to go to Moscow. The Soviet

Union, in turn, will send Vsevolod Murakhovsky, chairman of the Soviet State Agro-industrial Committee and Anatoly Dobrynin, the Soviet leader responsible for international affairs to Bonn. Reports also say that a summit meeting between Kohl and Gorbachev is under consideration.

Not long ago relations between the two countries were strained. On October 25 last year Kohl put Soviet leader Gorbachev on par with Hitler's propaganda chief, Paul Joseph Goebbels, in an interview with the American magazine *Newsweek*, saying that both of them were experts in propaganda. This moved the Soviets to cancel a series of scheduled visits. Many observers believe that the real reason for the cancellation was West Germany's public support for the US Strategic Defence Initiative (SDI), or the "Star Wars" programme. As early as the end of 1983 the Soviet Union cooled its relations with Bonn when Bonn, against repeated oppositions from Moscow, decided to deploy the US Pershing II medium-range missiles.

But early in February this year, a vice-chairman of the Soviet State Committee for Television and Radio Broadcasting visited West Germany and signed co-operation memoranda with the country's

first and second television stations. This was the first move of 1987 to ease relations between the two countries.

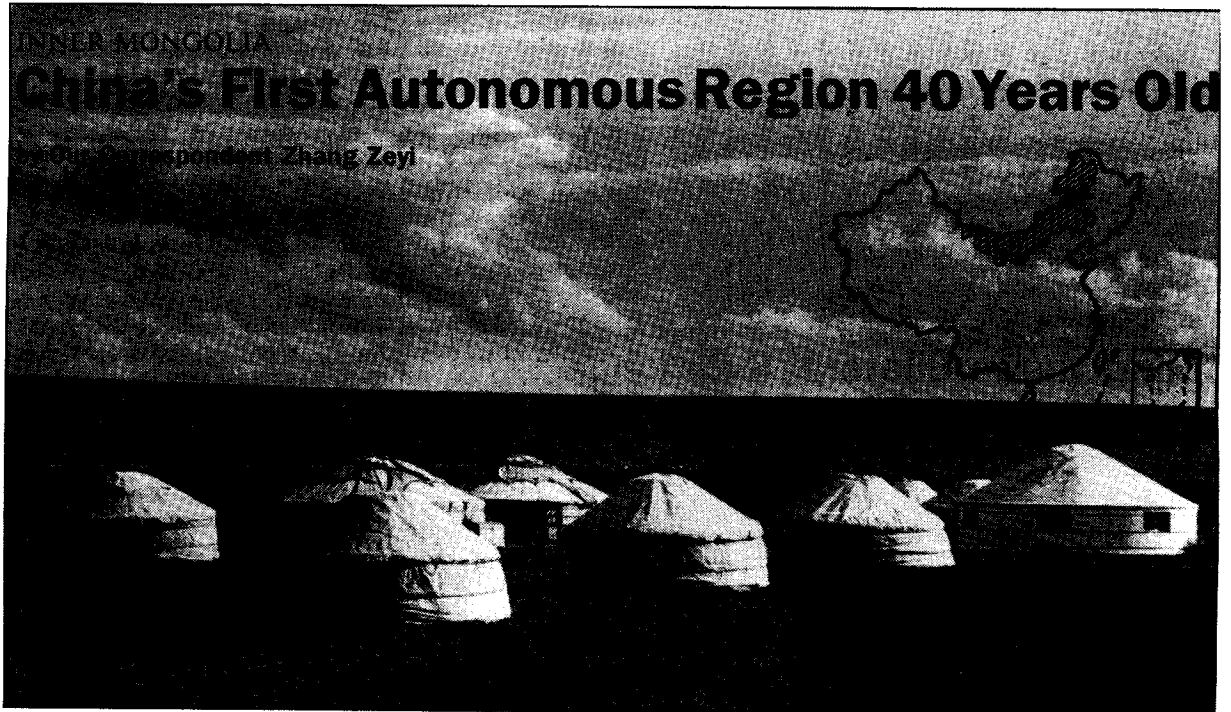
On March 18, the newly re-elected Kohl said in a policy speech that the development of FRG-Soviet relations was significant and expressed his wish to promote and deepen such relations.

Between March 26-29, Kohl's foreign policy adviser Horst Teltschik, vice-chairman of the federal parliamentary group and disarmament expert Volker Ruehe, and former Chancellor Helmut Schmit met in Moscow with Anatoly Dobrynin and Viktor Karpov, former Soviet chief negotiator at the Geneva disarmament talks. Schmit was received by Soviet President Andrei Gromyko.

Political analysts say they did not expect the thawing to happen so quickly. The positive response of the Kohl cabinet to the latest Soviet proposal on medium-range missiles in Europe was believed to be catalytic for their warmed up relations. The Soviet Union is certainly keen to seek understanding and support for its proposal from Western Europe, especially West Germany, which is a very important member of the North Atlantic Treaty Organization occupying a crucial geographical position. It is also one of the main countries where US medium-range missiles are deployed. The new leadership in the Kremlin seems determined to concentrate on domestic economic development and for this purpose it has made many diplomatic overtures to improve its international situation.

As for Bonn, security is always its first priority in foreign relations since it is situated on the frontline of military confrontation in Europe. In light of this, it is of paramount importance for Bonn to maintain good relations with Moscow, one of the superpowers.

by Xia Zhimian



Mongolian Yurts.

XU XIANGJUN

May 1 this year is the 40th anniversary of the founding of the Inner Mongolian Autonomous Region, the first region to be granted national autonomy in China. There are four others: the Guangxi Zhuang, the Xinjiang Uygur, the Ningxia Hui and the Tibet autonomous regions, all of which were established after New China was founded on October 1, 1949.

Buhe, a Mongolian of 60 and chairman of the people's government of the Inner Mongolian Autonomous Region, took part in revolutionary activities under the influence of veteran revolutionaries back when he was 13. He has held local and national posts—as deputy director of the Cultural Bureau of the Inner Mongolian Autonomous Region, mayor of Hohhot and vice-minister in charge of the State Nationalities Affairs Commission. In 1983 he was elected chairman of the people's congress of the autonomous region.

Buhe explains that China's

policy of national autonomy allows minority nationalities to set up organizations in their own communities to administer their local communal affairs. It is also a fundamental policy of the Communist Party of China and the people's government for solving the nationalities question.

Most minority nationalities in China have their own communities in defined territories. The larger ones are the five autonomous regions, smaller ones are scattered as 130 autonomous prefectures (equivalent to sub-provincial administrative region) and counties (banners) throughout the country. There are three autonomous banners in Inner Mongolia—the Ewenki, Daur and Oroqen autonomous banners.

Why Regional National Autonomy Is Practised

“The form which the solution to the nationalities question has taken,” says Buhe, “was deter-

mined by the historical conditions of the country and by the nature of the relationships between the various nationalities.”

Lenin's Propositions. There are only three models for solving nationalities question, Buhe said. They are secession, federation and autonomy. The autonomous system fits in with Marxist theory and is suitable to a unified country practising democratic centralism. On the structure of the state, Marxists hold that, all else being equal, a unified, large nation is superior to a small nation or a country with a federal system. Lenin developed Marxist theory on national regional autonomy in a unified multi-national country, and pointed out that so long as the nationalities are able to set up a unified state, they should seek national regional autonomy rather than federation or secession.

“It is no more than 100 years,” Buhe continued, “since certain nationalities in Central Asia were

incorporated into Russia. The non-Russian population constituted about 50 percent of the nation's total before the 1917 Revolution. They lived in compact communities, and within these nationalities the relationships were comparatively close and simple. After the October Revolution, Soviet republics were established in many nationality areas and later they were incorporated into the Union of Soviet Socialist Republics."

The Chinese Communist Party followed Lenin's principles and exercised national regional autonomy in line with the nature of the relationship between the various nationalities in China.

A Unified Multi-National Country. Although feudal separatist rule often prevailed and frequently there were confrontations between the border powers and the courts on the Central Plains, the unity of the country is a major feature of China's history. From the formation of a unified feudal state with a centralized power in the Qin Dynasty (221-207 BC) to the Qing Dynasty (1644-1911) all nationalities in China made contri-

butions to the founding, upholding and development of their motherland.

Both the Mongolians and the Manchus once made their way into the Central Plains and ruled China for several hundred years. The Yuan Dynasty (1271-1368), set up by Kublai Khan, grandson of the Mongolian Emperor Genghis Khan, was the first unified dynasty administered by a minority nationality. The dynasty, which lasted 98 years, promoted the development of China as a unified multi-national country with peaceful relations between its various nationalities and more or less established China's present territory. The Yuan court set up an office in Penghu to take charge of the affairs of the islands of Penghu and Taiwan. It also established the central propaganda and administration council for the country's Buddhist affairs and for the civil and military affairs of areas inhabited by Tibetans. The central authorities of the Yuan Dynasty also appointed government officials, stationed troops, conducted residence registrations, levied taxes

and carried out effective jurisdiction over Tibet, thus officially turning Tibet into one of the administrative divisions of the Yuan Dynasty.

Distribution. The population of China's 55 minority nationalities now accounts for 6.7 percent of the nation's total. The distribution of these minorities is such that they either live in defined areas or intermingle with each other, while the Hans live mainly in the hinterland and coastal areas.

The Mongolian nationality numbers about 4 million, and over 70 percent live in Inner Mongolia. The remaining 30 percent reside in a dozen or so provinces and cities far and near such as Beijing and the Xinjiang Uygur Autonomous Region. Inner Mongolia is thus the home of the Mongolian people. This is where they were based historically.

With the implementation of the migration policy in the latter part of the Qing Dynasty, Hans and other nationality people gradually moved into this region. While the total population rose sharply, the Mongolian population dwindled. When the autonomous region was founded in 1947 Mongolians made up only 14.8 percent of the population. In addition to the Mongolians and Hans, there are 49 other ethnic groups in the area, including the Hui, Manchu, Ewenki, Daur, Oroqen, Korean and Xibe nationalities.

Inner Mongolia is not only rich in coal, iron, rare earth, copper and lead but in having wide grasslands, livestock and inexhaustible wind and solar power. However, it is culturally and materially under-developed. The co-operation between the comparatively advanced Han people and the minority nationalities should help develop the region.

Common Sufferings and Struggles. In close unity with the Hans and the people of other nationalities, the Mongolian people fought against imperialism and feudalism and for national salvation and their own survival.

Wrestling is one of the favourite recreational activities of the Mongolian people.

XU XIANGJUN



After the Communist Party of China was founded in 1921, people of various nationalities in Inner Mongolia sought its leadership for their struggle. In 1923 the Party established its organizations among the Mongolian people. Ulanhu, now vice-president of the People's Republic of China, was one of the earliest Mongolian Party members. During the War of Resistance Against Japanese Aggression (1937-45), the Anti-Japanese Mongolian-Han Guerrilla Detachment was set up. Under the guidance of the CPC Central Committee, the guerrillas established an anti-Japanese guerrilla base area in Daqing Mountains in central Inner Mongolia.

During the war against Chiang Kai-shek's autocratic rule (1946 to 1949), the Mongolian people contributed to the liberation of the whole country. The Mongolian cavalry was turned into the Inner Mongolian People's Liberation Army in January 1948 and fought along with other People's Liberation Army troops to liberate China.

When the Inner Mongolian Autonomous Region was founded on May 1, 1947, Ulanhu was appointed chairman of the people's government of the Inner Mongolian Autonomous Region.

Ways of Implementing Autonomy

China's autonomous regions are on a par with provinces and municipalities directly under the central government. But they have their unique traits.

Minority Peoples Are Masters In Their Own Houses. All the nationalities in the autonomous region have the right to participate in the administration of important matters in the region, regardless of their population, nationality and religious belief. But special provisions are made in accordance with the Law on Regional

National Autonomy of the PRC whereby the ethnic group for which the region is named is guaranteed a high proportion of deputies to the regional people's congress. In the 1985 election, there were 305 Mongolian deputies elected, an average of 11 deputies for every 100,000 people. By contrast the figure for the Han nationality was 412, averaging only 2.5 deputies for every 100,000 people.

In the autonomous banners in

the Law on Regional National Autonomy, only members of minority nationalities may be chairman or vice-chairmen of the standing committee of the autonomous regional people's congress, chairman of the autonomous regional people's government or heads of the autonomous banners. Between 44 and 56 percent of the chairman and vice-chairmen of the autonomous regional people's government, of the standing committee of the



The Genhis Khan Mausoleum in Ejin Horo Banner of Inner Mongolia.

LIU JINFA

Inner Mongolia, the Mongolians still outnumber the other ethnic groups. So, in order to ensure an important place in the autonomous banner for the ethnic group for whom a banner is named, the number of that minority's deputies to the people's congress of the banner is greater than the Mongolians. For instance, of the 175 deputies to the Ewenki Autonomous Banner's congress in 1985, 64 deputies were actually of Ewenki nationality (averaging 882 deputies for every 100,000 people) while 45 Mongolian deputies were elected (averaging 258 deputies for every 100,000 people).

Cadres of Mongolian nationality are predominant in the autonomous region. According to

regional people's congress, and of the regional people's political consultative conference are Mongolians. Minority cadres make up 41.7 percent of the directors and deputy directors of the region's various governments, of this 39 percent are Mongolians. Minority cadres make up 47.4 percent of the leading members in various leagues and cities, of whom Mongolian cadres account for 44.3 percent.

At the banner level, minority cadres hold a fairly high proportion of positions in the government organs. In the Oroqen Autonomous Banner which has a population of 280,000, the Han people number 270,000 and the Oroqens only 1,500. However, of the five top positions in the

banner, two are held by people of Oroqen extraction, one is Ewenki and the remaining two are Hans. The head is an Oroqen. There are altogether 2,071 cadres in the Ewenki Autonomous Banner, of them 15.5 percent are from the Ewenki nationality, while its population constitutes only 6.45 percent of the banner's total.

An important part of the regional national autonomy is the training of large numbers of minority cadres, intellectuals and special technical personnel. Since the founding of the autonomous region in 1947 and especially since the state promoted the role of the intellectuals, many members of minority nationalities have become intellectuals, scientists and technicians. In 1986, intellectuals, scientists and technicians of all nationalities totalled 300,000 in the region. Of them 109,000 were minority people, 97,000 Mongolian. They are now playing an important role in every endeavour.

Full Economic Autonomy. The Law on Regional National Autonomy stipulates that autonomous organizations have the right to adopt special policies and flexible measures to promote their economic development as long as they do not violate the principles of the Constitution and law of the state. These policies are manifold:

—Because of the prevalence of animal husbandry in the region, continued efforts will be devoted to livestock breeding and the processing industry related to it.

—The ownership and utilization right of local grasslands will be defined and priority will be given to the rational development of local resources. This will help conserve the natural resources of the region.

—In its foreign trade, the region enjoys the special privileges of retaining 50 percent of its foreign currency income, while other places usually retain less than 25 percent.

—Price differences for special

minority items are subsidized by the regional people's government. For instance, a pair of Mongolian leather shepherd's boots costs 80 yuan for a city dweller, but a real herdsman pays eight yuan less.

—Investment made by outside bodies must make special arrangements in the interests of local nationalities in developing resources there. The iron and steel complex in Baotou is directed by the central government. It not only pays taxes to the financial department of the central government but also pays a certain levy to Inner Mongolia. A large cashmere sweater plant in Dongsheng city, Ih Ju League, must recruit 10 to 20 percent of its young workforce from the Mongolian nationality.

While felling state-owned forests, the state must take account of the nationalities in the region. Every year the state provides the seven hunting teams of the Oroqen Autonomous Banner, two townships of the Ergun Left Banner and the Ewenki Autonomous Banner with 7,500 cubic metres of timber at reduced prices.

Inner Mongolia receives a quota of regular financial subsidies from the state. It was 1,900 million yuan in 1986. The state also provided 48 million yuan in development funds to the region last year, 14 million yuan for border construction and 4 million yuan in allowances to minority areas.

Autonomy to Administer Culture and Education. Special attention has been given to minority education. The aim is to train minority cadres and raise the cultural and technical level of the minority people. For instance, the minimum marks acceptable for enrolling minority students in higher education are 10 points less than for the Han. Preparatory courses in colleges and universities are offered to minority students.

In the border areas there are state-run boarding schools at the primary and secondary levels where students receive grant-in-

aid provisions. This has provided more minority students with an opportunity to go to school.

Mongolian is the main language in use in the autonomous region. The regional people's government has stipulated that both Mongolian and mandarin must be used for all the names of state organizations and enterprises, for official documents, the media and advertisements. Mongolian language interpretation is used for all meetings attended by Mongolian people who do not speak mandarin, regardless of their number. Han people in the region are encouraged to learn and use Mongolian, and media and publications in Mongolian have been expanded. Throughout the education system, teaching is given in Mongolian to Mongolian students where possible, which of course includes the Mongolian departments and courses. The people's government of the region has set up special research institutes and a department to oversee the use of Mongolian.

Strengthening Unity

Before 1966, the state followed the policy of equality, unity and mutual help in Inner Mongolia. In the light of the special conditions of minority areas, the state called for "no differentiation in the class status of herdsmen, no sharing out of the herd owners' property and no struggle against them" in the spirit of "prosperity for the people with livestock." The state supported the development of the economy, culture and education in the region both with financial aid and personnel. Thanks to these policies, production developed, the population grew and understanding and unity between various nationalities, especially between the Mongolian and the Han nationalities, improved.

However, the coolness between the nationalities, left over from old times, has not been fully

eradicated. During the "cultural revolution" (1966-76), the gang of four trampled on the Party's policy towards regional autonomy of minority nationalities and undermined unity between the nationalities. On the basis of false charges, they branded Ulanhu, former Party secretary of the Inner Mongolian autonomous regional Party committee and chairman of the autonomous regional people's government, an anti-Party renegade, and Mongolian and Han veteran cadres who had worked with him as the "Ulanhu anti-Party and renegade clique."

Minority cadres, especially Mongolians, were heavily persecuted. This caused a trauma in the relationship between the nationalities, the Mongolian and Han in particular. After the Third Plenary Session of the 11th Party Central Committee in 1978, the unjust attacks were withdrawn and a great deal of follow-up work was done.

Over the years the people's government of the autonomous region has come to regard strengthening unity among the nationalities as the guarantee of

stability and success, as well as the sacred duty of all its nationalities. The region has observed a "national unity month" every year, built "national unity" townships and commended model collectives and individuals who have made contributions to national unity.

Stirring deeds of mutual help between people of various nationalities, especially the Mongolian and the Han, are constantly emerging. A new-type of socialist relationship of equality, unity, friendship and mutual help among the nationalities is flourishing. ■

Inner Mongolia's Yesterday and Today

by Buhe*

In north China, the Inner Mongolian Autonomous Region borders on the People's Republic of Mongolia and the Soviet Union. With a boundary line of more than 4,200 kilometres, it covers an area of more than one million square kilometres, accounting for 12.3 percent of the nation's total, and about five times as large as England. According to the 1986 statistics, it has a population of 20.29 million, made up of 40 ethnic groups. The capital, Hohhot, is its political, economic and cultural centre.

The region covers a vast area, stretching 2,400 kilometres from east to west and 1,700 kilometres from south to north. It takes more than two hours for sunlight to cover the region.

Historical records show that the Mongolian nationality developed in the Hulun Buir grassland early in the 12th century and later spread over most of the Mongolian Plateau. The land south of the desert has traditionally been called Inner Mongolia.

*The author, a Mongolian, is chairman of the Inner Mongolian Autonomous Regional Government.

Economic Achievements

Historically the region has been economically backward. When the Inner Mongolian Autonomous Region was founded in 1947, output value from industry, agriculture and animal husbandry was 997 million yuan (US\$280 million). By the end of 1986, with an average annual growth rate of 7.5 percent the figure had risen to 16.524 billion yuan (about US\$4.1 billion), 16.6 times that of 1947.

Great achievements have been won in the following fields:

Animal husbandry. This is the foundation of the region's economy. Pastureland covers 880,000 square kilometres, or two-thirds of its area and one-fourth of the total pastureland in the country. One of China's principal wooded areas, it has 15.6 million hectares of forestry.

Before the founding of the autonomous region, livestock raising was primitive. The herdsmen, nomads living in yurts, moved from pasture to pasture herding their sheep with a whip. In 1947, domestic animals numbered only 7.737 million head.


Frequent wars during the last two centuries and efforts to turn the pastures into grain fields caused serious damage to the grass. During the democratic reform in the early years of the nationwide liberation in October 1949, policies benefitting both herdsmen and herd-owners were implemented. These policies eliminated the feudal system of exploitation and promoted the development of animal husbandry. During the period of socialist transformation in the 1950s, a policy of redemption was introduced which gave more lenient treatment to the herd-owners than to the capitalists. All these measures helped develop animal husbandry. Implementing the state policy of "taking the grain as the key link," however, we continued to turn pastureland into grain fields. Figures show that by 1978 about 2 million hectares of pastureland were planted to grain and the ecological balance was seriously upset.

In 1979, a policy of "taking forestry and animal husbandry as the key link and developing a diversified economy" was introduced, since most areas in the

INNER MONGOLIA

The Inner Mongolian Autonomous Region in north China, inhabited by minority nationalities, is one of the most important animal farming, forestry and energy production bases in the country.

Photos by Xu Xiangjun except mentioned



Mechanization of sowing, watering and cutting grass is spreading.



Fine cattle, bred for more milk.



The Baotou Iron and Steel Works: an important iron mining, sintering and smelting plant in China. It also handles rare earth.



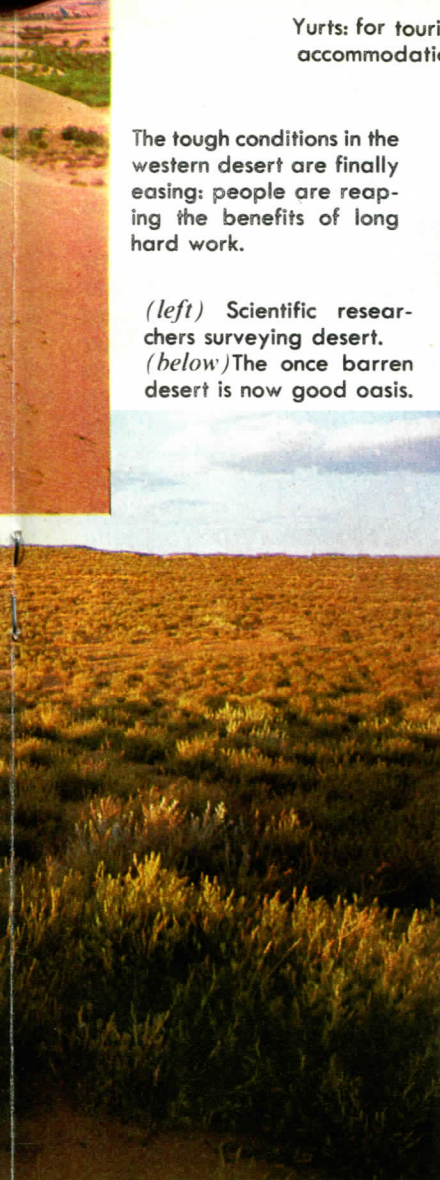
The Finished Product Workshop of the No. 4 Woollen Mill in Hohhot City.



Yurts: for tourist accommodation

The tough conditions in the western desert are finally easing: people are reaping the benefits of long hard work.

(left) Scientific researchers surveying desert.
(below) The once barren desert is now good oasis.



The five-pagoda temple, built two and a half centuries ago, is a gem of ancient Chinese architecture.

Import goods in the railway station of Manzhouli City which borders on the Soviet Union.





A Mongolian woman
with friend.



A Mongolian dance:
Wedding Ceremony.
Photo by Liu Chen

region, being cold and dry, were suitable to growing grass and trees. At the same time, various forms of the responsibility system were adopted, along with other policies and measures which encouraged herdsmen to raise domestic animals and plant grass and trees, exempted them from forestry tax, and raised the purchasing prices of animal products. To encourage afforestation, a policy was followed of contracting tree-planting to far-

animal husbandry. The domestic animals in enclosures went up to 32.53 million head, an increase of four times over 1947. There were 15.6 million hectares of forestry, and the tree coverage increased from 7.7 percent in 1947 to 13.87 percent in 1986.

Industry. In the early years after the founding of the region, industry mainly involved electric power and coal for civilian use and processing of grain, edible oil and wool and leather. Industrial

an average annual growth rate of 14.7 percent. The heavy industrial output value accounted for 56.4 percent of the total industrial output value and the light industrial output value, 43.6 percent.

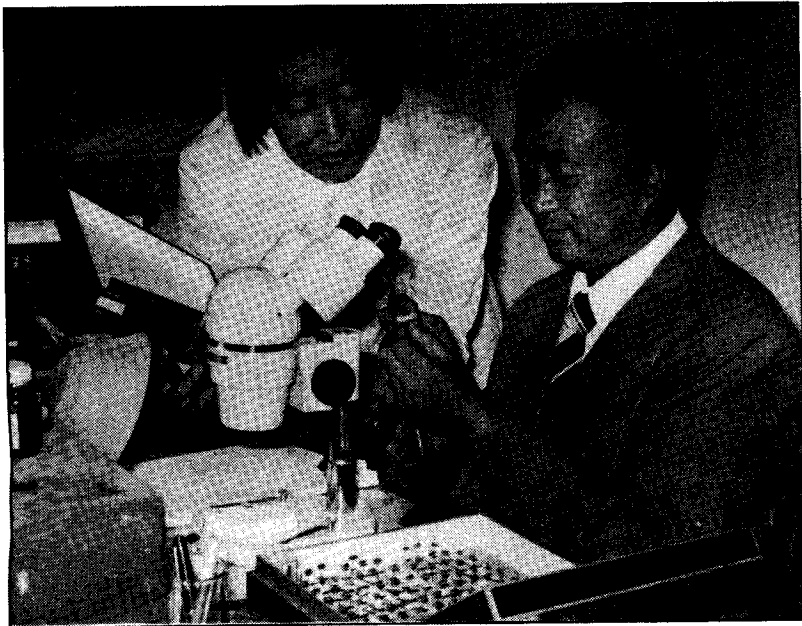
The Iron and Steel Complex in Baotou was established in the 1950s, ending the period of history when the region could not produce even an ounce of iron. The complex has 21 factories and enterprises under it, engaging in ore exploitation, smelting, rolling, seamless tubes production, heat treatment and power. In total these factories and enterprises turn out 1.5 million tons of steel, 1.6 million tons of pig iron and more than 30 kinds of rolled steel a year. The high alloy steel containing niobium and rare earth produced by the complex is well known throughout the country.

Baotou is famous at home and abroad for its rare earth industry and has a complete production system including scientific research, production and application. The complex and six other factories turn out half of the nation's total rare earth. Their 200 kinds of products in 100 varieties have been exported to a few dozen countries and regions, including Belgium, the Federal Republic of Germany, Japan, Singapore, the United States, and Hong Kong.

Production also registered a rapid rise in woollen textiles, dairy products, carpets, leather articles and minority goods in the last 40 years. Now the region produces, yearly, 50,000 tons of wool and camel's hair, ranking first in the country, 5.2 million metres of worsted woollen cloth, 2.2 million metres of roved woollen cloth and 600,000 blankets and 450 tons of dehaired wool. Dehaired wool, considered the top natural fibre abroad, finds a ready market in over 10 countries and regions, among them Japan, Europe, the Americas, Hong Kong and Macao. More than 50 processing plants in the region turn out 700 tons of milk and 14,000 tons of

Nengnai Zabu (right), an entomologist, at work. In the last 20 years he has written many academic papers and collected 50,000 insect samples on the grassland.

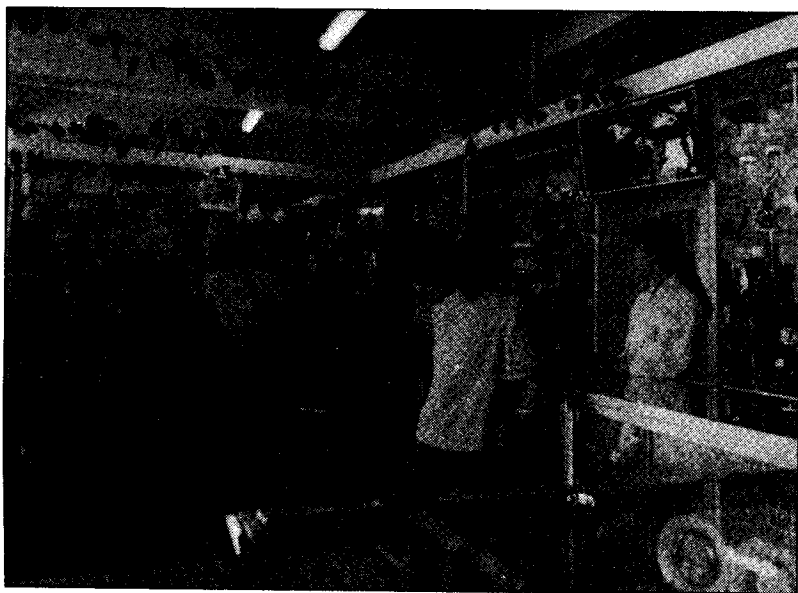
BAISI GULANG



mers, allotting wasteland to farmers for this purpose, and allowing the trees to be inherited or transferred to their relatives. All these policies and measures have helped to stimulate the people's enthusiasm.

By the end of last year 1.68 million hectares of pastureland were fenced in, 1.09 million hectares of grass and 3 million hectares of trees were planted, and 200,000 pumped wells were dug for irrigating fields and pastureland. Machinery adding up to 5.39 million horsepower and 9,728 trucks were used in farming and

output value was only 49 million yuan (US\$12 million), that from light industry accounting for 83 percent. Now there is a complete industrial system composed of more than 7,000 factories covering iron and steel, coal, rare earth, machinery, electric power, electronics, chemicals, building-materials, textiles, leather, sugar refinery, paper-making, pharmaceuticals, food and consumer items for minority peoples. In 1986 the region's total industrial output value topped 10.3 billion yuan, an increase of 211 times the output value of 1947, representing



A souvenir shop in Manzhouli.

XU XIANGJUN

milk products a day. The region also has 45 factories producing annually 260,000 square metres of carpets. The Chifeng area made a Great Wall tapestry for the UN General Headquarters.

Also there are 140 factories putting out goods for minority peoples. More than 150 kinds of products are available, such as yurts, sabres, riding boots, saddles, stirrups, hats, copper chafing-dishes, small-bowled long-stemmed tobacco pipes, copper drinking sets, horse's head violins, four-stringed Chinese fiddles and three-stringed musical instruments.

Education and culture. Before the founding of the autonomous region 90 percent of the population were illiterate. There were only 29 middle schools, three vocational schools, 21 teacher-training schools and 3,769 primary schools. The school pupils accounted for 3.9 percent of the region's population. Of the 23,159 minority pupils, 21,781 were Mongolian. There was not a single institute of higher learning. At present there are 19 universities and colleges with a total enrolment of 31,200, of which 6,644 are Mongolians. There are

2,052 middle schools with an enrolment of 1.16 million students, an increase of 269-fold over 1947. Of them 147,773 are Mongolians, a 316-fold increase. The 15,601 primary schools have enrolled 2.5 million pupils, an 11.7-fold increase over 1947; of these, Mongolian number 366,058, a figure 17 times as large as before liberation.

The development of education has brought about a marked rise in people's cultural level. The 1982 census shows that 5.71 persons per thousand have a college education, 74.6 have a senior middle school education, 193, a junior middle school education, while 327.7 have a primary school education; illiterates or semi-literates still account for 276.1 per thousand.

Since the founding of the autonomous region, traditional Mongolian literature and art has been developed. Now every township has its own cultural groups which have access to cultural and literary facilities. Television and broadcasting reach 76 percent of the region. With its own film studio, the region has produced or translated 142 films into Mongolian. It also has 20

news and magazine publications and 3,000 bookstores or book sale centres. All banners and counties have song and dance troupes, some of them mobile. These folk cultural troupes, however small, put on varied performances including singing, dancing and other forms of entertainment. As they arrive at villages, pastures and the remote areas on horse back, they are given an enthusiastic welcome by the local people.

Medicine and hygiene. In the past infectious diseases and other illnesses were fairly common. Historical records show that in the 46 years from 1901 to 1947, the western part of the region was stricken by the plague seven times and 90,000 people suffered or died. Venereal diseases, endemic and frequently occurring illnesses were out of control. The average lifespan of the Mongolian people then was only 19.6 years, and the nationality itself was on the brink of extinction. The Ih Ju League, where Mongolian people live in concentrated numbers, had a population of 400,000 in the early years of the Qing Dynasty (1644-1911). The figure had dropped to 80,000, a decrease of 80 percent, by the time the autonomous region was founded. An ancient popular song says, "Sheep in the pastures are many, but not as many as the sufferings and hardships of herdsmen. It's easy to spot pearls in the ocean tide but hard to find children in the grassland wide."

Since the founding of the region, the shortage of doctors and medicines has been gradually overcome. In 1986 there were 4,905 health centres and 89,257 medical workers, 89.1 times and 14.9 times that of 1947 respectively. Hospitals in Hohhot, the capital, and those in the leagues and banners can treat serious diseases, perform cerebral operations, remove tumours, rejoin severed limbs and treat large-scale burns.

The plague and venereal

diseases have been eliminated, while other endemic diseases such as Keshan disease and goitre are basically under control.

The 1982 census shows that the lifespan has increased to 66.69 years on the average and the Mongolian population has increased to 2.85 million from 832,000 in 1947.

Problems and Challenges

The Inner Mongolian Autonomous Region has achieved

great progress in construction in the last 40 years, but its development has been slower than that in many other parts of the country, owing to its shortage of talented people, funds and technology.

First, almost everyone, whether Chinese or foreign, who has come to the region has complained about the inconvenient communications there. Of course, formerly it took several days to cover 200 kilometres from the capital Hohhot to Baotou in an ox cart. This situation has changed and we

now have an aviation, railway and highway transport network in the region. But still, many places cannot be reached by train, and 30 percent of the townships cannot be reached by bus, still less by plane. Post and telecommunications services, in spite of the enormous progress in the last 40 years, still cannot meet the demand of opening to the outside.

The living standards of the people have improved greatly. In 1986 the workers' per-capita annual income averaged 1,239 yuan while the herdsmen's had risen to 649 yuan. Farmers' incomes also rose sharply. But 14 percent of the region's households still face shortages. The local government has tried its best to help them overcome their poverty.

Conditions for production are poor and productivity is low. Statistics in 1985 show that the productivity of a worker in a state-owned enterprise is only one-third of Shanghai's average.

Treasures to Be Exploited

Since relations between China and Mongolia and the Soviet Union have improved, Inner Mongolia has enjoyed a peaceful and stable environment for its construction. With more investment from the central government and greater efforts on the part of the local people, the region will make even greater progress in its construction, because it is a treasure trove with huge potential to be exploited, especially in the following fields:

- Extensive pastureland and forestry;

- A natural habitat of many wild animals and plants. Incomplete statistics show that there are 500 kinds of wild animals and 1,000 varieties of wild plants;

- The reserve of rare earth in the region accounts for 90 percent of the nation's total, or several times the total verified reserves in other countries. The rare earth produced by the region is high in quality and grade;

Blowing horns in western Inner Mongolla.

XU XIANGJUN



■ The deposit of niobium, soda and agate ranks first in the country and that of zinc, chromium, peat, refractory earth and iron alumina second;

■ The region boasts four of the nation's five open-cast coal mines, with a total verified deposit of 200 billion tons and an estimated deposit of 1,000 billion tons. Two of them have gone into operation, while two others are under construction;

■ Deposits of lead, graphite, gypsum, mica, gold, silver, iron, marble, salt make up big percentage of the nation's total;

■ Petroleum and natural gas

also have enormous potential for exploitation.

Based on the production conditions and rich natural resources, the 1987 output value of industry, agricultural and animal husbandry will double that of 1978. In 1990 the per-capita output value of industry, agriculture and animal husbandry will reach 1,000 yuan, double that of 1980 which was 504 yuan. It will be quadrupled in the year 2000. To realize this target, we must develop our economy and also improve economic co-operation with other provinces and foreign countries. We must import

technology, and attract talented people, funds and equipment in order to develop the Inner Mongolian Autonomous Region. At present we have signed agreements for 2,350 projects with 28 municipalities and provinces. We have absorbed investments amounting to 345 million yuan. In addition, we have established relations of economic, trade and technological co-operation with more than 50 countries and regions and reached agreements or signed contracts for 90 co-operative undertakings. Dozens more projects are under discussion.

Current Economic Situation in Taiwan

by Li Jiaquan*

The economy of Taiwan is revitalizing and had a turn for the better at the beginning of 1986. According to recent Taiwanese statistics, the real annual economic growth rate rose from 5.1 percent in 1985 to 10.8 percent, the highest growth rate since the second oil crisis of 1979.

However, according to observers, the revitalization is mainly due to external factors. There are still many difficulties and problems ahead.

"Worries" Amid Optimistic Atmosphere

From September 1985 to September 1986, owing to the devaluation of the US dollar, the new Taiwan yuan dropped against the Japanese yen and the German mark. During this period, the yen went up by 36.8 percent against the dollar, the mark up by 30 percent, while the new Taiwan

yuan up by only 9.3 percent. The sharp drop against the yen and mark was beneficial to Taiwan's exports of industrial goods. In the first nine months of 1986, Taiwan's export growth rate was as high as 24.3 percent a year, a marked improvement over the "zero" growth rate of 1985; the import growth rate was 15.3 percent, the highest for five years and in sharp contrast to the drop of 8.5 percent in 1985. It was the changes in the exchange rate which allowed for the improved trade and a more vital economy in Taiwan last year.

However, that is a precarious basis for future improvement. Looking at Taiwan's domestic industrial scene, there is cause for worry: investment initiatives in industry and commerce have not been promising; no fundamental changes are detectable in an economy still based on labour intensive industry; excessive foreign exchange resulting from the favourable balance of trade; rapid increase in money supply; and growing trade protectionism in the United States and Japan, both major markets for Taiwan's commodities.

Taiwan's economy is based on processing goods for export. This trend was systematically developed in the 1960s on the basis of "export expansion." In the 1970s, the island was hit by two oil crises, marking the end of the old economy which was characterized by processing light industrial goods for export with cheap labour. Transforming and upgrading industries to capital-intensive ones was put on the agenda. By the end of the 1970s, "technology-intensive" industries such as those producing electronics and machinery began to play a key role.

Upgrading Industry: Major Dilemma

In the 1980s, Taiwan decided, in line with the world's new technical revolution, to give priority to developing "tactical" industries and the service industry to facilitate the growth of scientific and technical industries. However, the progress has been slow. While the electronics, information and machinery industries have made progress, other industrial branches have stagnated, with 70

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percent of industry being labour-intensive light industries.

The reason for the slow pace is lack of technology and, more importantly, of confidence. Thus, Hong-Da Chiu, an American scholar of Chinese origin, wrote: "At present investment in Taiwan is low, the economy is not developing steadily. One of the main reasons is Taiwan's growing isolation in the world. Impractical policies pursued in Taiwan affect peace of mind, and therefore also resulting in the political and social instability" (January 16, 1986 of *China Times*, Taiwan).

Previously, the increase in fixed capital investment in Taiwan was high, 36 percent in 1980. But the rate plummeted to 3 percent in 1981 and experienced so-called "negative growth" in 1982 and 1983. There was a slight increase in 1984 but a 7 percent decrease in 1985. An improvement last year was part of the rejuvenation described above. Given the lack of confidence in Taiwan's society, the absence of investment initiatives and a series of new technology problems, the upgrading of industry is still fraught with difficulties.

Starting from 1968, Taiwan began to have a favourable balance of trade with the United States. Over the past few years, that balance has tilted still more heavily in Taiwan's favour: US\$2,080 million in 1980, US\$4,190 million in 1982, US\$9,820 million in 1984, US\$10,020 million in 1985, and the figure for 1986 was about US\$12,000 million.

There are many reasons for this, but the most important is the Japan connection. It is said that Taiwan's commercial circles "earn money for the Japanese to hit US industry" (October 2, 1986 *Industrial and Commercial Times*, Taiwan).

Many factories on the island cooperate with Japan, import machinery and raw materials from Japan and then sell their products to the United States. An article

published on September 28, 1985 in Hong Kong's *Ming Pao Monthly* says, "The United States is permeated with an atmosphere of protectionism. The protectionists hold that Taiwan is a major threat to the United States. The most competitive Taiwanese products sold to the United States are those made with Japanese investments. Superficially they are made in Taiwan, actually they are made in Japan."

The large trade deficit has caused grave concern in the United States. Washington has pressed Taiwan into making many concessions, including increasing imports from the United States, reducing import duties, abolishing investment restrictions and allowing US insurance companies to extend their range of business in Taiwan.

Economic relations Over the Straits

In January 1979, the Standing Committee of the National People's Congress adopted the Message to Taiwan Compatriots which put forth "exchange of mail, trade, air and shipping services." Later, the policy of "one country, two systems" was put forward. In the last few years, the Taiwan authorities relaxed the transit trade policy for goods from the mainland. According to Taiwan and Hong Kong newspapers, the total value of transit trade in the past seven years, notably via Hong Kong, amounted to US\$3,000 million, with the trade from Taiwan to the mainland far exceeding the other way round. This trend will inevitably change from being small to large, from "one-way to two-way traffic" and from being "indirect" to "direct": it is the will of the people. Chinese on both sides of the Straits are "descendants of the Yellow Emperor." As both sides adopt open policies, direct trade relations between the two are an obvious corollary. There is another factor: the two depend on each other for

economic development and the two can support each other. Historically trade relations between the two have been close.

Taiwan is a small island with a large population, both resources and markets are limited. It is unwise for it to have trade relations with distant places while restricting ties with the mainland, with foreign countries instead of its own country. Liu Taiying, head of the Taiwan Economic Research Institute, said, "There is only one way for Taiwan's economy to survive, that is, to have direct trade relations with the mainland." (August 18, 1985, *Pei Mei News*.)

Xie Dongmin, former "vice-president" of Taiwan, said, "There are too many people in Taiwan. . . the future, the hope and the way out for Taiwan lie on the mainland." (April 3, 1984, *China Times*, Taiwan.)

His view was echoed by Professor Hou Jiaju, a noted Taiwan economist, who suggested to the Kuomintang authorities in March 1986, "In the past few years, it seems our government departments have been taking an extremely unrealistic attitude, seemingly hoping that if we ignore the existence of the Chinese Communist Party, the CPC will disappear. They ignore the problem, let alone formulate a strategy for approaching the issue of reunification.

"Uncertainty about the government's future leads to a sense of uncertainty among industrialists and businessmen, dampening their investment enthusiasm, drastically increasing the rate of savings, and widening the gap between investment and savings. This floods the financial markets with capital, so we get a great increase in foreign exchange. At present, a financial storm is in the making, slowing down the transformation of the economy, increasing economic crime and affecting social and political stability." (*Industrial and Commercial Times*, Taiwan.) ■

TAIWAN SYMPOSIUM

Scholars Take a Close Look

The changes in the political and economic situation in Taiwan in 1986 and the prospects for 1987 were the subject for discussion among scholars at a recent forum in Beijing. A summary is printed here.

Policy Readjustment Amid Political Unrest

Li Shuiwang, head of the political section of the Institute of Taiwan Studies under the Chinese Academy of Social Sciences:

Politically I can identify three features that stood out last year: first, a turbulent political climate and an increase in the occurrence of sudden events. During the year, growing contradictions between the Kuomintang (KMT) and the opposition increased the tension between them. Demonstrations by the Taiwanese people against the KMT authorities gained momentum. The conflicts within the KMT itself also developed as reflected in the controversy over such issues as the talks held between CAAC and CAL, the lifting of martial law and restrictions on the other political parties in Taiwan. The contradictions between the KMT authorities and the government of the United States were reflected in their different attitudes towards the opposition forces and the huge trade imbalance in KMT's favour.

Second, under internal and external pressures, the KMT was compelled to change some of its policies, including the lifting of martial law and the restrictions on the opposition parties.

Third, although the KMT still clings to its "three no's" policy—no contacts, no compromise and no talks with the mainland—some of its concrete methods have become a bit more flexible than

before. For example, it has eased its restrictions on indirect transactions and contacts between people living on both sides of the Taiwan Straits. The success of "business talks" between CAAC and CAL was a significant break in its "three no's" policy. It is expected that the KMT will continue its policy readjustments in 1987.

Cai Mingxi, deputy secretary-general of the Taiwan Democratic Self-Government League:

I agree that Taiwan's situation was turbulent in 1986. I want to add that the same year saw a significant development in the democratic movement launched by the opposition; the KMT began to undertake limited "political reform"; more and more people on Taiwan demanded to be allowed to communicate, do business and set up transport links with the mainland. Lifting the KMT's 37-year-old martial law represented a victory for the democratic forces outside the KMT. Appointing a military officer of Taiwan origin to be vice-minister of defence was intended to draw the local forces closer to the KMT.

Under pressure, the KMT had to revise its policies to some extent in 1986.

1. Arrangements were made for the succession when "president" Chiang Ching-kuo leaves. Looking at the people occupying important positions in the central committee of the Kuomintang since its third plenary session in March 1986, one might expect that the form of succession would be collective, rather than individual.

2. Other major steps were Chiang's lifting of martial law and adoption of "state security law," "organic law for the people's organizations" and the "election

law of recall." These are the first major policy readjustments since the KMT retreated to Taiwan in 1949.

Chen Shicheng, research fellow of the Institute of Taiwan Studies:

The readjustments of certain KMT policies, though made under pressures, are good for the people. In Taiwan, many non-KMT politicians have established their own political parties. This indicates a new political pattern will emerge in Taiwan. At the end of last year, the election of deputies to the "national assembly" and the members of the "Legislative Yuan" in Taiwan was a trial of strength between various political forces. The election results have shown that the KMT is faced with a mounting challenge though it still dominates the situation.

Li Jiaquan, deputy director of the Institute of Taiwan Studies (a research fellow):

The political situation in Taiwan last year can be summed up as "suffering from external pressure and internal trouble."

By "external pressure" we mean pressure primarily from the United States. It forced the Taiwan authorities to make their government more open and speed up the so-called democratization process; open its market to reduce the US trade deficit and alter some of the KMT's rigid policies to alleviate the strains between it and various political forces—measures seen as a means of survival for KMT rule in Taiwan.

By "internal trouble" we refer to the unrest on the island. "External pressure" and "internal trouble" are interrelated and interact on each other.

People Want a Change Despite Tight Control

Cai Mingxi: The non-KMT political forces grew last year enough to tip the balance of Taiwan's politics.

Despite the inhibitions these forces suffer, they still won a steady 30 percent of the vote in the election, and have taken root in society. The opposition stands for the interests of the middle class which emerged in the 1960s. Its growth in the economic field is inevitably reflected in the political domain, claiming its deserved share of power from the KMT. They are now encouraged and supported by figures in the United States both within and outside the government.

To face the challenge, the KMT had to take a careful attitude towards it. It tried every possible means to control and divide it while warning the hard-liners in the KMT to "tolerate trifles lest you spoil the grand plan" and "don't be swayed by personal feelings."

Wu Jiatong, head of the research department of the All-China Federation of Taiwan Compatriots:

Last year the press in Taiwan attacked the KMT's rigid policies with greater frequency, reflecting the opinion of many noted scholars and professors whose discontent has been rising. Fearing that the disturbances might get out of control, the KMT authorities had to revise their policies somewhat.

The outcome of the election for the additional "people's deputies" indicated that those who advocated reforms enjoyed much support from the public winning a plurality of votes in certain districts. Seeking something new has become the cry of the people in Taiwan.

Fan Liqing, an editor of Xinhua News Agency:

Two social phenomena in Taiwan last year are worth noting: one is the gambling spree and the other is the anti-pollution self-salvation movement, both reflecting a strong sense of insecurity and instability and a growing lack of confidence in the authorities.

Bai Xuefeng, an editor of Xinhua News Agency:

Taiwan's economy began to recover last year. Many factors, including the accelerated recovery from the recession in the West, the revaluation of the Japanese yen, the devaluation of the US dollar and the oil price drop, aided Taiwan's recovery from stagnation. It was reported that the growth rate of its economy was over 10 percent in 1986. However, at the same time, many serious problems remain.

1. A continuous expansion of Taiwan's surplus in foreign trade led to a huge expansion in foreign currency reserves, fuelling a potential inflation crisis.

2. Inclination to invest kept declining, leaving most funds idle.

3. Trade relations grew tense with the United States, with Taiwan's trade surplus reaching US\$13.6 billion in 1986. This has been benefiting Taiwan over recent years, but now the US protectionists are hitting back.

4. There is no sign that industry will be upgraded or the economy restructured.

Liu Yingxian, head of the economic section of the Institute of Taiwan Studies:

As the Taiwan press has pointed out, 1986 was characterized by "superficial prosperity and real trouble." It was a year of distinct "happiness" and "sorrow." Last year saw some new trends in Taiwan's economy:

1. A rapid growth rate. International trade developed.

2. The growth of the economy due to outside factors.

3. Last year's growth brought its own problems. It increased the tension with the United States; the increased pressures of the potential inflation crisis and the quick revaluation of the newly issued banknotes adversely affected the development of the economy.

4. Taking "liberalization, internationalization and institutionalization" as the guidelines, Taiwan's authorities readjusted their economic policies under

external pressure and out of internal necessity.

The growth rate for 1987 will be lower than that of last year. It would be a tough task for the Taiwan authorities to attain their planned target for economic development this year.

Artificial Barriers Should Be Removed

Cai Mingxi: Calls for building contacts with the mainland are on the increase. At sessions of the "Legislative Yuan" or other local parliamentary conferences, some non-Kuomintang figures have expressed their strong demand for this, including visits to the mainland. Some principal figures of local financial organizations have advocated building contacts in favour of the reunification of Taiwan with the mainland.

Chen Shicheng: As to the KMT authorities, the decisive factor determining whether Taiwan can achieve a genuine political stability is the psychology engendered by the fear of reunification. This is the biggest barrier to their progress.

Li Jiaquan: Relations between both sides of the Taiwan Straits relaxed and improved last year. It seems the KMT authorities have taken a more flexible attitude towards people-to-people contacts and relaxed some of the censorship over their media. Nevertheless, until now, the KMT's "three no's" policy, the policy of isolating itself from the mainland, remains intransigently intact.

I think that whatever party or faction one aligns oneself with, one must give priority consideration to reunification, when one looks to settling the Taiwan issue. No progress could be made without this prerequisite.

Only with the reunification of our motherland, can the demands of the Taiwanese people for democracy, a high degree of autonomy, social stability and economic prosperity be met. ■

Role of the Working Class In the New Period

by Ni Zhifu

The Third Plenary Session of the 11th Party Central Committee in late 1978 marked the beginning of a new historic period in China's development. Under the circumstances, when the nation is implementing the policies of reform, opening to the outside world and invigorating the domestic economy, it is necessary to have a better understanding of the role, position and historic mission of China's working class today.

During the new historical period, it has undergone radical changes. The number of urban workers and staff members increased from 8 million in 1949 to 120 million in 1986. Young workers born after the founding of the People's Republic account for 70 percent of the total work force. Moreover, intellectuals have become part of the working class. Thus, its members now include industrial workers, engineers, technicians, research workers, teachers, workers in the cultural, public health and sports fields, cadres and other employees. Admittedly, the proportion of intellectuals, those who have acquired more cultural and scientific knowledge within the working class is not big enough. We are faced with the arduous task of working hard to expand the ranks of the intellectuals and raise the cultural and scientific level of the entire working class.

The ultimate goal of China's working class is to realize communism. In the various stages of this process, the working class undertakes different historical tasks. In the new period, this is: to adhere to the four cardinal principles, promote reforms and

opening up, develop the productive forces, realize the common ideal for the present stage, i.e., build socialism with Chinese characteristics and turn China into a culturally advanced and highly democratic socialist state.

The working class as the main force in material and cultural construction. The Party Central Committee has set the goals of quadrupling the 1980 gross value of industrial and agricultural production and bringing per-capita income up to a better-off level by the end of this century. Thereafter, China will work hard for another 50 years in the 21st century in order to reach a medium level of economic development among the countries of the world. This magnificent goal gives concentrated expression to the will and fundamental interests of China's working class. The working class is the main force undertaking material production, shouldering the most important and immediate responsibility in the drive for the four modernizations. The working class is the creator of material wealth and culture. While changing the objective world, the working class strives to transform its subjective world and strengthen self-improvement. Through studying theory, general knowledge, science and management skills, its ideological and moral qualities and cultural and scientific level have improved steadily. The working class boosts the development of science and technology as a whole and promotes the improvement of the nation's cultural and scientific level. At the same time, its advanced political consciousness, noble ideology and morality, strict organization and discipline, strong sense of responsibility as masters of the



WANG GANGFA

Women workers of the Pingdingshan Textile Mill, Henan Province, learning skills from each other.

country and a high degree of collectivism—all these have exerted a positive, profound influence on urban and rural people's ideology and morality and on social conduct as a whole.

The working class as the staunch defender of the four cardinal principles. These principles not only form the common political foundation for uniting all people in their advance as well as for establishing and administering the state, but also are the fundamental political demands of the working class. The Communist Party is the vanguard organization of the working class, representing the interests of both the working class and the masses of the people. The working class' leading position and role are realized through the Communist Party leadership in China; denying the Communist Party leadership means denying the leading position of the working class. Marxism is the scientific theory for the emancipation of the working class. The social position of the working class determines that it is the readiest to understand and accept Marxism. Only when the working class has acquired Marxism as an ideological weapon can it know its destiny, changing from a class-in-itself to a class-for-itself, and act as a class. Marxism-Leninism and Mao Zedong Thought has taken deep root among the workers. True, China is still in the initial stage of socialism, the level of the productive forces is low and the socialist system is imperfect. From its own experiences China's working class

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has come to realize profoundly that socialism, and socialism alone, can save China. The socialist road is the historic choice of the Chinese people, including the working class. China is a socialist country led by the working class and based on the worker-peasant alliance under the people's democratic dictatorship. This state system provides political and legal guarantee of the rights and status of the working class and of all other labourers as masters of the country, enables the people to master the most important means for waging struggles against all hostile forces and realizing the management and development of society. China's working class not only needs the four cardinal principles but has the strength to uphold and defend them.

The working class consciously supports and participates in the urban economic structural reform. As a whole, the economic structural reform centred around the cities is developing steadily and soundly. Its basic purpose is to motivate the workers' enthusiasm and develop the productive forces. The establishment and constant improvement of the new economic mechanism will inevitably bring about the steady and long-term development of China's productive forces, thereby bringing immediate material benefits to the working class. This is the fundamental reason why the working class is strongly motivated towards the reforms, actively taking part in them.

The reform in the days ahead will be centred on giving added vitality to enterprises. In this respect, the working class assumes direct, important responsibilities. At the same time, the working class should be concerned with and support the rural reform so as to further consolidate and strengthen the worker-peasant alliance.

The working class as the leading force in promoting the construction of socialist democracy. Developing a high level of

socialist democracy with Chinese features is our unswerving target. With the founding of the people's democratic state, China's socialist democracy has gained much ground. Of course, socialist democracy as a new state system has yet to be perfected over a long period of time to come. The working class will express its desires and demands and exercise its democratic right of managing state affairs through its vanguard, the Communist Party of China, through the People's Congress and the Political Consultative Conference at various levels, through the trade union organizations and other channels for democratic management, supervision and dialogue.

We should recognize that there are still some leaders and managers, though they are a minority, who have only a vague understanding of the importance of wholeheartedly relying on the working class. Lacking the awareness of democracy, they reverse the relationship between the "master" and the "public servant," showing no respect for the position of workers and staff as masters of the society and even trampling on their democratic rights. Some individual leaders suppressed normal criticism by the masses on the excuse of opposing bourgeois liberalization. The existence of bureaucracy has blocked democratic channels for dialogue between leaders and workers. In some enterprises the role of the workers' congress is neglected. The key to solving these problems lies in an effort to give full scope to the enthusiasm of the labourers and managers. Leaders at various levels and the workers and staff should join their efforts to promote reform and construction of democracy at the grass-roots level.

The working class as the social mainstay for unity and stability. Since the Third Plenary Session of the 11th Party Central Committee, China's politico-economic situation has been

improving. One of the major reasons for this is the preservation of a long-term political stability and unity. The Chinese working class always treasures stability and unity, regarding them as factors involving its own fundamental interests as well as those of the Chinese people, and has exerted unremitting efforts to uphold them.

When the trend towards bourgeois liberalization began to spread some time ago, the working class maintained a staunch, rock-firm stand and, with its concrete actions, defended stability and unity throughout the society.

One important aspect in consolidating and developing political stability and unity is correctly handling relationships within the working class and strengthening the unity of its own ranks, particularly its unity with intellectuals.

During the process of reform, correctly understanding and handling the relationship between various interests is vital for social stability and unity. Generally speaking, the economic benefits of the workers farmers and other labouring people have increased with the progress of the reforms over the last few years. However, the gains vary, and they don't come simultaneously. On the one hand, the state may make rational adjustments of the related economic interests through its policies and measures. On the other hand, the workers and staff must fully understand the protracted, complex nature of the reform, boost their capacity to undertake reform, correctly handle the relationship between the interests of the state, the collective and the individual, as well as the relationship between immediate and long-term interests, and, proceeding from the overall interest of the state, adopt a correct attitude towards all the various changes in the relationship between social interests.

(Excerpts, reprinted from "Renmin Ribao," April 24)

More Attention to Grain Production

“ZHONGGUO XINWEN”

(China News)

Recently, China's top leaders have repeatedly warned leading cadres at all levels to attach importance to grain production.

The target of grain production in 1987 is 400 to 405 million tons, about 10 to 15 million tons more than in 1986.

Experts say China should make the average annual per-capita grain output of 400 kilogrammes an unshakable strategic target. In order to meet the needs of the people and continue China's economic development, farmers should strive for an annual grain yield of 450 million tons in the near future, and to amount to 500 million tons by the year 2000. Although the grain yield in 1985 and 1986 approached the “safety line,” we should pay attention to a possible decline. If we don't take matter seriously, experts say, the consequences would be too ghastly to contemplate. This is the basic reason why Chinese leaders emphasize grain production again and again.

Now the annual per-capita grain output in China averages 390 kilogrammes. It looks as if this is a considerable figure. But the grain ration only accounts for 60 percent actually because 40 percent of it is used as fodder, seeds and industrial grain. The recent development of animal husbandry and industries requires more grain. Though total grain output in 1986 came to 391.09 million tons, an increase of 11.99 million tons over 1985, grain consumption also increased steadily. Therefore, efforts in grain production brook no relaxation.

From 1981 to 1984, China's grain output increased at an average of 6.2 percent a year. As a result, the market was glutted and it was difficult to sell grain anywhere in the country in 1984. It created a false impression that China had solved the problem of grain. The basic reason for a steady growth in the output of grain in these four years was the adoption of the production responsibility system based on households in the countryside, which fully aroused people's enthusiasm for growing grain and brought about a great advance in agricultural production. From then on, there are not many potential avenues in this aspect to exploit.

The irrational purchasing price of grain is another obstacle that hinders the development of grain production. At present many farmers have abandoned growing grain in favour of planting cotton, jute, tobacco, vegetables, watermelon and fruits for higher profits. According to a survey, the grain-growing area in the whole country was cut down by 4 million hectares in 1985, which caused a decrease of 15 million tons in grain output.

In addition, a large number of irrigation works have long been out of repair. Irrigated areas are reduced every year, and the capacity of fighting natural calamities is weakened. All these factors cast a shadow over the plan to increase grain production.

At the Fifth Session of the Sixth National People's Congress on March 25, 1987, Premier Zhao Ziyang pointed out in his government work report that China must attach strategic importance to strengthening agriculture in the effort to increase economic growth. He said the agricultural problem is mainly one of grain production, and the steady growth of agriculture as the foundation of China's economy is of paramount importance to the economy as a whole.

The history of China's economy shows that the economy would develop when there is a bumper grain harvest, and it would stagnate when grain production suffers. The three-year natural calamities from 1960 to 1962 and the 1984 bumper grain harvest have proved this point. So, we should not underestimate the important role grain production plays in the development of the national economy and in safeguarding the political stability and unity.

(April 8, 1987)

New Trend: Husband Living in Wife's Family

“JIANKANG BAO”

(Health Newspaper)

A recent survey by the Chinese Academy of Social Sciences shows that the number of families where couples live together with the wife's parents has been

increasing year by year. Some experts expect this tendency to continue along with the development of reforms in various fields and with the rise of Chinese women's social position.

In the traditional Chinese families, men were the bread winners, and wives usually lived in the homes of their husbands'

parents. A son-in-law who lived under the same roof as his wife's parents was looked down upon. Their numbers were few because of their low social status.

Since the founding of the People's Republic of China in 1949, more and more men live with their wives' families. For instance, the results of a survey, taken in a residential area of Beijing not long ago, indicated that in 1949 only about 3 percent of married men lived in the homes of their wives. From 1950 to 1962, the number had risen to 11.5 percent. During the 1977 to 1982 period, 15 percent of all married men lived with their wives' parents. The survey also showed that more and more young married men like living together with their wives' families. For those who were married in recent years, there are even more men living with their parents-in-law than those living together with their own parents.

The major reasons that encourage young married men to go to wives' families are: Since liberation, Chinese women's social status has been improved greatly. They have been participating in social production and have stood up politically, economically and culturally. They also have the right to inherit property. Secondly, with the elimination of the authority of the husband and paternalism, the traditional concept of women marrying into men's families has begun to flag. Thirdly, the "Zhuixus"—married men living with parents-in-law—are not looked down upon by society any more, but encouraged to do so by the state.

At present, the families where the sons-in-law live in the homes of their wives' parents have practical and immediate benefits for the individuals and for society.

According to the survey, there has been an increase in the number of joint and extended families since the responsibility system was put into effect in China's rural

areas. Together they accounted for about 30 percent of the total number of families in rural and urban areas. In addition, the extended families where sons-in-law live with their wives' parents have more advantages in supporting their elders and get more help in bringing up their children. This has begun to change the outlook on people's child-bearing practices.

Since the economic structural reform was introduced around the turn of the decade, the family in rural China has become the basic unit of production and management, which is favourable to the development of agricultural production. But relations between members in some big families are fairly complicated. It seems that families where husbands live in the homes of their wives' parents have been able to overcome this shortcoming, thereby allowing the families to make greater contributions to society.

The relations between the members in the families that sons-in-law live in the homes of their wives' parents are more harmonious than that in the families that daughters-in-law live together with their husbands' parents. For example, more than 53 percent of the daughters-in-law who live in the homes of their husbands' parents had strained relations with their mothers-in-law, while bad relations between sons-in-law and mothers-in-law or fathers-in-law in the families that sons-in-law live in the homes of their wives' parents only accounted for 7 percent among the families surveyed.

(March 27, 1987).

Five Sources for Savings Deposits

"JIEFANG RIBAO"

(Liberation Daily)

The bank savings in Shanghai amounted to 6.73 billion yuan in 1986. They fall into five major categories:

1. Although the proportion of pre-liberation industrialists, businessmen, relatives of people living abroad or overseas Chinese, and high-ranking intellectuals is small, they have a large share of total savings—about 1.8 billion yuan.

2. With the development of the economic structural reform, more individuals and specialized households have increased incomes. Their total savings have exceeded 100 million yuan.

3. With the rapid improvement in rural people's standards of living, farmers' savings are more than any other category. In 1986, farmers' total bank savings in Shanghai made up 32.3 percent of the total.

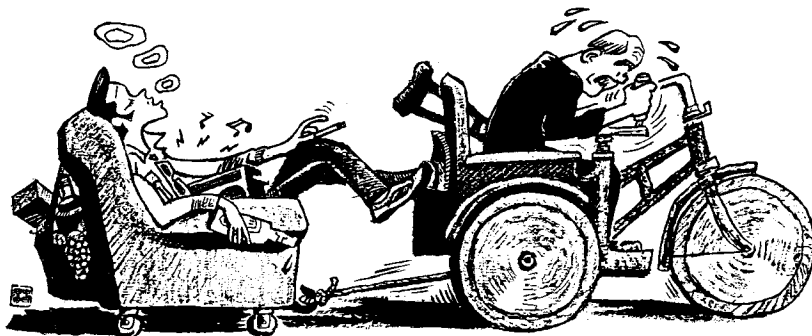
4. In order to guarantee that they have enough money to arrange their children's marriage, some parents live frugally and put some money into banks. Their savings accounted for 19.76 percent of the total.

5. Young people also save to buy high-quality goods such as colour televisions, hi-fi tape-recorders, high-resolution cameras and jewellery. Their total savings made up 10.9 percent of the total in 1986.

(Feb. 7, 1987)

Father and Son

Cartoon by YE CHUNYANG



Boeing's Copter Tours China

A Boeing BV 234 helicopter gave its first flying demonstration in Beijing on April 22. It made two successful flights, one carrying 44 people and the other, a 10-ton truck.

During a one-month tour which will end on May 19, the BV 234 will feature its performance in passenger transport, its hoisting and winching functions in Beijing, Shanghai, and other places. In Anqing, Anhui Province, the Boeing helicopter will hoist a power-transmission tower weighing 16 tons and erect high-tension power transmission lines extending to 2,300 metres across the Changjiang River. Meanwhile, it will erect power transmission lines for the Guangdong Power Company in Guangzhou.

This is the first such activity for the Boeing Vertol Company, a branch of the Boeing Company in China, according to Jerry D. Vansikel, director of Asia and Pacific Sales for Boeing.

The aim of the demonstrations is to introduce the BV 234 helicopter's various operational functions to Chinese aviation officials and the China military, both of whom have shown great interest, Vansikel said.

In addition, such a helicopter not only can help explore and develop oil on land or ocean, but can be used in protecting forests and natural resources, said Vansikel.

The Boeing Vertol Company enjoys good business relations and has sold China 44 aircraft of

various types, 8 of which have not as yet been made available to users, including three 747-400, two 767 and three 757. ■

'Financial Times' Comes off Press

China's *Financial Times* was officially launched on May 1, 1987 and comes out every Tuesday and Friday.

It will carry reports on the reform of China's financial system, general economic and financial information for China and abroad, and about China's international co-operation in the economic, financial, technological and managerial fields.

Financial Times is published jointly by the People's Bank of China, the Industrial and Commercial Bank, the Agricultural Bank, the Bank of China, the People's Insurance Company, the CITIC Industrial Bank and the Communications Bank. It has resident correspondents in New York, London, Tokyo, Luxembourg and Hong Kong.

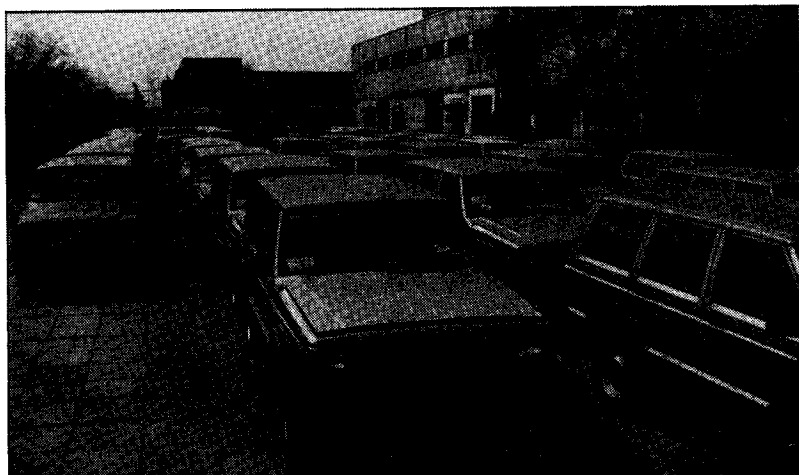
International Business, which began in 1985, will start publishing a monthly English edition in July. In broadsheet form and in colour, it will carry all the regulations and decrees on foreign economic and trade co-operation and management, authoritative commentaries on relevant principles and policies and information on China's foreign business. It will publish the latest statistics on China's economy and trade. It will also provide consultancy on trade development, attracting foreign capital and foreign technology importation.

The publication of *Financial Times* and the *International Business* English edition reflects China's consistent policy of "invigorating the domestic economy and opening to the outside world." ■

A BV 234 helicopter giving a hoisting and winching show in Beijing.

XUO CHAO





Model 213 Beijing Jeeps.

XUE CHAO

Jeep Joint Venture Pays Dividends

The Beijing Jeep Corp. Ltd., a Sino-American joint venture, distributed dividends to its shareholders in mid-April for the second time. The American side was given US\$659,000.

The dividend money: 31.27 million yuan, was what was left from the after-tax profits of 41.14 million yuan after the development and welfare contributions

were deducted. In theory, the American side was due 2.451 million yuan, and the Chinese side 5.307 million yuan. After discussions, however, both sides decided to draw only 25 percent of their entitlements, using the rest for reinvestment.

Last October was the first dividend payout and the American side received US\$300,000. ■

Zibo's Export Value Up Twice in 2 Years

The value of exports from the city of Zibo in Shandong Province in 1986 reached 295 million yuan, twice as much as the figure for 1984.

Ceramic and silk goods are the city's traditional export products. In recent years products such as aluminium hydroxide, aluminium sulphate, diesel, paraffin oil, methylbenzene and other chemical products have been added—all produced by the newborn Qilu Petrochemical Industrial Co. and the Shandong Aluminium Factory.

Some large ceramic factories have improved their productivity

and expanded their exports in recent years. The 900-man Zibo Artistic Ceramic Factory has restored and developed the technology for producing glazed porcelain of a kind which has 1,000 years of history. Its imitation of classic porcelain, high-grade porcelain figures, and practical porcelain pieces have found a ready international market.

Last year the factory exported 2 million pieces of porcelain and for the first time shipped to Japan high-temperature glazed porcelain mural tiles. Now the factory is negotiating with a Hong Kong

company on a project with an annual capacity of 3 million square metres of porcelain mural tiles.

Cao Chuanlei, director of the Zibo Foreign Trade Bureau, said that this year the city will build a number of export-oriented, industry-trade, integrated businesses, including some foreign-funded enterprises. A textile and dyeing mill has signed a compensatory trade contract with a Japanese company to build a workshop to produce 3 million metres of wear-resistant woollen coating a year. The workshop is expected to go into operation by the end of this year. Another factory is negotiating joint management of a garment factory with another Japanese business.

Farmers Open Restaurant Abroad

The Chinese Lake Taihu Restaurant is to open later this year in Melbourne, Australia. This is the first joint venture Chinese peasants have ever opened in a foreign country.

With a floor space of over 800 square metres, this restaurant will be able to serve 150 to 200 diners at a time with its southern cuisine dishes. The restaurant will be jointly run by the Helie Township Fishery-Industry-Trade Co. in Wuxi, Jiangsu Province, and an Australian company in Melbourne.

The joint venture will have a co-operation period of six years and involve a total investment of US\$600,000. The Chinese side will provide US\$300,000 worth of materials, including Chinese tablewares, special wooden tables and ingredients.

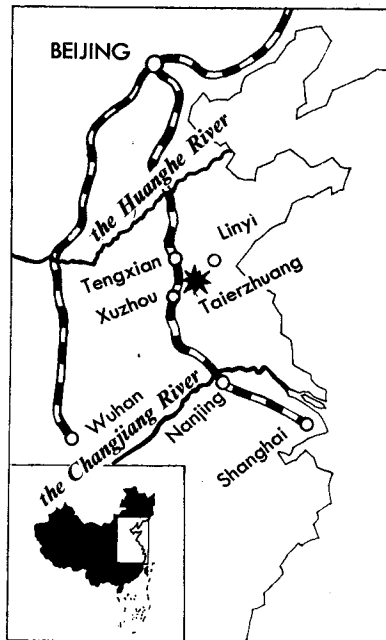
Preparation for the construction of the restaurant has been done. When the building is ready, the Helie company will send three chefs and a manager to Melbourne, to work with local employees. ■

'Battle of Taierzhuang': History As It Was

The newly released film *The Battle of Taierzhuang* is an attempt to present history as it was, even though it depicts the Kuomintang (KMT).

The film, co-directed by Yang Guangyuan and Zhai Junjie, is a docudrama. A product of the Guangxi Film Studio, it recounts a crucial battle between Chinese and Japanese forces in the southern part of Shandong Province from late February to early April, 1938. The Japanese had taken over Shanghai, Nanjing and nearly half of northern China, and were eager to reach Wuhan, a major Chinese headquarters. However, they first had to occupy Xuzhou, a major rail centre, to guarantee a supply line for their forces at the front. The Chinese sent their armies in to protect the strategically important city, and the two sides clashed at Taierzhuang, just north of Xuzhou. The battle ended in victory for the Chinese army directed by Li Zongren, commander of the East China war zone. The victory smashed Japanese hopes for a quick victory over the poorly-armed Chinese, and, on the Chinese side, rallied the nation's resistance to the invaders.

"The film is a chronological document of this historical period," said Yang, who is well-known for his classic *Tunnel Warfare*, also about the War of Resistance Against Japan. Though produced in the 1950s, *Tunnel Warfare* is still a favourite with many because of its honesty and realism. *Taierzhuang* too is realistic in style. The story unfolds chronologically, starting with the Lugouqiao (Marco Polo Bridge) Incident in July, 1937, when the Japanese launched their full-scale invasion of China. This background information is recounted by a narrator as are other transitional links between major events in the film, which



concentrates on the battles at Linyi on January 12, Tengxian on March 15, and Taierzhuang on March 23, 1938. The first two are preludes to the final confrontation.

Yang said he avoided artistic rearrangements to heighten the drama, because his aim was a faithful representation of a well-known event in modern Chinese history. It was also for this reason that he deliberately chose comparatively unknown actors, since "the faces of popular stars would remind viewers of other roles irrelevant to our story."

There are more than 60 characters in the film. Yang said they were portrayed as two teams—the Chinese as one and the Japanese as the other—because the battle was on so large a scale that no one person was more decisive than the rest. The result is that the role each character plays is in proportion to his actual historical status.

Therefore, Chiang Kai-shek, played by Zhao Hengduo, is inevitably an important character in the film. Zhao has played the part of Chiang in no fewer than 15 stage and film productions. In this film, Chiang is shown as a commander who weeps over the death of his soldiers and has a

The Chinese people have historically been unconquerable once they are united.





Directors Yang Guangyuan (right) and Zhai Junjie.

general executed who retreated from the Japanese. In Yang's opinion, anyone who resisted when half of China was occupied was a patriot, and Chiang of that period was no exception.

The film's artistic appeal is interwoven with its patriotic emotions. Patriotism, Yang said, was his inspiration for making *Taierzhuang*. He added that the Chinese people have historically been unconquerable when they have devoted themselves to their country. Patriotism is also the theme of the film, the thread that holds together what would otherwise be a series of fragmented episodes.

According to Yang, the film's frank portrayal of the KMT soldiers as heroes has met with approval from Party and government officials, as well as the KMT veterans, scholars and historians, who have seen it. One KMT veteran saw two implications in the film: first, that the KMT soldiers' bravery is a symbol of the unconquerable spirit of the Chinese people, and second, that the film was a sign that the Communists were getting more tolerant and respectful of history. Joris Ivens, a Dutch director, shared a similar opinion, according to Yang, who quoted Ivens as saying that the fact that the film had been produced was proof that artistic expression in China has become more varied.

Yang denied that his film was propaganda for the current effort to reunify Taiwan with the mainland. Rather it was "quite a coincidence." This is also the opinion of the screen-writers Tian Junli and Fei Linjun, who said they "simply want to tell people something about this period of history." However, they continued, "The credit should go to the current political atmosphere in China, without which it would have been impossible for the film to be produced. This fact is also proof that the Communist Party is really sincere in reunifying our country."

Taierzhuang breaks new ground not only in telling the story it does, but also in taking advantage of visual effects. It shows swarms of people falling and dying in the ruthlessness of war. For many years, death in hundreds or thousands, especially death of the revolutionaries, has not appeared on Chinese screens. It was believed to be damaging to their heroic image. At the battle of Taierzhuang, more than 25,000 men, both Chinese and Japanese, died. "It would be blasphemous to the dead if we underrated its cruelty," said Yang. "In the film death is in fact evidence that the Chinese people are unconquerable. We shouldn't exaggerate its bloodiness, nor at the same time should we shrink from revealing it." ■

Heath Batons Charity Concert

It was an unusual concert. The former British Prime Minister, Edward Heath, co-operated with China's Central Philharmonic Society to give a charity concert to 8,000 people packed in Beijing's Great Hall of the People on April 18, 1987.

The first piece, the overture "Cockaigne" to "In London Town" by Sir Edward Elgar was described by Mr. Heath in his book *Music — A Joy for Life*, as "the first bravura piece with orchestration of such brilliance to be written in England. There is the bustle of the streets, the warmth of the people, the young lovers strolling through the park and into the church, the military band marching to and from the changing of the guard and later just a hint, in the distance, of the Salvation Army band not altogether in tune; all this goes to make up a sound-picture of the traditional London we know so well." For Chinese music fans, this piece was new as well as absorbing.

Other pieces performed that night were Tchaikovsky's "Variations for Cello and Orchestra" and Dvorak's symphony "From the New World."

In a moving scene, Mr. Heath sat down to a Chinese-made piano and joined an ensemble of Chinese handicapped musicians. Together they played two pieces of Chinese traditional music — *Fair Night* and *The Day of Liberation*.

This charity performance was sponsored by China International Trust and Investment Corporation and Arthur Andersen & Co. Patrons of the International Appeal Committee had also established, Queen Mother Elizabeth and Ulanhu, Vice President of the PRC, as honorary presidents. So far the donations for this performance have reached

BUSINESS AND TRADE

May 5-10 Guangzhou, International Scientific and Technological Trade Exhibition Centre. Second International Food Industrial Equipment Exhibition. Sponsored by the Guangdong Branch of the China Council for the Promotion of International Trade (CCPIT). Participants include United States, Japan, Italy, Switzerland, France, Britain and Hong Kong.

June 1-6 Beijing, Exhibition Centre. International New Technology and Materials Exhibition. Sponsored by China International Convention Services (Hong Kong) and CCPIT Beijing Branch. Displays of new building materials, metals, semiconductors, optical fibres, software and high polymers.

June 2-7 Shanghai. International Educational Instruments and Laboratory Equipment Exhibition. Sponsored by Shanghai International Trade Information

and Exhibition Company. Participants include United States, Canada and West European countries.

June 6-11 Hangzhou. International Advanced Automatic Testing Instruments and Meters Exposition. Sponsored by CCPIT Zhejiang Branch. Participants include Japan, United States, West Germany, Britain, France and Hong Kong.

June 9-15 Beijing. International Architectural Technology, Equipment and Products Exhibition. Sponsored by Adsale Exhibition Services (Hong Kong). Participants include United States, Japan, Australia, European countries and Hong Kong.

Science and Technology

June 1 Chengdu. Fourth Symposium on Cyclotrons and Free Electron Lasers. Sponsored by Chengdu College of Telecommunications Engineering and the Vacuum Society of the China Electronics Association.

June 6-10 Beijing. Pacific Basin Symposium on Space Science and Technology and Its Applications. Sponsored by China Space Association.

June 13-18 Beijing. China-US Cardiac Medicine Symposium. Sponsored by China Science and Technology Association.

June 14 Beijing. Symposium on Cardiovascular Disease. Sponsored by China International Conference Centre and Peking Union Medical College Hospital.

June 15-18 Beijing. Eighth International Conference on Computer Applications in Chemical Research and Education. Sponsored by China Chemical Society.

June 23 Beijing. International Symposium on Medium-Energy Physics. Sponsored by High-Energy Physics Institute of the Chinese Academy of Social Sciences.

June 24-26 Beijing. Second International Conference on Computer Applications. Sponsored by China Computer Society.

US\$730,000 and RMB 500,000. All of them will be spent on the construction of a rehabilitation and recreation centre for the handicapped located on Yangma Island near the coastal city of Yantai of Shandong Province.

There are about 20 million handicapped people in China, whose welfare is under the state's care and attention. China Welfare Fund for the Handicapped (CWFH) is a nation-wide non-governmental organization, whose task is to mobilize the whole society to provide equal opportunity for the handicapped to study, to work and to participate in other social activ-

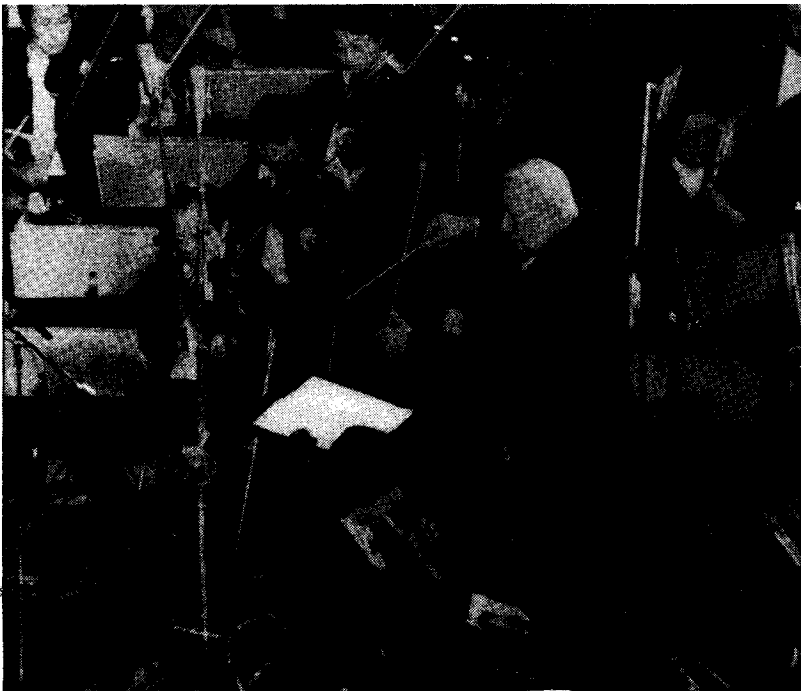
ities. To date, CWFH has made contacts with hundreds of international charity organizations. Coincidentally, Mr. Heath is the honorary president of the British charity, "Handicapped Children's Aid Committee."

In his speech during the intermission of the Beijing charity concert, Mr. Heath said that if this concert was of some help to the future of China's handicapped, the efforts they made that evening were worthwhile.

The number of people who have felt the love and joy brought by Mr. Heath and those donors are far beyond that of China's handicapped. ■

Heath wielding his baton.

LI SHENGNAN





僧人作画
1982.10.10 刘大伟

Monk Painting.

Women.



Sketches by Liu Dawei

Liu Dawei born in Zhucheng County, Shandong Province, is now a teacher of the Arts Institute of the People's Liberation Army. These are some of his sketches from the area inhabited by people of Tibetan nationality in Sichuan Province.

Women and Yaks.



刘大伟
1982.10.10

China City Planning Review



CHINA CITY PLANNING REVIEW, a quarterly in English, tells of China's urban construction, the principles and policies that guide it, and the measures used to achieve it.

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