

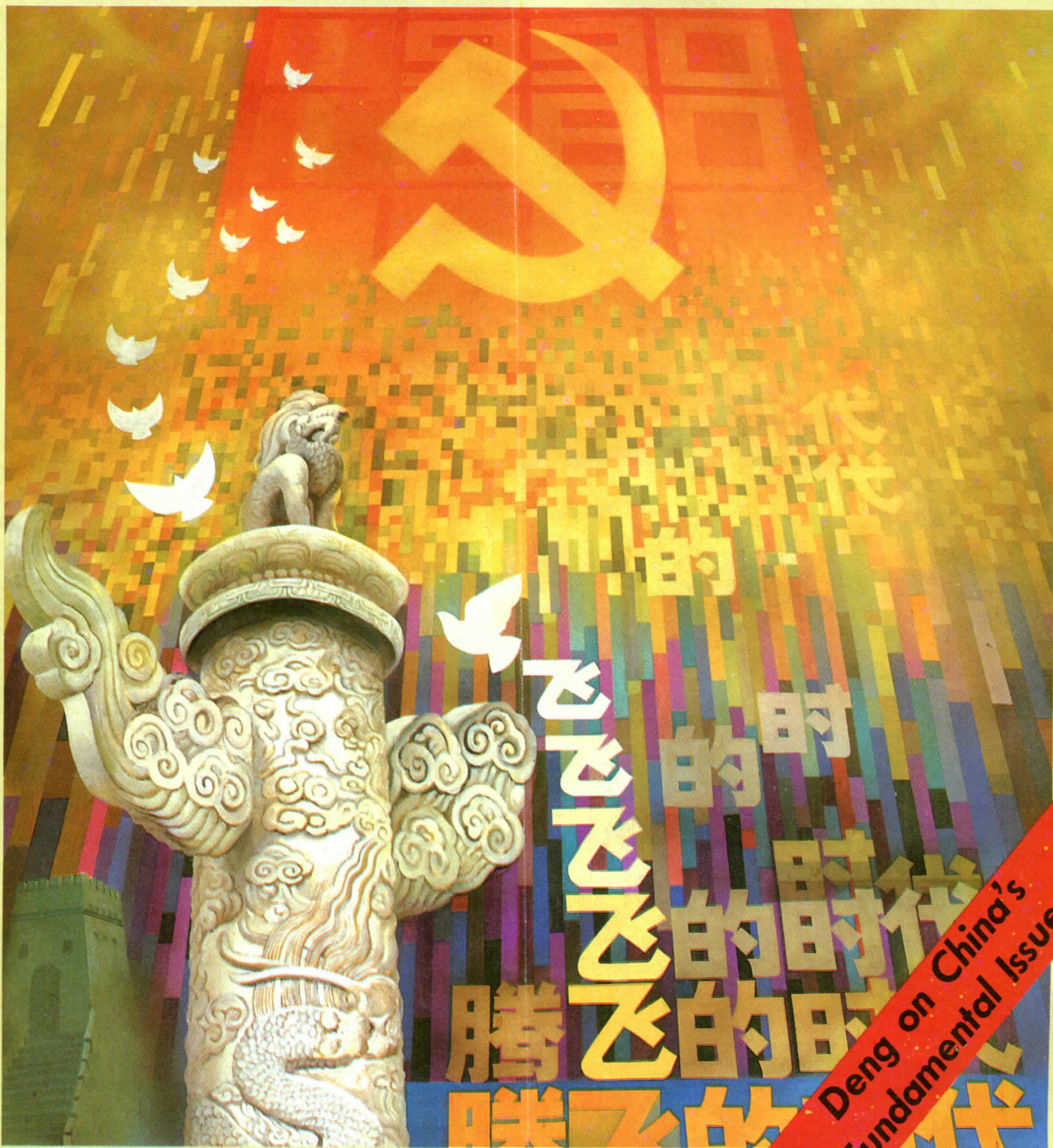
A CHINESE WEEKLY OF NEWS AND VIEWS

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一个
 新的
 时代
 正在
 到来
 腾飞的时代
 腾飞的时代
 腾飞的时代

Deng on China's
 Fundamental Issues



It's all downhill.

Photo by Gong Jianhua

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HIGHLIGHTS OF THE WEEK

Deng on Bourgeois Liberalization

■ Three statements by Deng Xiaoping taken from his recent book and dealing directly with the student demonstrations and anti-bourgeois liberalization are reproduced here. In them Deng discusses the meaning of liberalization, the impact of the demonstrations, the work that needs doing and the reasons for it; he also mentions Fang Lizhi and Liu Bingyan. Full text (p. 14).



p. 18

China Ready to Strengthen Ties with E. Europe

■ China shares many problems with East European countries in building socialism and is ready to increase exchanges of experiences with them. This and many other policy statements are included in Premier Zhao Ziyang's speeches in Czechoslovakia, Hungary and Bulgaria during his five-nation tour of East Europe (p. 23).

Continue to Strengthen Party Building

■ The consolidation of the Chinese Communist Party's organizations was just concluded nationwide with major successes—unified thinking, improved work style, stricter discipline and cleaner organization. But the consolidation was uneven. Some units failed to fulfil the task of Party consolidation and a number of problems remain unresolved. This shows that Party building is a long process. The tasks for regular Party construction are outlined in this article (p. 4).

Students' Questions on Reforms Answered

■ Economic reform experts answered students' questions about economic restructuring, anti-bourgeois liberalization and last year's student demonstrations (p. 18).

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Continue to Strengthen Party Building

by An Zhiguo

The Chinese Communist Party, with a membership of more than 40 million people, has just concluded the consolidation of its organizations nationwide. Through this process, which lasted three and a half years, the Party has made progress in unifying its thinking, rectifying its mode of work, enforcing stricter discipline and cleaning up its organizations.

For instance, many Party members have deepened their understanding of the Party's political line of building socialism with Chinese characteristics. Factionalism and the pernicious influence of "leftist" thinking that was divorced from China's reality, both left over from the "cultural revolution," have been liquidated. The sense of serving the people has been strengthened. Malpractice by Party and government cadres engaging in trade and operating enterprises has been checked and dealt with. During its consolidation, 5,449 people of three types (those who became known during the "cultural revolution" for rebellion, those seriously affected by factionalist thinking and those engaging in beating, smashing and looting) were cleaned up. In addition, 43,074 people who made serious mistakes were dealt with; 33,896 unqualified members were expelled; 90,069 were refused membership re-registration; 145,456 membership re-registrations were deferred; and 184,071 members were placed on probation within the Party or otherwise disciplined. About half of the leading bodies at or above the county level were reorganized and strengthened. Some Party organizations that were in a state of paralysis or semi-paralysis improved noticeably through the consolidation.

The development of the con-

solidation was uneven. Some units, including some medium- and high-level Party and government leading organizations, failed to fulfil the tasks of Party consolidation.

While these units eliminated the influence of the "leftist" mistakes, they failed to pay adequate attention to the erroneous rightist tendency characterized by its negation of socialism and the Party's leadership. When the trend of bourgeois liberalization developed among some Party members; and when some members abused their power to seek personal gain, violated the law and discipline, and committed other major misconduct, these units failed to expose them or failed to investigate and deal with them in a serious manner. The three undesirable types of people were not thoroughly cleaned up; some of them were not ferreted out, while others were dealt with leniently. Some units were lax in discipline and weak in leadership, and this problem was not solved satisfactorily.

The shortcomings in Party consolidation can be traced back to damage done by the "cultural revolution," which left flaws in the Party's thinking, style of work, organization, and discipline. This increased the difficulties in the task of Party consolidation. In addition, individual leaders' mistaken guidelines for Party consolidation were also a major problem. For example, the Party Central Committee's decision on Party consolidation called for unity in thinking. This was meant to correct erroneous "leftist" and rightist ideas that run counter to the political line implemented since the Third Plenary Session of the 11th Party Central Committee in late 1978, and to achieve

ideological and political unity of the whole Party. However, the call for ideological unity was replaced by the slogan of "rectifying the guiding thought for professional work" in the early stage of the Party consolidation.

Continued efforts will be made to solve the problems left unresolved by the Party consolidation. And when the old problems are solved, new ones will crop up. Party building is a long-term task. The main tasks for regular Party construction in the years ahead are the following:

- Following the political line for building socialism with Chinese characteristics and the two basic points of this line (which are upholding the four cardinal principles of the socialist road, Communist Party leadership, the people's democratic dictatorship, Marxism-Leninism and Mao Zedong Thought; and persisting in the policies of reform, opening up to the outside world and invigorating the domestic economy) to carry out the Party's work in all fields and overcome interference from both "leftist" and rightist ideas, so as to ensure a comprehensive and correct implementation of the political line and its two basic points.

- Improving Party members' theoretical level and political qualities. There is no established formula or experience to follow in building socialism with Chinese characteristics. It is necessary to proceed from actual conditions and integrate Marxism with China's reality. Many Party members and cadres, particularly new ones, lack Marxist theoretical knowledge and are unfamiliar with the basics of the Party and its fine traditions.

- Continuing to check the unhealthy tendencies of abusing



Zhao In Hungary: Meeting of Minds Among Leaders

Showing an intense interest in Hungary's economic and other reforms, Zhao Ziyang was clearly out to learn something from the country's experience—both its successes and problems.

This is the most outstanding impression left by the Chinese leader's five-day stay in the country (June 14-18).

Hungary was the fourth stop on Zhao's East European tour, after Poland, the German Democratic Republic and Czechoslovakia. As acting general secretary of the Chinese Communist Party and premier of the State Council, he was the top Chinese Party and government leader to visit this part of the world.

Aside from a common striving for socialism and world peace, Zhao stressed the usefulness of an exchange of experiences in socialist construction and reform during his talks with Janos Kadar, general secretary of the Hungarian Socialist Workers' Party; Gyorgy

Lazar, chairman of the Hungarian Council of Ministers; and Pal Losonczy, president of the Parliament.

"You have discovered a socialist road which is suitable to Hungary's conditions," he told Kadar. "Both your successes and problems provide useful lessons for us."

Kadar said he could well understand China's efforts at reform and appreciate its significance since Hungary has also been exploring new approaches.

As Zhao told a Hungarian TV reporter in an interview on the eve of his departure, "We are unanimous in our understanding of the necessity and urgency of reform. What is more, our approaches to the basic orientation and principles of reform are also very close. Hungary is a pioneer in reforms. What we heard from your leaders and what we saw during our trip will be of reference value to our future reforms."

power to seek personal gain and of bureaucratism. It is necessary to break the web of unprincipled connections that protects such malpractice, so as to ensure that the departments for discipline inspection fully exercise their functions and powers, and no one is allowed to abuse power to obstruct their work.

■ Promoting cadres who have both ability and political integrity and who are revolutionary, young, educated and competent, and continuing to strengthen and reorganize the leading bodies as required.

■ Perfecting the Party's democratic centralism. Major issues should be discussed and decided collectively by the Party committees, to avoid the "do as I say" style of some individuals and groups. A system should be set up for supervising Party members, particularly senior leading cadres.

■ Changing the common situation of mixing up the responsibilities of the Party and the government. Party committees should concentrate their efforts on Party work—formulation and implementation of the Party's political line, principles, and policies; ideological and political education; organization; and publicity. The Party should neither take the role of the government or give up management of its own affairs. The Party's leadership must be conscientiously strengthened and improved.

Zhao visits the Raba Railway Carriage and Machine Works at Gyor.

WANG JINGDE



The Chinese leader demonstrated concretely his interest in Hungary's ways of doing things. When visiting the Raba Railway Carriage and Machine Works at Győr, he asked the factory's general manager scores of questions on topics ranging from reinvestment, accounting, wages, loans and foreign exchange to the election of factory leaders. It was apparent that Zhao was comparing notes with his Hungarian hosts, bearing in mind the improvement of management at home. At the "Golden Ear" Co-operative Farm, Zhao inquired about a co-op member's income from his private plot and animals. When the man hesitated, the accompanying Hungarian official quipped that he needn't worry as the premier was not the tax collector. It was in this light vein that the conversation went along. Zhao also toured Budapest's food market and walked along Váci Street, the

city's leading shopping area.

Hungary started its economic reform 20 years ago. Before then its agriculture had already made great headway thanks to the adoption of a realistic policy to mobilize the co-operative farmers' enthusiasm. In the cities, by switching from mandatory planning to guidelines and introducing incentives and other economic levers, Hungary was able to achieve impressive results in the early 70s. Although drought, the decline in food prices and other unfavourable international factors have held back the country's development in recent years, these temporary setbacks cannot overshadow its general prosperity.

Relations between China and Hungary have been quite close in recent years, thanks to the meeting of minds. Trade shot up several fold. Besides high-level contacts, many Chinese delegations and study groups have visited Hungary and vice versa. A delegation

of the Hungarian Party paper *Nepszabadsag* (People's Freedom) was recently in China and its reports were run in a series on the eve of Zhao's visit. TV and radio coverage has also increased. At the Raba Works, preparations have been made for the arrival of 350 Chinese trainees. Professor Endre Galla at Eotvos Lorand University said his department of Chinese received 50 applicants, more than any previous year since China's image among Hungarians was revived after the "cultural revolution." China's image is even grander now, and he predicts a flourishing of cultural exchanges.

The Hungarian leaders Kadar, Lazar and Losonczy have all accepted invitations to visit China. Observers here predict that friendly and co-operative ties will be stepped up following Zhao's visit.

by Lin Wu-sun
Our Special Correspondent

Zhao: The Bulgarian Grand Finale

The thousands of flag-waving and cheering people greeting Zhao Ziyang everywhere he went in the port city of Varna symbolize the warmth of Sino-Bulgarian relations during the successful visit of the Chinese leader. At Varna, on the coast of the Black Sea, the acting secretary of the Chinese Communist Party and premier of the State Council reached the end of his East European journey, crisscrossing five countries in 18 days. The next day, June 21, he flew to Pakistan.

The moment Zhao landed at Sofia's airport, he was immersed in "an ocean of friendship," much in the tradition of the Slavs, as a Bulgarian diplomat noted. Amidst shouts of friendship and peace, the Chinese leader was embraced by Todor Zhivkov, general secretary

of the Bulgarian Communist Party and chairman of the Council of State. Zhivkov was in China only about a month ago. When the motorcade reached the Eagle Bridge, a place of national uprisings, Zhao was cheered by Sofia's residents as the mayor presented him with a medal. The same evening, the Chinese leader and his party were entertained by Bulgarian artists with a gala performance of song and dance at the fabulously decorated, modernistic Zhivkova Cultural Palace, followed by a banquet at the Boyana State Guest House.

The reception at Varna was even more enthusiastic. One-seventh of the city's residents came out to greet the Chinese premier the day he arrived. He danced with the welcomers to the tune of

Bulgarian music after being presented the city's golden key. Varna is no stranger to China. Its shipyard has been building freighters for Chinese customers. After the visit, both sides will consider possibilities for joint shipbuilding. This and other forms of co-operation could be a way to boost Sino-Bulgarian trade, which now stands at 200 million Swiss francs annually. Relations between the two countries have made rapid progress in recent years. However, Zhivkov's visit to China in May followed by Zhao's return trip provide a special impetus to the relationship.

As Zhao stressed in an interview with Bulgarian reporters before his departure, his talks with Zhivkov and other Bulgarian



LI SHENGHAN

At the welcoming ceremony, Zhao was saluted by the head of the guard of honour.

leaders established "many points in common." Internationally, he noted, since both countries are working for the easing of world tensions and the defence of peace, they can increase consultations and co-operation. Domestically, they can make full use of each other's experience in socialist construction and reform. As China and Bulgaria both respect each other's domestic and international policies, which were formulated on the basis of their own conditions, the prospects for advancing their relations "are bright indeed," he said.

Zhao also declared he is deeply

impressed by Bulgaria's progress under the leadership of the Bulgarian Communist Party with Zhivkov at its head. He got a glimpse of this progress at Varna's world-famous shipping hydrodynamics research institute, the Golden Sand Beach Tourist Resort and an advanced pig breeding centre. Correct guidelines have ensured political stability and sustained high-speed economic development, generating a visible improvement in living standards, observed Zhao.

by Lin Wusun
Our Special Correspondent

Budget Situation Not So Satisfactory

China's economic situation in the first five months of this year was satisfactory, with the gross industrial output value increasing by 14.6 percent, said Tian Yinong, vice-minister of Finance.

In his report to the 21st meeting of the Standing Committee of the Sixth National People's Congress on June 16, Tian said the state budget situation is not ideal. Revenue dropped by 2.9 percent and expenditure by 8.3 percent from the same 1986 period. In the

first five months of 1987, income was 70.947 billion yuan, 7.754 billion yuan more than expenditure.

This shows a continuous drop in revenue, he said. The drop in spending was only temporary because past experience shows most expenditure occurs in the second half of the year. "It will be an arduous task either to organize more revenue or to control expenditure."

In order to fulfil the state budget and keep the deficit within the

limit required by the central government, revenue should grow steadily, Tian said. Measures must be taken to increase production, control spending, and deepen the economic reforms.

There should be strict control of local capital construction investment funds and administrative funds, since these two items increased sharply in the first five months. The rigorous responsibility and examining systems should be carried out while implementing the state budget, Tian said. Neither the central nor local governments will allow cuts in revenue or increases in expenditure, he said, adding that new expenditures must be strictly controlled. If local government want to use any funds left over from last year's planned expenditure, the amount must be within the approved limit. This year local governments must keep any income in excess of the planned state budget for next year.

Tax evasion must be guarded against, he said. The inspection of taxation, accounting and prices will continue in the latter half of the year, and financial discipline will be made stricter.

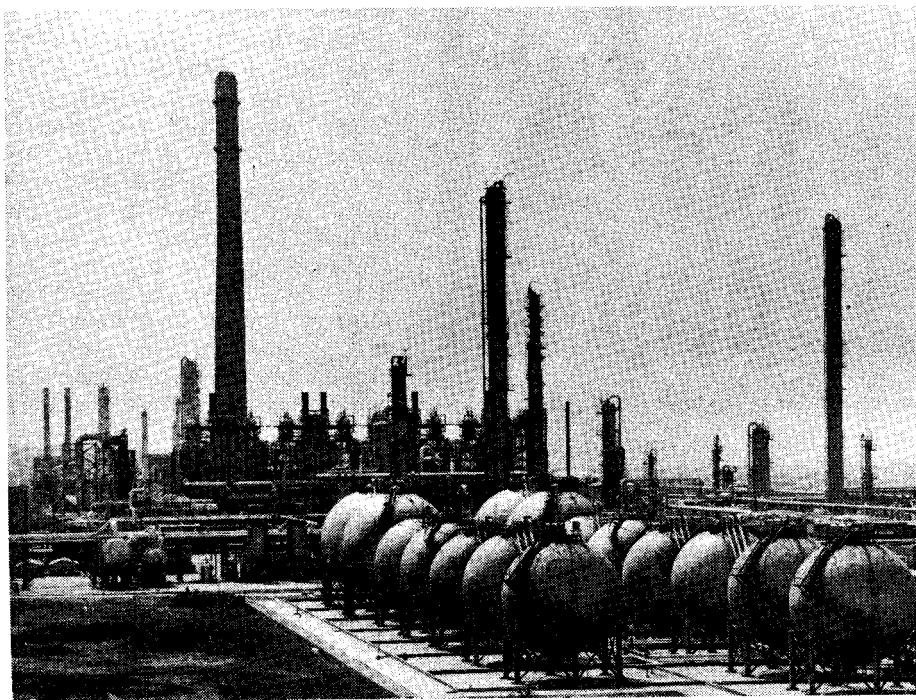
Reporting on the 1986 budget, the vice-minister said total income was 226.026 billion yuan and expenditure 233.081 billion, leaving a deficit of 7.055 billion yuan.

According to the official accounts, the central financial deficit reached 9.418 billion yuan while localities had a total financial surplus of 2.363 billion yuan. He said the surplus has been left for localities to use as they see fit.

Tian said the accounts show that despite the deficit, the distribution and use of funds guaranteed the implementation of the plan for national economic and social development in 1986 and played a major role in promoting economic construction in various fields.

The actual income for the year exceeded the 1986 state budget. This, the vice-minister said, met

Plant Ready for Petrochemical Production



The first phase of a large petrochemical plant in Shandong Province, a key project in China's Seventh Five-Year Plan, went into trial operation in May.

The Qilu Ethylene Project includes 16 sets of equipment and a thermal power station with a capacity of 200,000 kw. Much of the equipment is imported from Japan, Britain and Federal Germany.

The plant has a designed production capacity of 300,000 tons of ethylene. It will produce 500,000 tons of plastics, 80,000 tons of rubber and 590,000 tons of chemical materials a year after its completion.

the needs of development in the economy, education, science and public health and helped to implement various economic reform measures.

Reviewing last year's experience and lessons, he called for strict control and management of the state economy, readjustment and guidance in the use of funds in localities and strict control and supervision over financial work.

Tian attributed the 1986 deficit to increased spending beyond the state's ability to pay. The problem of social supply falling short of demand remained basically unsolved and the rapid rise in consumption funds continued, especially investment in fixed assets. "Economic results of enterprises were still unsatisfactory." The rising cost of materials, which led to losses by enterprises, was also reflected in the state budget deficit, he noted. ■

Journalists Discuss Future Tasks

In their joint efforts to find roads to peace and development, the people of the third world and their news media face a wide range of crucial choices, said Wu Lengxi, president of the All-China Journalists' Association.

Addressing the Developing Nations Journalism Seminar, Wu said, "The seminar is designed to discuss the challenge facing the mass media of developing countries, and to convey this idea."

The meeting, held June 8-21 in Beijing and other Chinese cities, was jointly sponsored by the journalists' association and the China School of Journalism, under the auspices of the United Nations Educational, Scientific and Cultural Organization (UNESCO), and was attended by

journalists representing 14 developing countries, including China. It was the first international journalists' meeting held in China.

Qian Liren, director-general of the *Renmin Ribao* (People's Daily), addressed the opening meeting about the role of the developing nations' media in covering the issue of war and peace. "For various complex historical and social reasons, the developing nations, to varying degrees, have not been able to shake off poverty and backwardness," he said. The priority for third world countries is to develop their economies, which "requires, first of all, an enduring peaceful international environment. Development cannot take place without peace, and peace is the guarantee of development," Qian said.

But he noted that 150 local wars and regional conflicts occurred between 1945 and 1982, all in the

third world, killing 20 million people. "Developing nations suffer most from war and the threat of war," he said.

"On the issue of war and peace, journalists from developing countries should not be onlookers or unbiased neutrals. They should be vigorous fighters for peace," Qian said. He stressed that the journalists should faithfully report the dangers of war that remain, and all attempts at war and aggression: "The role of the news media of the developing countries in safeguarding peace is something no other force can replace."

At another plenary meeting, Zhou Lifang, executive associate dean of the China School of Journalism, spoke of another challenge facing the news media in developing nations—the information revolution. The world is well into an "information age," Zhou said, adding that "One of the hallmarks of this new age is the explosion of new communications technology."

But news flow and the distribution of communications equipment is very uneven. According to a survey, there are some 60,000 newspapers in the world, 8,000 of them dailies, with a combined circulation of 500 million. At least one-third of all newspapers are in North America, another third are in Europe, the remaining third are scattered throughout the rest of the world, including the developing nations.

"The only possible solution," said Zhou, "is for the developing nations to exert themselves, either individually or collectively, to build up their media to the extent that they would be able to replace the Western media as a major provider of international news for and about the third world." Referring to a Chinese saying, Zhou said that asking the Western media to give up their control of the international news flow "would be tantamount to asking a tiger for its skin."

By Li Haibo

Bilateral Talks on Sino-Indian Relations

Chinese Vice-Foreign Minister Liu Shuqing said the Sino-Indian boundary problem has to be solved through peaceful and friendly consultations in the spirit of mutual consideration and accommodation, Xinhua reported.

The Chinese vice-minister and Indian Foreign Minister N.D. Tiwari held talks in Beijing on June 15 on the relations between the two countries.

Acting Premier of the State Council Wan Li met Tiwari and his party on the same day. Wan noted that China and India are the biggest countries in Asia as well as neighbours. "There is no reason for us not to maintain friendship." Both Liu and Tiwari expressed the wish to develop friendly co-operation between China and India.

Liu reiterated China's position on settling the boundary question. He said the border issue includes both old problems and new ones that have arisen recently. Before negotiations start, the two sides should strictly observe the line of actual control drawn on November 7, 1959, he said.

China sincerely wishes to maintain peace and stability along the Sino-Indian border. "The only way to avoid unpleasant incidents and ease the tensions along some sections of the border is for India to withdraw its military personnel who have crossed the line of actual control," Liu added.

Liu and Tiwari agreed to hold the next round of talks between Chinese and Indian officials in New Delhi within the next six months.

CORRECTION: In "CITIC Father: The Truth I have Sought" (issue No. 20, page 20), "St. John University" should read "St. John's University," and its motto should read "Light and Truth" not "Brightness and Truth."

Weekly Chronicle (June 15-21)

POLITICAL

June 17

■ A Chinese foreign ministry spokesman reaffirms China's consistent and open position on the Iran-Iraq war at the weekly news briefing. He says China's policy is not to sell any arms to either of the belligerent parties during the war, and to maintain strict neutrality and make positive efforts to reconcile the two sides.

ECONOMIC

June 16

■ Work has started on a photoconductive fibre communications system for the southeastern ring of the Beijing railway hub, *Jingji Ribao* (Economic Daily) reports.

This is the most advanced technology introduced from abroad into China's railway system. The project will cost more than 11 million yuan, with a total of 60 kilometres of cable to be installed.

CULTURAL

June 16

■ A colour feature film entitled "Woman Living Buddha," the first film edited, produced and acted by Tibetan artists, premiered in Lhasa on June 13, Xinhua reports.

June 21

■ *Renmin Ribao* (People's Daily) reports that Hangzhou University in Zhejiang Province has expelled some students who have seriously violated the discipline of the university.

The 33 students, who were involved in gambling, heavy drinking and indecent dancing, have been either ordered to quit, put on probation or given a warning.

PAKISTAN

Another Year of Development

Pakistan, a developing country in South Asia, has experienced a steady development of its economy.

Pakistan has completed its tenth consecutive year of development. In the financial year to June 1987, the gross national product rose 6.1 percent. Agriculture expanded at a rate of 5.9 percent, while the growth rate for industry was 7.4 percent.

Moreover, while the economy grew substantially, commodity prices were comparatively stable. According to official statistics for the first nine months of the financial year, the inflation rate was only 3.5 percent, the lowest in the past 20 years.

Pakistan is basically an agricultural country, with around 70 percent of its population living in rural areas and more than 50 percent engaged in farming and agro-based activities.

Last year's economic growth resulted mainly from agriculture. Three of the four staple crops had a bumper harvest. Compared with the previous year, the total output of rice rose by 21 percent to 3.5 million tons; sugar cane output grew by 7 percent to nearly 30 million tons; and cotton output increased by 9 percent to a record 7.8 million bales. Wheat output fell short of the target because of cloudy and rainy weather and hail disasters, but this will not affect the country's self-sufficiency in grain. Pakistan has 2.2 million tons of wheat stocks — enough to make up for the shortfall.

The national balance of payments has also improved. Exports rose 18 percent last year, while imports dropped 2.5 percent.

The trade deficit narrowed by 22 percent. The country became

less dependent on remittances from Pakistani workers abroad as a major source of foreign exchange. Remittances were cut from the previous year's US\$2.5 billion to US\$2.3 billion.

The energy sector — the weakest link in the national economy — has been strengthened. In the first nine months, 34 oil wells were drilled; three oil fields were discovered, in addition to one natural gas field. Daily oil output is up to 42,000 barrels, which meets 36 percent of domestic needs.

Rural road building is a focus of government attention. A total of 3,599 kilometres of rural roads were constructed during 1986-87. The government has allocated 6,200 million rupees (about US\$365 million) for 1986-90 to build rural roads. It is estimated that 11,712 kilometres of roads will be built in this period.

FAO

Unite to Eradicate Starvation in the World

Grain production is a question of utmost importance to the world's people. The shifting grain situation in recent years and unbalanced North-South development of agriculture have drawn much attention.

The world grain yield has been increasing in recent years, although by small amounts. According to the statistics of the United Nations' Food and Agriculture Organization (FAO), the grain yield was 1.86 billion tons in 1986, up from 1.84 billion

To upgrade its science and technology, Pakistan has launched a human resources development programme to train scientists, engineers and doctors. About 400 young people have been selected on the basis of their academic record for advanced studies in 15 selected fields in universities in Britain, the United States, Australia and Canada.

The economic news is a boost for Pakistani Prime Minister Mohammad Khan Junejo's current five-point social and economic development programme. The programme is aimed mainly at developing the rural areas. The prime minister has also called for the integration of a consolidated development programme with the country's security requirements in order to safeguard Pakistan's independence and sovereignty and fulfil national objectives. He said that unless Pakistan develops its defences and achieves a greater measure of self-reliance in the defence industry, its socio-economic programme will be lopsided.

However, the government still faces problems in implementing the new financial year's plan because of the lack of funds. Measures are planned to solve this problem.

by Shi Zongxing

tons in 1985. But the outlook for this year is far from good. Last year, winter crops of the Soviet Union were injured by frost, China was hit by drought, and the crop-growing areas of the United States and Canada were reduced. Given these circumstances, the

FAO estimates that the yield of wheat and coarse grains this year will be down by 38 million tons.

The African continent has long been plagued by famines. But in the past two years, African countries have been vigorously developing their agricultural production and the grain situation has improved greatly. The yield of grain on the continent increased from 63.8 million tons in 1984 to 83.7 million tons in 1985. It continued to increase to 86.6 million tons in 1986, a rise of 3.5 percent from 1985. Africa's increased production has greatly eased the long-standing world grain shortage.

In the 1970s, the grain yield of Asian developing countries with market economies increased at an average annual rate of 3.5 percent. The growth rate was 3.6 percent in the first five years of the 1980s, when China and other countries made impressive achievements in agricultural production. The continent's grain yield increased from 612 million tons in 1985 to 622 million tons in 1986. But Asia, with its population of nearly 3 billion, has limited areas under cultivation and the growth rate of grain production has begun to drop. In Latin American countries, grain output has fallen on a per-capita basis in the 1980s compared with the 1970s.

While world grain production has risen, the grain trade is in recession: total trade has dropped for several successive years falling from 220 million tons in 1985 to 190 million tons in 1986. The FAO forecasts that this year's trade figure will be 179 million tons.

There are several reasons for the reduction in the grain trade. In 1986, the Soviet Union and East European countries as well as some other food-importing countries cut their imports after good harvests. But many developing countries cannot afford to import the grain they need because of difficulties in their balance of payments.

The drop in trade has resulted in

grain stocks reaching a record high of 452 million tons. Wheat stocks have increased for six successive years. In the past two years, rice stocks have totalled between 22 million tons and 23 million tons, which is 5 percent of rice production and twice the level of world trade in each year.

The recession of the global grain trade has spurred keen competition among exporting countries, which have increased subsidies on agricultural products and lowered their prices to sell more grain abroad. For example, the European Community (EC) exported grain to the Soviet Union and Brazil at a price of US\$85-98 a ton, but the subsidies for every ton totalled US\$165. The EC's subsidies aroused strong protest from the United States and other countries, which in turn raised their own subsidies, creating a serious "trade war." Grain prices have been reduced to their lowest

levels since the economic crisis of the 1930s, and if prices continue to drop, more economic problems will be generated.

While grain stocks are at record highs, hunger and malnutrition are widespread however. According to the statistics of the World Food Council, from 1970 to 1980 the number of famine refugees increased by 15 million. In the 1980s, the situation has continued to deteriorate. In the first five years of the 1980s, the number of famine refugees increased by 40 million. It estimated that there are about 730 million famine refugees in the world today, 60 percent of them living in Asia, 25 percent in Africa, 10 percent in Latin America and 5 percent in the Middle East. The international community and individual countries must pay attention to the plight of these refugees and take steps to save them.

by Liu Zhaoxiang

ITALY

Another Coalition Is Expected

The results of the Italian general election indicate that the Christian Democrats, the largest party in the country, will have to ally with other parties to form a new government.

The Christian Democrats and Socialist Party both gained in Italy's national election on June 14-15, while the Communist Party suffered a setback. The Christian Democrats obtained 34.3 percent of the votes for the Chamber of Deputies, up about 1 percent from the 1983 election. The Communist Party, the largest in the West and the No. 2 party in Italy, took 26.6 percent, dropping 3.3 percent from the previous election. The Socialist Party, which ranks third in the country, improved its position to 14.3 percent from 11.4 percent.

The election is the fifth called ahead of schedule in Italy since

1972. Between June 1983 and March 1987, the country was governed by a coalition of the Christian Democrats, Socialists, Republicans, Social Democrats and Liberals with Socialist Bettino Craxi as prime minister. The coalition held longer than any other Italian government since World War II. However, Craxi resigned in March after a dispute between the Socialists and Christian Democrats over who would control the premiership. A Christian Democratic government headed by Amintore Fanfani succeeded the coalition but lost a vote of confidence in Parliament. On April 28, Italian President

Francesco Cossiga dissolved Parliament and called an early election.

During the 45-day election campaign, all the major Italian parties focused on the question of how to form a new government. The Christian Democrats advocated a coalition of five parties, but insisted that the other four members consider it as the leading power. The party invited Italians to vote for it and for a Christian Democratic prime minister, explaining that it had played an important role in maintaining political stability.

Calling for a coalition of the left and the Socialists, Communist Party General Secretary Alessandro Natta said the experience of the previous five-party coalition was not successful and that the Communists should not be excluded from the government.

The Socialists are promoting an alliance with the other secular parties so as to form a third political power to compete with the Christian Democrats and the Communists.

It has been observed that the election campaign was characterized, first of all, by vacant political advertising and a lack of practical proposals. Second, unlike the previous elections, this one was dominated by rivalry between the Christian Democrats and the Socialists rather than between the Christian Democrats and the Communists. This led to the rise in votes for both the Christian Democrats and the Socialists and the decrease for the Communists.

Since none of the Italian parties has taken an absolute majority in Parliament, the country can expect another coalition government consisting of the parties with comparatively more votes. With both the Christian Democrats and the Socialists claiming to have won a victory in the election, the wrangle between them is likely to increase while the nomination of a

prime minister will become more difficult. The power struggle among the country's political parties will continue in the new coalition government, if formed,

and Italy is expected to be in for another round of political instability.

by Luo Jinbiao
& Shi Kedong

SOVIET UNION

Behind the West German Pilot Affair

The sudden and embarrassing landing of West German pilot Mathias Rust at Moscow's Red Square made headlines around the world, but the incident is still a mystery.

The world is so big that sometimes the most unbelievable things can happen.

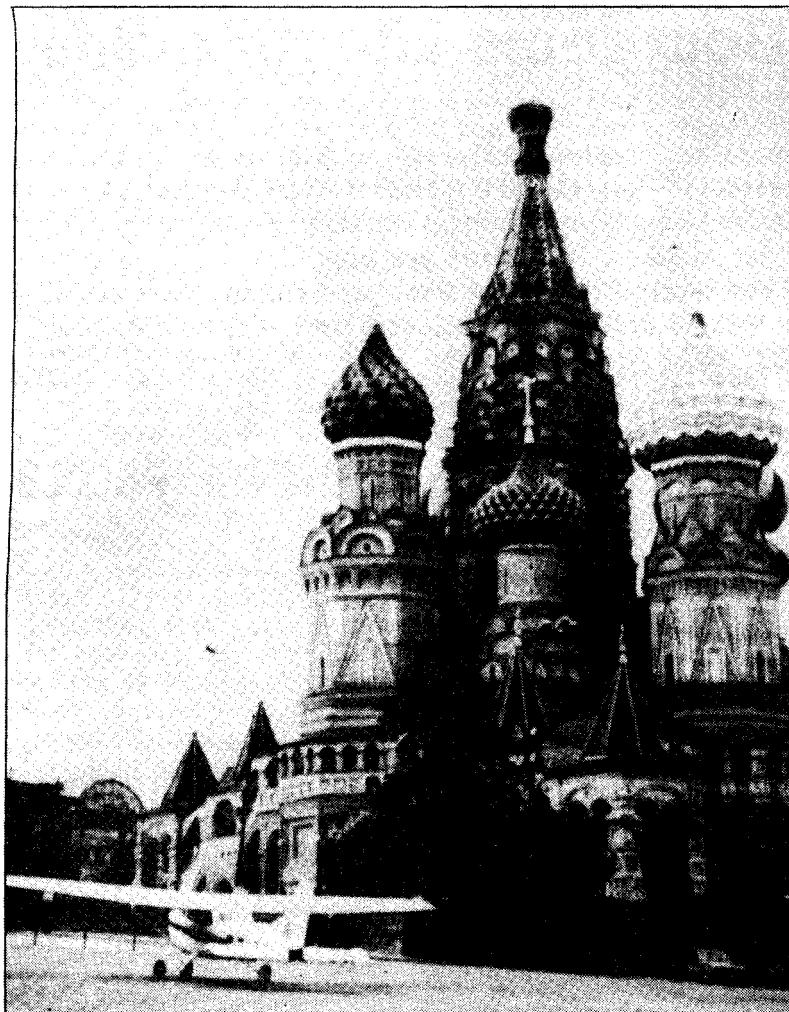
Nobody could have expected a month ago that Mathias Rust, a 19-year-old West German pilot who began his flying career only a short time before his adventure, would suddenly become the focus of world attention. But that is what happened when the West German youth in his single-engined Cessna light plane landed, euphoric at his unexpected success, on the edge of Red Square on May 28, and distributed to the people present cards bearing his signature and a proud declaration that he was from Helsinki. Moreover, Rust could not have expected that the pilots' club to which he belonged in Hamburg would suspend his flying licence the next day, saying he should be responsible for the return of his plane, which could cost him 25,000 West German marks. Nor did he imagine that he would be taken into custody and have to face trial for his intrusion into Soviet territory.

Since the publication of the first *Guinness Book of World Records* in 1956, there have been people in the West who are determined to make an entry in the Book by setting world records at any risk. That Rust was applauded as a "hero" by some newspapers in West Germany and hailed as "an

outstanding pilot" by his relatives reflects this spirit.

The young adventurer, it turned out, does not even have his commercial flying licence and is only a beginner pilot. It is reported that his success came largely from careful planning and preparation by some people helping him. Earlier in May, he twice bought aerial maps, including some bearing the position of Moscow. Before this famous flight, he dismantled three seats and added an oil tank to his plane. Apparently, this operation was not merely a sudden impulse. Though some people in the West believed it was but a prank, or, as some others suggested, a flying advertisement plotted by the Cessna company. It is only understandable that Moscow is urgently investigating the incident to discover the whole story behind the Rust affair.

According to US Pentagon sources, the Soviet Union's anti-aircraft missiles, radar and jet interceptors constitute "the biggest strategic anti-aircraft network in the world"—a barrier impossible to break through. Yet a 19-year-old youth was bold enough to cross this barrier and succeeded in landing at Red Square, the heart of the Soviet Union and some 700 kilometres from the Soviet border.



Rust's Landing: a prank?

No wonder some people questioned whether the flight was a trial one with a political or military purpose.

Strengthening this speculation, military analysts in the West have shown great interest in the Soviets' failure to stop the plane. Some said Moscow's radar system is unable to detect aircraft flying at minimum altitude, while others said they doubt that it is necessary for the United States to spend a huge amount of money to develop a new generation of bombers that can evade Soviet radar.

A Soviet spokesman said on

June 11 that Rust's case could be settled in several days if one could be 100 percent sure that Rust was alone in carrying out "that bold flight" deep into Moscow.

Boris Pyadyshev, first deputy head of the Information Directorate of the Soviet Foreign Ministry, told a news briefing that the investigation on the Rust case is continuing and the only task is "to analyse calmly and thoroughly the essence and circumstances of the case." A case that sometimes looks simple may contain some elements that cannot be seen at first, he said.

It is necessary and takes time to find out if, perhaps, Rust's flight was "inspired by someone else who furthered his far-reaching aims," the spokesman said.

Red Square is near the Kremlin, the nerve centre of the Soviet Union, and it has very special importance to the Soviets because the Lenin Mausoleum is there. It is undoubtedly a humiliation for the Soviet defence authorities that a foreign plane landed at the square without being intercepted and, ironically, on the Frontier Forces' Day. Some people in the West are capitalizing on this incident and scoffing at the Soviet Union. But any weapon or defence system, no matter how extravagantly boasted, can fail. Even the US Strategic Defence Initiative, on which President Ronald Reagan is spending huge amounts of money, has been criticized by experts.

Some reporters in the West take pleasure in others' mishaps. The dismissal of Soviet Defence Minister Sergei Sokolov and Air Defence Commander-in-Chief Alexander Koldunov made a good story for the Western media. But the personnel changes demonstrated a spirit of equality before law. Furthermore, a senior official of the Soviet news agency said the Soviet Union should thank Rust for pointing out a defect in the country's air defence. This remark leaves an impression of broad-mindedness and a determination to correct mistakes.

It is unjustified to violate a country's air space, in terms of both international law and the norms of international relations. Rust can blame nobody but himself for his being taken into custody. In a broad sense, no person or state is justified in violating a country's sovereignty and territory. From this point of view, will Moscow learn a lesson from this incident and draw a conclusion about its more than 100,000 soldiers who are engaged in a full war in Afghanistan?

by Xu Ping

Deng on Anti-Bourgeois Liberalization

Deng Xiaoping has in recent years repeatedly expounded on the essence of bourgeois liberalization and the reasons why China opposes it. We have selected three articles from his recently published book "Fundamental Issues in Present-Day China." They help clarify the issue for our readers. Footnotes are ours.

Three other articles from the book: *On Recent Events in China*, *More on "One Country, Two Systems,"* and *the Reform of Political Structure* have already appeared in "Beijing Review" (Issue Nos. 13, 14, 20).

Remarks at the 6th Plenary Session of the Party's 12th Central Committee

September 28, 1986

With regard to the question of opposing bourgeois liberalization, I am the one who has talked about it most often and most insistently. Why? First, because there is now a trend of thought—that is, liberalization—among the masses, especially among the young people. Second, because this trend has found support from the sidelines. For example, there have been some comments from people in Hong Kong and Taiwan who are all opposed to our four cardinal principles and who think we should introduce the capitalist system lock, stock and barrel, as if that were the only genuine modernization. What in fact is this liberalization? It is an attempt to turn China's present policies in the direction of capitalism. The exponents of this trend are trying to lead us towards capitalism. That is why I have explained time

and again that our modernization programme is a socialist one. Our decision to apply the open policy and assimilate useful things from capitalist societies was made only to supplement the development of our socialist productive forces.

We all remember that in 1980, after the defeat of the gang of four, the National People's Congress adopted a resolution to delete from the Constitution the provision concerning the right of citizens to "speak out freely, air their views fully, hold great debates and put up big-character posters." Why did we do this? Because there was an ideological trend of liberalization. If that trend had been allowed to spread, it would have undermined our political stability and unity, without which construction would be out of the question.

Liberalization itself is bourgeois in nature—there is no such thing as proletarian or socialist liberalization. Liberalization by itself means antagonism to our current policies and systems and a wish to revise them. In fact, exponents of liberalization want to lead us

down the road to capitalism. That's why we call it bourgeois liberalization. It doesn't matter if the term has been used elsewhere in other contexts, for our current politics demands that we use it in the resolution, and I am in favour of it.

It seems to me that the struggle against liberalization will have to be carried on not only now but for the next 10 or 20 years. If we fail to check this trend, it will merge with undesirable foreign things that will inevitably find their way into China because of our open policy and become a battering ram used against our modernization programme. This is something we cannot afford to ignore. If you have read some of the comments that have been made by people in Hong Kong and by bourgeois scholars in foreign countries, you will see that most of them insist that we should liberalize, or say that there are no human rights in China. These commentators oppose the very things we believe in and hope that we will change. But we shall continue to raise problems and solve them in the light of the realities in China. ■

* Remarks during the discussion of the Draft Resolution of the Central Committee on the Guiding Principles for Building a Socialist Society With an Advanced Culture and Ideology.

Take a Clear-cut Stand Against Bourgeois Liberalization

December 30, 1986

The recent student unrest is not going to lead to any major disturbances. But because of its nature it must be taken very seriously. Firm measures must be taken against any student who creates trouble at Tian An Men Square. The rules and regulations on marches and demonstrations promulgated by the Standing Committee of the Municipal People's Congress of Beijing have the force of law and should be resolutely enforced. No concessions should be made in this matter. In the beginning, we mainly used persuasion, which is as it should be in dealing with student demonstrators. But if any of them disturb public order or violate the law, they must be dealt with unhesitatingly. Persuasion includes application of the law. When a disturbance breaks out in a place, it's because the leaders there didn't take a firm, clear-cut stand. This is not a problem that has arisen in just one or two places or in just the last couple of years; it is the result of failure over the past several years to take a firm, clear-cut stand against bourgeois liberalization. It is essential to adhere firmly to the four cardinal principles; otherwise bourgeois liberalization will spread unchecked—and that has been the root cause of the problem. But this student unrest is also a good thing, insofar as it is a reminder to us.

I have read Fang Lizhi's speeches. He doesn't sound like a Communist Party member at all. Why do we keep people like him in the Party? He should be expelled, not just persuaded to quit. There are some people who still hold to their opinions but who say they will not get involved in student disturbances. That's fine. You can reserve your opinions, so long as

you don't take part in activities against the Party or socialism. Wang Ruowang in Shanghai is very presumptuous. He should have been expelled from the Party long ago—why this delay? A rumour is going around Shanghai to the effect that there is disagreement in the Central Committee as to whether we should uphold the four cardinal principles and oppose liberalization, and that there is therefore a layer of protection. That's why people in Shanghai are taking a wait-and-see attitude towards the disturbances. We have to admit that on the ideological and theoretical front both central and local authorities have been weak and have lost ground. They have taken a laissez-faire attitude towards bourgeois liberalization, so that good people find no support while bad people go wild. Good people don't dare to speak out, as if they were in the wrong. But they are not in the wrong at all. We must stand up for the four cardinal principles and especially the people's democratic dictatorship. There is no way to ensure continued political stability and unity without the people's democratic dictatorship. People who confuse right and wrong, who turn black into white, who start rumours and spread slanders can't be allowed to go around with impunity stirring the masses up to make trouble. A few years ago we punished according to law some exponents of liberalization who broke the law. Did that bring discredit on us? No, China's image was not damaged. On the contrary, the prestige of our country is steadily growing.

In developing our democracy, we cannot simply copy bourgeois democracy, or introduce the system of a balance of three powers. I have often criticized people in power in the United States, saying that actually they have three governments. Of course, the American bourgeoisie

uses this system in dealing with other countries, but when it comes to internal affairs, the three branches often pull in different directions, and that makes trouble. We cannot adopt such a system.

In carrying out the open policy, learning foreign technologies and utilizing foreign capital, we mean to promote socialist construction, not to deviate from the socialist road. We intend to develop the productive forces, expand ownership by the entire people and raise the people's income. The purpose of allowing some regions and some people to become prosperous before others is to enable all of them to prosper eventually. We have to make sure that there is no polarization of society—that's what socialism means. We work for common prosperity, but we permit certain disparities of income.

Without leadership by the Communist Party and without socialism, there is no future for China. This truth has been demonstrated in the past, and it will be demonstrated again in future. When we succeed in raising China's per-capita GNP to US \$4,000 and everyone is prosperous, that will better demonstrate the superiority of socialism over capitalism, it will point the way for three quarters of the world's population and it will provide further proof of the correctness of Marxism. Therefore, we must confidently keep to the socialist road and uphold the four cardinal principles.

We cannot do without dictatorship. We must not only affirm the need for it but exercise it when necessary. Of course, we must be cautious about resorting to dictatorial means and make as few arrests as possible. But if some people attempt to provoke bloodshed, what are you going to do about it? We should first expose their plot and then do our best to avoid shedding blood, even

*Remarks on recent student disturbances, made to some leading members of the Central Committee of the Chinese Communist Party.

if that means some of our own people get hurt. However, ring-leaders who have violated the law must be sentenced according to law. Unless we are prepared to do that, it will be impossible to put an end to disturbances. If we take no action and back down, we shall only have more trouble down the road.

In the recent student unrest, the democratic parties have taken a correct position, and so have well-known democrats such as Zhou Gucheng, Fei Xiaotong and Qian Weichang. Unfortunately, we cannot say the same of some of our own Party members.

This time, we have to take action against those who openly oppose socialism and the Communist Party. This may make some waves, but that's nothing to be afraid of. We must resolutely impose sanctions on Fang Lizhi, Liu Binyan and Wang Ruowang, who are so arrogant that they want to remould the Communist Party. What qualifications do they have to be Party members?

Originally, I had not intended to say anything at the Sixth Plenary Session of the 12th Central Committee. But later, I felt I had to intervene to ask that there be included in the resolution a few words on the necessity of combating bourgeois liberalization. Apparently, my remarks on that occasion had no great effect. I understand they were never

disseminated throughout the Party.

I still haven't changed my mind about opposing spiritual pollution. I have agreed to have the full text of my speech at the Second Plenary Session of the 12th Central Committee included in a new collection of my works.

The struggle against bourgeois liberalization will last for at least 20 years. Democracy can develop only gradually, and we cannot copy Western systems. If we did, that would only make a mess of everything. Our socialist construction can only be carried out under leadership, in an orderly way and in an environment of stability and unity. That's why I lay such emphasis on the need for high ideals and strict discipline. Bourgeois liberalization would plunge the country into turmoil once more. Bourgeois liberalization means rejection of the Party's leadership; there would be nothing to unite our 1 billion people, and the Party itself would lose all power to fight. A party like that would be no better than a mass organization; how could it be expected to lead the people in construction?

The struggle against the bourgeois rightists in 1957 was carried somewhat too far, and the mistakes made should be corrected. But that doesn't mean that we have negated this struggle as a whole.

The struggle against bourgeois liberalization is also indispensable. We should not be afraid that it will damage our reputation abroad. China must take its own road and build socialism with Chinese characteristics—that is the only way China can have a future. We must show foreigners that China's political situation is stable. If our country were plunged into disorder and our nation reduced to a heap of loose sand, how could we ever prosper? The reason the imperialists were able to bully us in the past was precisely that we were a heap of loose sand.

Dealing with the student disturbances is a serious matter. Leading cadres should take a clear-cut stand; that will help the masses to see things more clearly. The three articles relating to the disturbances that were published in *Renmin Ribao* (People's Daily) were well written, and so was the editorial that appeared in *Beijing Ribao* (Beijing Daily) entitled "Big-Character Posters Are Not Protected by the Law." The remarks made by Li Ruihuan (mayor of Tianjin) were also good. The fact that the leading cadres take an unequivocal stand encourages those who are firmly opposed to disturbances and helps to persuade those who are undecided on the matter. Disturbance can be checked if the leaders take a strong stand. ■

Clear Away Obstacles and Adhere to the Policies Of Reform and of Opening to the Outside World

January 13, 1987

Recently some of our students created disturbances. These disturbances were different in nature from those of September 18, 1985, when students took to the streets. We are now handling this matter. Actually, what

concerns us is not the small member of college and university students, the one or two percent of the total in the country, who took part. That is not really the problem—a few students who take to the streets cannot affect the

overall situation. The problem is that there has been some confusion in our ideological work and students have not been given strong, effective guidance. That is a major mistake. We must change this situation and tell our young

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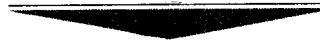
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ANNOUNCEMENT

Fundamental Issues in Present-Day China

This book includes 44 of Deng's most important speeches since December 1984. The author has made many important expositions on upholding the four cardinal principles, combating bourgeois liberalization, and the reform of the economic and political structures, and opening to the outside world. This 85,000-word book includes photographs of the author.

The English, Russian and Japanese editions of the book will be published and distributed before the 13th National Congress of the Chinese Communist Party in October this year and the French, Spanish, German and Arabic editions will appear before the end of this year.

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people about our past. At the same time we should expose those persons who have acted out of ulterior motives, because this time they have adopted slogans that clearly express opposition to Communist Party leadership and the socialist road. Certain individuals have made exceedingly pernicious statements, trying to incite people to action. They oppose Communist Party leadership and the socialist system, they call for total Westernization of China and adoption of the whole capitalist system of the West. These instigators are well-known persons, and we have to do something about them. They are to be found, of all places, inside the Communist Party. The Communist Party has its discipline. Actually every party in the world has its own discipline. This time we are going to make a point of checking up on discipline.

A little trouble stirred up by students won't have any great impact, much less bring us down, especially when the trouble-makers amount to just one or two percent of all college and university students. In short, there is one point I'd like to assure our friends of, and that is, we shall handle problems like this in an appropriate way. Even if these disturbances had been much more widespread, they would have had no effect on the foundations of our state or on the policies we have established. When we have dealt with those problems, our political stability and unity will only be enhanced and our established principles and policies—including the policies of opening to the outside world, reform and construction—will only be carried out more smoothly, steadily and perseveringly. In settling this matter, we shall of course sum up our experience and gradually overcome our weaknesses—bureaucratism, for example. In this way we shall

eventually turn something negative into something positive and help to clarify the thinking of both the leaders and the people.

It is no simple thing to introduce reform and modernize our country. But we have never harboured any illusions that it would all be easy. There will inevitably be interference from various directions, including both the Right and the "Left." If in the past we have placed too much emphasis on interference from the "Left" to the neglect of that from the Right, the recent student unrest has reminded us that we should be more on guard against the latter. In this sense, the recent events will turn out to have had a positive effect. I am convinced that our future accomplishments will be a further demonstration of the correctness of our present line, principles and policies. Problems will be solved naturally, so long as we go on developing in the way we have during the past eight years, try to overcome interference from any side, and continue to grow and advance steadily and to raise the people's standard of living. In short, we have to clear away the obstacles. Without political stability and unity, it would be impossible for us to go on with construction, let alone to pursue the open policy. Opening to the outside world is no simple matter, and reform is even more difficult. None of these endeavours can succeed in the absence of stability and unity. Furthermore, the reform must be conducted in an orderly way. That is to say, we must be at once daring and cautious, and review - our experience frequently so as to advance more surely. Without order, we shall have to devote all our energies to combating interference of one kind or another, and that would be the end of the reform.

We should explain to the students who have been involved in disturbances what is at stake. A few mild demonstrations won't serve the purpose. It is essential to explain clearly to them what is right and what is wrong, what is beneficial and what is harmful. By what is right and what is wrong I

mean what serves the fundamental interests of the country and what damages them. And by what is beneficial and what is harmful I mean what helps us to achieve the basic socialist objectives we have set for this century and the next and what hinders us from doing so. This is the way to show our concern for the young people and to give them genuine guidance. Since the Third Plenary Session of the 11th Central Committee, held in December 1978, we have been opposing anarchism and ultra-individualism. But today some people are vainly trying to make our society absolutely lawless. How can we allow that to happen? Even capitalist society doesn't allow people to defy the law, and far less can we, who uphold the socialist system and want to build socialism with Chinese characteristics. You are very concerned about this question in China. I should like to assure our friends that the student unrest will not lead to major trouble. It will have no effect on our established principles and policies; it will have no effect on our reforms or our opening to the outside world. It has reminded not only ourselves but our friends as well that to understand China's problems, one must recognize their complexity. China is a country which has more than one billion people and dozens of nationalities and which has traversed a tortuous road over the more than 30 years since the founding of the People's Republic. So it is not surprising that such disturbances should have occurred. We should try to prevent them from spreading, but even if ten times more people were involved, they would not affect the foundations of our state or make us alter our policies, because they are correct and the people have benefited from them. During the "cultural revolution" we had what was called mass democracy. In those days people thought that rousing the masses to headlong action was democracy and that it would solve all problems. But it turned out that when the masses were roused to headlong action, the result was civil war. We have learnt our lesson from history. ■

*Excerpt from a talk with Noboru Takeshita, Secretary-General of the Liberal Democratic Party of Japan.

Students' Questions on Reforms Answered

Five research fellows from the Chinese Economic Reform Institute talked on June 3 with over 70 students from five universities in Beijing about the current reforms. Following are excerpts of the dialogue.

Questions: Late last year, students demonstrated in some big cities. Many of them were hoping to promote the reforms. But later, some said the students had only delayed it. What do you think?

Answer: To begin with, many of the students' actions were well-intentioned and they just wanted to give the reforms some added impetus. However, to our regret, they overlooked two things.

First, the reforms and the establishment of democracy are gradual processes that take time. In my opinion, the slogans put forward in the demonstrations were out of line with China's reality. The institution of a direct electoral system, for example, in a country where 25 percent of the population is illiterate, is as unrealistic as spreading musical appreciation in rural areas where the peasants have yet to get enough to eat and wear.

Second, the success of the reforms depends on political stability and unity. The social upheavals that could have been touched off by the demonstrations would only have held up the progress of the reforms.

Fortunately, the central authorities took resolute steps and brought the situation under control. As a result, there were no great disorders and a major distraction from the reforms was avoided.

Q: Some students think that countering bourgeois liberalization has dampened the students' enthusiasm for the reforms. Is this true?

A: This is a misunderstanding. The Party Central Committee has

reiterated time and again that combating bourgeois liberalization has strict and clear-cut political meaning: fighting against ideas and propositions which oppose the leadership of the Chinese Communist Party and the socialist road in China. The central authorities have stressed that countering bourgeois liberalization should steer clear of the theories of the economic reforms and opening to the outside world.

The students' aspirations to accelerate the reforms, which reflect their commitment to China's advancement, are commendable and should be treasured and encouraged instead of being dampened.

Anyone can voice his or her opinions on the reforms. But I would like to offer my advice to my young friends: to make a

meaningful contribution to the reform, it is no use being rash and impulsive. What matters most here is to have thorough understanding of the reality in China and of the economic and social development laws, keep in mind the correct direction of the reform, acquire the necessary knowledge and enhance one's work efficiency.

Reforms and Opening Up

Q: One can read in newspapers such sentences as "Without sticking to reforms and the policy of opening to the outside world, we cannot really stick to the four cardinal principles (the socialist road, the people's democratic dictatorship, the Party's leadership, and Marxism-Leninism and Mao Zedong

Teng Teng, president of the Chinese University of Science and Technology, talks with students about how to run the university.

FU ZHENXIN



Thought). What does this mean?

A: Without sticking to the four cardinal principles, the reforms would drift off course. And without reforms and opening to the outside world, we cannot really stick to the four principles. The second half is simple: if we persist in "leftist-oriented" policies, instead of going for reforms and opening to the outside world, the system would continue its fossilization, the economy would have no buoyancy, the people would not benefit. People would

fight whatever trend emerges. The struggle against bourgeois liberalization and the development of reforms and opening to the outside world show up the importance of opposing both trends. Now we have interference from the "left" as well as from the right. But the most harmful influence by far is that from the "left." The "leftist" mentality and ideas, which predominated in the country's political life for decades, are deepseated and diehard. They keep manifesting themselves and

implications of rejecting the socialist system, but conducting reform is aimed at perfecting that system. The mistakes are often resulted from lack of experience. It is unavoidable in a sense. But no one is allowed to have reservations about the four cardinal principles. People who have made mistakes during the reforms should be helped sympathetically.

Q: Some say that the economic reforms mean introducing something capitalist into the economy. Is this right?

A: The ultimate goal of the economic reforms is to unleash pent-up productivity. Anything conducive to the development of productivity in China at this stage is worth learning and borrowing. Competition, market mechanism, bonds, securities and stocks are all what modern socialized production and the market economy require. They can be applied by socialist as well as by capitalist countries. In the past, we used to label such necessary things as "capitalist" and keep them at arm's length. That was self-defeating.

Q: Individual traders are everywhere. Will their existence rock the socialist foundation of state ownership?

A: Developing a diversified economy while keeping state ownership predominant is a basic feature of the preliminary stage of China's socialism.

At present, the non-state sector has only a small share of the national economy, constituting about 20 percent of the commerce and service trades and less than 2 percent of the industrial production. Even if we had more non-state enterprises, they would not threaten the state sector's position. Meanwhile, the private sector is under the strong influence of the socialist state-owned economy and is supervised and guided by the state.

Q: Privately owned enterprises have been established. These enterprises employ workers



REN LONG

Seven students at the biological department, East China Teachers' University, won first prize in a dormitory interior decorating competition.

reject this "socialism of poverty." Under such circumstances, bourgeois liberalization would find a ready breeding ground. This is naturally detrimental to upholding the four principles.

Q: We have noted that the news media maintain opposition to the "leftist" trend as well as the rightist trend. Which is the worse?

A: So far as I understand it, we should, generally speaking, oppose both the "leftist" trend (rigid ways of thinking and a lack of understanding of the reforms and opening to the outside world) and the rightist trend (rejecting the four cardinal principles). We'll

thus pose a major obstacle to the progress of the reforms and opening to the outside world. We should never relax our watch against the "leftist" influence while countering bourgeois liberalization. Of course, we should also be on our guard against the rightist influence.

Q: Some mistakes have been made during the reforms, such as incorrect wording concerning reforms and overdone experiments. Are these reflections of bourgeois liberalization?

A: No. I hold that these mistakes should not be regarded as reflections of bourgeois liberalization. That has the



LONG QIYUN

Four university students from the No. 6 Middle School in Changsha, Hunan, return to their Alma Mater to tell their former teacher about their progress at university.

independently. Is this not exploitation? How can this be allowed in view of the socialist distribution principles New China has always stood for?

A: As Marx said, the distribution of consumer goods is only the result of the distribution of production conditions. We are still in the preliminary stage of socialism where diversified ownership and management methods work best, consequently there are also diversified forms of distribution. The system of distribution according to work is predominant, other forms of distribution are complementary. We must legalize unearned income, but the state should formulate appropriate regulatory measures. People who seek high profits through foul means at the expense of the state and the masses must be severely punished.

Q: How should we view the hiring of people by individual businesses?

A: According to the state laws, an individual business can usually hire one or two assistants, and the skilled may have three to five apprentices. Some private businesses have exceeded the limits.

For them the current principle is to "allow their existence, strengthen management, bring into play their advantages, check their disadvantages, and provide them with guidance," so as to ensure the development of the individual economy. This is a serious issue of policy. It should be tackled in line with the practice of reform. It is too early to make any conclusion.

Q: Many state-owned enterprises have been contracted or leased out. Does this mean their ownership status is now private?

A: No, their ownership remains unchanged. They are still owned by the state, which has delegated the management power to the contractor or lessee for a given period. The separation of enterprise ownership from management power under contract or lease is aimed at enlivening these enterprises.

Q: In the countryside, the household contract system is prevailing and the people's communes have been abolished. Does this mean the collective economy exists only in name?

A: The separation of government administration from commune management, abolition of the

people's communes and the restoration of power organs in the rural areas are objectively needed for the development of rural production. After the introduction of the household responsibility system, land and other major means of agricultural production are owned by the collective; the household has only the right of management. This does not mean a change of ownership. The household which contracts to farm the land is required to pay the collective. This system represents the rural management reform.

Status of Reform

Q: It was said that China's reforms started off on the wrong course and many problems arose. Is it true?

A: Over the past eight years, the reforms have followed the course of invigorating the rural economy first, then enterprises, promoting circulation, opening the country to the outside world and consequently improving the whole economy.

The reforms have proceeded from rural to urban areas, from the economy to the superstructure of politics, culture and arts. It is bringing into play the initiative of individual enterprises and grassroots organizations. All this proves that the reforms are on the right track.

The problems can, in my opinion, be traced back to the ills of the old economic set-up, since they have no direct relationship to the reforms. To resolve these problems, we have no other alternative but carry out the reforms in depth.

Q: How is it that economic returns have come down after so many years of reform?

A: Taking the country as a whole, the social economic returns have gone up, not down. This is manifested in the rapid growth of the aggregate value of social wealth as well as the higher living

standards. Economic returns in 1986 showed improvement over 1980. It is true that the economic returns from some enterprises are far from satisfactory and their tax and profit rates have decreased. The reasons are, among others, price rises for agricultural products, energy and raw materials,

Q: What might threaten China's reform?

A: Contradictions and frictions will inevitably arise in the transition to a new economic setup. There are four particularly thorny problems: price and wage reform, which involves the personal interests of every citizen;

structure is a gigantic social engineering project and totally new. It covers all areas in the economy and the superstructure and is subject to the influence of many complex economic, social, international and domestic factors. It is neither realistic nor feasible for the government to work out a detailed plan to be carried out to the letter.

However, I think, it is inaccurate to say there is no overall plan. The Party Central Committee's decision on the reform of the economic structure and the proposal for the Seventh Five-Year Plan both clearly outlined the basic orientation, principles and major tasks of the reform. The State Council oversees the implementation, fixes the focus of the reform at different times and decides on auxiliary reforms.

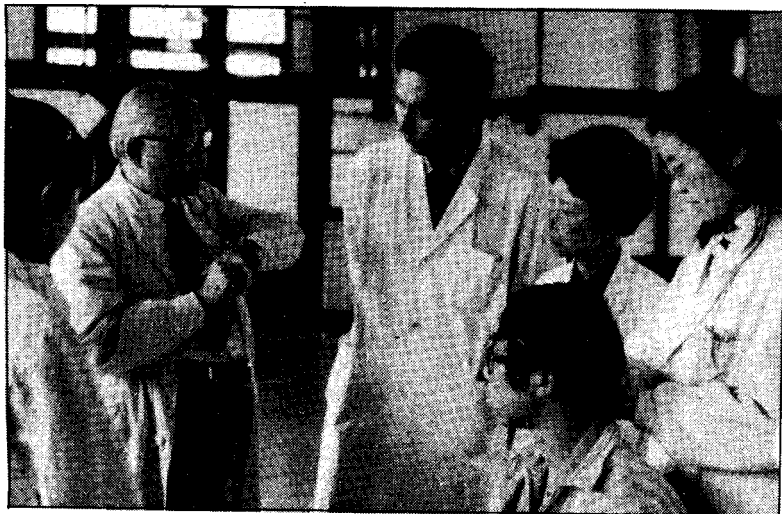
While improving the guidance for the reform, the government encourages the broad masses of the people to follow the basic principles and policies formulated by the central government and, using their own initiative and creativeness, experiment for themselves and continuously learn lessons, if any, from the reform. I think this is a realistic approach.

Q: Is the reform proceeding at too slow a pace?

A: No. Our reform started a decade or so later than in some other socialist countries. But it has forged ahead since. In just eight years, it has made profound changes in the economy.

Accelerating the reform now is not only necessary but also possible. At the same time, however, we should take into account the country's financial and economic conditions, people's attitude towards reforms, and the quality of our cadres and, accordingly, proceed cautiously yet steadily.

Q: Over the past three decades, we have been singing the praises of socialism. Where does its superiority lie?



GU DEHUA

Medical students get a lesson from a professor in the Beijing Union Hospital.

rapid increase in wages, rises in depreciation rates and interest rates—in short, production costs have risen. Poor co-ordination, shoddy and haphazard management and a bad environment are also involved. Only by further reforming can these problems be solved.

Q: Some say that the "golden age" of China's reform is over. What do you think of that?

A: I think the "golden age" of the Chinese reform is coming. To begin with, the reforms over the last eight years have strengthened the country and benefited the people. In the second place, China is conducting reforms, and so are other socialist countries. The international climate has never been so favourable for our reforms. Now the Party is taking stock of the developments and will present the tasks for political reform at the coming Party's 13th National Congress. That will quicken the tempo of the economic reforms.

reform of management within and above enterprises; streamlining the government organizations, which involves the interests of every government employee; and reform of the investment pattern, which touches upon the interests of every ministry and commission under the central government and the various localities.

Of these problems, price reform stands out as the most difficult task. Reforming the outmoded price system while avoiding inflation is exceedingly tricky. It requires that we take into account the state's relatively limited financial resources, enterprises' capacity to handle the repercussions of the reform and the people's reaction to price rises.

Experience in other socialist countries shows that price reform has its dangers, but they can be avoided with proper handling.

Q: Why is there still no comprehensive and overall plan for the economic reform?

A: The reform of the economic

A: We should first take a general view of the issue. The establishment of a socialist system in China brought unity to a country that had long been divided economically and politically. Over the past decades we have managed successfully to provide enough to eat and wear for a population, which makes up more than 20 percent of the world's total, with only 5 percent of the world's cultivated land. We have established fairly comprehensive industrial and economic systems all with our own financial resources. Industry and agriculture in socialist China have developed at a much quicker pace than those of most capitalist countries. All these would not have been possible without the socialist system.

However, there is another side to the question. The socialist cause in China has failed to fare as well as it should have and its superiority has yet to be brought into full view.

Apart from political disorders that followed one after another in the 1950s, 1960s and early 1970s, the negative elements in our social and economic systems have, to a certain extent, inhibited people's initiative, fettered the vitality of the economy and hindered the development of socialist productivity, especially scientific and technological progress.

If there were no overall reform there could be no economic revival and socialism would hold no appeal.

Q: What about the discontent of some people?

A: Although the reform has materially benefited the masses, they are still dissatisfied.

We have conducted 14 surveys on the attitudes of ordinary people towards the reforms. The results show that while the majority acknowledged their living standards have improved greatly, dissatisfaction is concentrated on four factors in the following order: abuse of power by some officials; the widening income gap; price

rises; and the restricted flow of labour.

Q: Have you analyzed these complaints?

A: Yes. They show three things. First, the people have a sense of justice and they are concerned about the reforms. They hate officials' abuse of power partly because of the damage it does to the reform. Second, the masses are still guided by traditional codes and values and feel uncomfortable in a new economic environment. Third, the people are eager to have their material needs met but they do not understand what is necessary to satisfy their demands.

The first kind of dissatisfaction is salutary. It helps spur reforms and check unhealthy tendencies. Of course, some complaints about officials' misconduct are based only on rumour. The Party and government have made efforts to correct the irregularities that do exist. But it is a long-term task and cannot be accomplished overnight. With regard to the bewilderment some people feel, we should understand and, while making efforts to stabilize economic life, educate the people in the new system. And then we must also inform the people of how things are going in the country and make them understand that expecting too much of the reform can only lead to disappointment and that short-term benefits should not be gained at the expense of long-term interests.

Q: Since the reform started, the income gap between individuals has widened, what is your comment?

A: Our surveys show that the people show greater concern about the widening income gap than about price rises. It is understandable, because, although the people also complain about them, everyone is equal before price rises.

To tackle the problem, two things need to be done. First, outmoded ideas about distri-

bution should be transformed. The "equal-share-for-all" idea and the doctrine that "inequality rather than scarcity is the cause of trouble" are deeply rooted. It is necessary to make the people see that becoming rich is the common course for all, only some make it sooner than others. Second, management of the private sector needs to be improved. In recent years, more and more 10,000-yuan households have emerged. Although their number is small, their presence makes quite an impact. People's resentment is chiefly directed against them. Obviously, the majority of them have become rich through hard work. They deserve the government's protection and encouragement. Even so, appropriate measures, such as taxation, should be adopted to prevent an excessive widening of the income gap. As for those who have amassed a fortune unlawfully, they should be punished by law or curbed by improved management. In my opinion, if the two things are done well, the people's dissatisfaction about the widening income gap will ebb.

Q: Some students are worried about foreign debts. Could you talk about this?

A: At present, China has foreign debts of over US\$2 billion, which is a new problem. China is a developing socialist country. As such, it has backward industrial setup and technology. To speed up its economic development, China must import advanced technology and equipment. Because of its irrational industrial structure, primary products make up a lion's share of China's exports, earning relatively less foreign exchange. As a result, foreign exchange earnings are insufficient for our imports.

Debt is nothing to be afraid of. The key to the question lies in how to effectively use the money and build up the country's repayment ability to avoid a possible future debt crisis. ■

Sino-East European Ties Grow Closer

Zhao Ziyang, acting general secretary of the Central Committee of the Communist Party of China and premier of the State Council, wound up his visit to five East European nations on June 21.

The following are excerpts from Premier Zhao's three major speeches in Czechoslovakia, Hungary and Bulgaria.

Zhao's Banquet Speech In Czechoslovakia (June 11)

The people of Czechoslovakia are industrious, intelligent and talented. Over the past 40 years and more, under the leadership of the Communist Party of Czechoslovakia, they have brought their talents into full play and have worked hard to develop modern industry and agriculture. They have accumulated a stock of useful experiences in their search for the road and methods of socialist construction conforming to their specific national conditions. Internationally, Czechoslovakia has made positive efforts to ease tensions in Europe and the world, bring about disarmament and strengthen links between Eastern and Western Europe. Every success that Czechoslovakia has achieved in accelerating domestic economic and social development and in expanding external relations has filled us with joy. We wish the Czechoslovak people still greater successes in the process of realizing their goals.

We maintain that relations between states should be based on the five principles of mutual respect for sovereignty and territorial integrity; mutual non-aggression; non-interference in each other's internal affairs; equality and mutual benefit; and peaceful coexistence. Both positive and negative experiences in the past several decades have borne out that the Five Principles of Peaceful Coexistence are the most compelling norms for the handling of state relations—the

norms that are most conducive to international stability. Similarly, inter-party relations should also be based on independence, complete equality, mutual respect and non-interference in each other's internal affairs. We hold that all countries, regardless of social system, big or small; and all parties, big or small, should all observe these principles.

We believe all nations are entitled to choose their own road of development. We fully respect the domestic and foreign policies that Czechoslovakia and other East European socialist countries have formulated in accordance with their national conditions and interests. Of course, differences reflecting our different national conditions exist between us, and we also differ in our views on certain issues. This is only natural and does not prevent us from fostering friendly ties and cooperation. We are willing to further expand relations with Czechoslovakia and other East European socialist countries in accordance with the principles of mutual respect, seeking common ground while reserving differences, and equality and mutual benefit.

China is opening its doors to the whole world, including the socialist countries. We will make active and earnest efforts to promote economic and trade relations in diversified forms between China and the East European socialist countries.

Zhao's Banquet Speech In Hungary (June 15)

The Hungarian people have a glorious revolutionary tra-

dition. To win national independence, the Communists and other people of Hungary have waged unwavering struggles against domestic and foreign enemies. Since their revolution finally triumphed in 1945, they have taken the socialist road. In the past four decades and more, the Hungarian people have made marked achievements in socialist construction. And especially in the past 30 years, the Hungarian Socialist Workers' Party has correctly summed up historical lessons. Closely relying on the people and proceeding from the basic principles of Marxism-Leninism and the country's peculiarities, the Party has found a road to building socialism in Hungary that is suited to the nation's conditions. Among the socialist countries, Hungary is one of the pioneers in instituting reforms. Your economic structural reform is wide-ranging and profound. You have also done much in modernizing political structures and expanding socialist democracy. We admire the Party and people of Hungary for their unceasing, explorative and innovative efforts. We are convinced that the Hungarian people, under the leadership of the Hungarian Socialist Workers' Party, will successfully deal with any new problems arising in the course of their social and economic development and make even greater achievements.

My country today is going all out to implement the line, principle and policy worked out at the Third Plenary Session of our Party's 11th Central Committee and build socialism with Chinese

characteristics. The line, principle and policy that we are following consists of two aspects. The first is to uphold the four cardinal principles of the socialist road, people's democratic dictatorship, leadership of the Communist Party, and Marxism-Leninism and Mao Zedong Thought. The second aspect is to adhere to the policy of reform, opening up to the outside world and invigorating the economy. We will persistently uphold the four cardinal principles as the basis on which to build our country and develop a political situation of stability and unity. And we will resolutely combat the erroneous tendency towards bourgeois liberalization. In continuing to implement the policy of reform, opening up to the outside world and invigorating the economy, and in carrying out the economic and political structural reforms in a planned way, we aim to rapidly expand the social productive force and to further broaden socialist democracy so that our socialist system will fully display its superiority.

It is our belief that socialism must constantly improve itself and develop in the course of reform and must not halt and become rigid. There are many new things and new problems waiting for us to study and resolve. Because we are groping our way forward, we cannot expect to avoid making some mistakes. But as long as we persevere in our efforts and constantly sum up our experiences, keeping what is good and discarding what proves wrong, we will learn in practice and steadily push forward the reform.

Zhao's Banquet Speech In Bulgaria (June 18)

The Chinese people have watched with respect the struggles and victories of the Bulgarian people, who have a glorious revolutionary tradition. In the four decades and more since achieving revolutionary victory,

the diligent and brave Bulgarian people, under the leadership of the Bulgarian Communist Party, have made steady and substantial progress in the cause of socialist construction. Poor, backward, old Bulgaria has been transformed into a modern agro-industrial country. The Chinese people admire and rejoice at the progress and development achieved by Bulgaria.

My visit to five East European socialist countries—Poland, the German Democratic Republic, Czechoslovakia, Hungary and Bulgaria—is nearing its end. During the visit, I had sincere, friendly and constructive talks with party and government leaders; visited industrial and agricultural projects and cultural institutions; made contacts with officials and masses; and saw how the people of these countries live and work. All this impressed me deeply.

The five countries I visited are concentrating on socialist construction and are actively exploring how to resolve problems arising from social and economic development in ways suited to actual conditions. Socialist countries are still working on the problem of how to build socialism and how to demonstrate fully the superiority of socialism. China and East European countries share many common problems in building and

developing our countries. We should study the experiences and lessons of East European countries in socialist construction and economic development—both achievements and problems—and learn from them. We are ready to strengthen our work in this respect and increase exchange of experiences with East European nations.

East Europeans are very concerned about the future of Europe and the world. They long for a stable international situation and strongly desire peace. They have contributed their share to the noble cause of maintaining peace and we appreciate their concern about world peace and their efforts to ease international tensions. Europe occupies a crucially important strategic position and both Eastern and Western parts of Europe are important forces in the struggle for world peace. While the danger of war still exists in the world today, the forces of peace continue to grow. Peace can be preserved. China supports whatever benefits the cause of peace and the easing of tensions. We support the efforts of Eastern and Western Europe to promote dialogue, ease tensions, and increase exchanges to maintain stability and security. Stability and security in Europe would surely raise hopes for world peace.

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Economic History of New China

China's Socialist Economy—An Outline History (1949-84)

Edited by: Liu Suinian and Wu Qungan

Published by: Beijing Review

Distributed by: China International Book Trading Corporation (Guoji Shudian), P.O. Box 399, Beijing, China

This systematic and comprehensive work on the economic history of New China since 1949 explores the laws governing the development of China's socialist economy. The book has been printed in Japanese and English and will also be available in French, German and Spanish later this year.

Xue Muqiao, a noted Chinese economist, notes in the preface that "without an understanding of the past, it would be impossible to have a profound understanding of the present." He adds, "China's economic workers, especially the younger generation, will benefit from the study, and readers abroad may also get a better understanding of New China."

The book is edited by Liu Suinian, vice-minister of the State Planning Commission and a professor of China's People's University, and Wu Qungan, a research fellow at the Economics Research Institute of the State Planning Commission. Contributors are economic historians Cui Jie, Xu Dihua, Sun Huaiyang, Xie Duyang and Zhu Banshi.

The book, first published in Chinese in 1985, is divided into five parts:

- Rapid rehabilitation of the national economy (1949-52);
- Successful fulfilment of the First Five-Year Plan (1953-58);
- The "great leap forward" and readjustment of the economy (1958-65);
- The national economy in the "10 years of turmoil" (1966-76);

■ The period of socialist modernization (1976-).

In addition, there are important documents as appendices to the foreign language editions.

The book analyses economic changes in the different periods, which are set out in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China" adopted by the Sixth Plenary Session of the 11th Central Committee of the Communist Party of China on June 27, 1981.

Compared with the original Chinese edition, the foreign language editions have important additional materials and statistics. Also, some changes were made in line with the needs of foreign readers. In Appendix I, 10 tables entitled "Statistics of Main Targets for National Economic and Social Development (1949-1984)" are included.

Appendix I also includes two documents unavailable at the time of the Chinese edition—"The Communiqué on the Statistics of China's 1985 Economic and Social Development Plan" and "The Major Economic Indices of Seventh Five-Year Plan (1986-1990)."

Appendix II contains key early documents including "The Common Programme of the Chinese People's Political Consultative Conference" (1949), which served as a provisional constitution in New China, and "The Land Reform Law of the People's Republic of China" (1950).

Appendix III contains later documents to help readers understand the progress of China's socialist modernization. They include "The Communiqué of the Third Plenary Session of the 11th Central Committee of the Communist Party of China" (1978), "On Questions of Party History" (1981); excerpts of

"Some Questions on Current Rural Economic Policy" (1983), and "Decision of the Central Committee of the CPC on Reform of the Economic Structure" (1984).

One of the epoch-making documents that is included is the last one. It defines that socialist economy is a planned commodity economy on the basis of public ownership. This is considered a breakthrough in socialist economic theory and actual economic policies. The statistical data presented are explained in the light of the new economic theory and practical policies.

The book comprehensively analyses the economic changes and major events that have taken place in the last three decades and more, and sums up both the positive and negative experiences of the different periods. It represents the attempt to identify the laws of development of China's socialist economy by drawing lessons from experience in a down-to-earth way. The work includes many previously unpublished details about events and figures since 1958, including the periods of the "great leap forward," the readjustment of the economy, the "cultural revolution" and the economic changes that have followed up to the present day.

The authors have worked at drawing up and implementation of state plans for a long time. Their book is the product of lengthy and thorough study and analysis of a vast quantity of documents and materials. No book could solve all the theoretical problems of the laws of socialist economic development. But readers interested in China, especially students of China's economic history, will find this work invaluable.

by Zhou Shu

Features of Initial Stage of Socialism

"LILUN XINXI BAO"

(Theoretical Information News)

The initial stage of socialism has the same basic features as socialism itself, but in an imperfect and immature form.

The features and signs of the initial socialist stage are as follows:

1. A national economy based on public ownership of the means of production has been established along with the continuous existence of other economic sectors.

2. The exploiting classes and system have been eliminated, but the ideology of the exploiting classes still exists, as do the phenomena of exploitation under certain conditions and class struggle to certain extent.

3. The policy of distribution according to work has been basically implemented, but egalitarianism and big gaps in income and distribution still exist in places.

4. A state power of people's democratic dictatorship under the leadership of the working classes has been founded. But revolutionary violence is still necessary because of class struggle that exists at home and abroad. The democratic system and democracy among the people are not fully developed.

5. Substantial progress has been made in the development of socialist ideology and ethics, but much still remains to be done in culture, education, science, sports and public health. People's political consciousness is not high and they are often influenced by remnant feudal and bourgeois ideas.

6. As the inherent economic mechanism for socialism is far from perfect, a planned commodity economy has to be adopted and the regulatory role of the market has to be recognized.

7. Productivity has increased greatly but is still underdeveloped compared with that in the developed countries.

(May 11, 1987)

Chinese Women: Better Educated

"RENMIN RIBAO"

(People's Daily, Overseas Edition)

The average educational standard of Chinese women workers and government employees is higher than that of the opposite sex, while the proportion

of women who have only primary-school education or are illiterate is smaller. These are findings of a national random survey of 640,000 people in various trades and professions conducted by the All-China Federation of Trade Unions.

Of the women surveyed, 81

percent had completed junior middle school, senior middle school or polytechnical education, compared with only 73 percent of the men. The figure reflects a considerable improvement in the educational level of women workers.

Experts give two reasons for the phenomenon: first, the educational level of the whole population has risen rapidly since the founding of the People's Republic of China in 1949; second, working women are on average younger than working men. Twenty-six percent of the women surveyed were 25 or younger, while only 19 percent of the men fell into this age bracket. Women aged 26 to 35 accounted for 39 percent of the total, compared with 33 percent of the men.

The survey also shows that reforms in various fields are spurring women to continue their education. One-third of China's working women are taking cultural and technical courses and one-quarter are studying independently during their spare time.

China has 45 million women workers and government employees, 71 times the number just after liberation. Women make up 36 percent of the total work force and the figure is even higher in some industrialized cities. In Beijing, Tianjin, Shanghai and Liaoning Province, for example, women make up about 40 percent of the work force. In catering and other service trades, and sanitary departments, more than half of the employees are women.

(March 6, 1987)

Raising Teenagers' Self-Protection Ability

"WEN HUI BAO"

(Wenhui Daily)

When discussing and drawing up provisions to protect teenagers in Shanghai, some

people suggested that the focus should be on increasing the ability of young people to protect themselves. This suggestion won wide applause.

There are two aspects to the self-protection ability as regards

young people. First, youngsters should act normally and improve their ability to distinguish between right and wrong and to resist the evil influences. Second, they should be able to protect their own legal rights and interest. Teenagers have right to report, lay charges and appeal against any actions which infringe upon their

rights. Furthermore, youth organizations and societies should play their full role in protecting young people. To raise teenagers' ability for self-protection means making them realize that they are protected by society and are the masters of society; they are also responsible for society.

But their self-protection mechanism is weak at present. Most teenagers are not good at distinguishing right from wrong and resisting erroneous ideas. They do not dare fight against any actions which infringe upon their rights and interests under the law. Besides personal reasons, the main reason for this is insufficient attention and effort being put into developing teenagers' ideology and ability for self-protection. For a long time, young people have been seen as requiring the protection of others and having no rights to protect themselves, as adults have. They still receive little help in building their self-protection mechanism. As a result, both within the family and at school, they are overprotected. They become too weak to stand the wind and their independence decreases while their dependence on adults increases. Also, while there are frequent infringements on their legal rights, they do not know how to seek social protection through normal procedures.

Some people worry that youngsters, especially those in their early teens, cannot protect themselves effectively. But while the ability of individual young people to protect themselves is limited, that of their organizations and societies, such as the Youth League, the Young Pioneers and students' federations, should not be underestimated. Even young people in their teens have some consciousness and a corresponding ability to protect themselves. With help from the rest of society, their consciousness and ability will be gradually enhanced as they grow up.

(May 25, 1987)

Voluntary Labour Encouraged

"CHENGXIANG JIANSHE"

(Urban & Rural Construction)

At a national working conference on urban construction Vice-Premiers Wan Li and Li Peng stressed voluntary labour in their speeches.

Wan Li addressed the question of where the money for city construction comes from. The main sources, he said, had to be central government, localities, collectives and individuals. Tianjin organized voluntary labourers to remove 5.3 million cubic metres of earth for building an outer ring road. The work was finished in less than 30 days. Foreign experts who joined the volunteers were impressed by their participation. The government represents the aspirations of the people, so it is

supported by the people. City construction is a matter that concerns the people and should be discussed with them. The government takes the lead and the people follow. The masses should be mobilized for construction projects and the government should provide the money.

Li Peng said the slogan "People's city should be built by the people" must be affirmed. It is good to organize volunteers to participate in urban construction and encourage those units that will benefit from the construction to support it financially and materially. Many localities have benefited from this measure. But the slogan should not be used to extort excessive donations, and all funds collected must be used to solve urgent problem in urban construction.

(No. 1, 1987)

— This dish is made of an endangered species that is very difficult to come by. Eat it while it is hot.

Cartoon by ZHUANG XILONG



Home of Puppet Show

Since 1978, *The Flaming Mountain*, a full-length puppet play, has been performed more than 2,000 times by the Quanzhou Puppet Play Troupe.

It is a stage version of an episode from the Chinese classical novel *Journey to the West*. This fairy story tells how the monk Tripitaka and his disciples Monkey, Pigsy and Sandy, joined in one accord to journey towards the West to fetch Buddhist sutras. On one occasion, they are stopped by the Flaming Mountain. The monk Song Wukong (Monkey's Buddhist name) tries to get the palm-leaf fan from Princess Iron Fan, because this precious fan can put out fires. Princess Iron Fan and Ox-Demon King join in a fight with Monkey. In the end, Pigsy helps Song Wukong defeat them, and together with Sandy, escort their master on his way.

The stringed puppet show is performed on a stage four metres high, seven metres wide and five metres deep. Standing on the control board above, the players manipulate the strings used for controlling the actions of the puppets to develop the story. In order to show 13 typical characters in the play, the artists carved 62 figure heads and 31 animals. Usually one puppet is controlled by some ten strings, but in this play, 36 strings are used to handle Monkey. Sometimes Monkey draws back his foot, picks his ears or scratches his cheeks, sometimes he blinks his eyes or puts his hand on his brow to peer into the distance. Monkey's actions and facial expressions turn out very lively.

In order to depict the fight more vividly between Monkey and the Ox-Demon King, the performers substitute a small cloth puppet, which is manipulated under the stage, to show Monkey flying to a

peak far away. In this way, the space of the stage seems greatly enlarged. In order to show the legendary scene how Monkey, who is under a spell, is helped by an immortal giant who places Monkey on his palm, the troupe invited a real actor to play the part of the giant immortal. From beginning to end the performers co-operated very well. In order to display Princess Iron Fan's prowess, one performer controls the strings to show how she swings the fan with one hand and another performer controls the strings to show how she flourishes a sword in the other hand. Their tactful co-ordination enriches the character's expressiveness.

The Flaming Mountain is a great success as a puppet show. In China, there are more than 10 puppet-play troupes performing stringed puppet shows. Of them, the Quanzhou Puppet Play Troupe is famous for its exquisite composition and style. Started during the Tang Dynasty (618-907 AD) the puppet show was very popular in China in the years following. It was a popular item at marriages, funerals and religious activities. Over the years, the Quanzhou puppet show has formed its own style, often characteristically featuring the *suo na* horn (a wood wind instrument) as an accompaniment. Until now the Quanzhou Puppet Play Troupe still retains more than 400 items in its repertory and the Tang artists' talent and techniques in manufacturing figurines are still distinguishable. All of the carved Quanzhou puppet figures are life-like, their looks varied and expressive. Their eyes and mouths can open and close; the faces of some clowns and comedians are made comic through exaggeration or distortion in carving.

Jiang Jiazou, who died in 1954, was a famous Quanzhou puppet carver. He created more than 10,000 puppet heads, and all of his works of art are outstanding for revealing the spirit and disposition of the various characters. If necessary, he could also carve and paint 100 identical puppet heads. Through long years of observation and study of matchmakers, he once carved a typical woman matchmaker figure. There is a mole near her thin lips, two plasters on her temples, and her hair is worn in a bun. She invariably greets people with a flattering smile. From the look on her face, one sees that she has a glib tongue and a crafty disposition.

Before Jiang Jiazou's death, his

The performers controlling the puppets with strings.





Stage photo of the "Greedy Cat."

puppets were frequently on display at international exhibitions, and a collection of his puppet heads can be seen at the Fujian Provincial Museum. Many of his puppets found in private hands have been sought after by provincial museums and puppet troupes.

Huang Yique, over sixty years old, is another famous puppet player. In the puppet play *The Greedy Cat*, he performed a cunning and stealthy mouse, using more than 20 strings. Sometimes the mouse bounces, stretches its claws, posing itself as

confident. Sometimes it peers around and is terrified out of its senses, showing its guilty conscience. In the puppet play *The Flaming Mountain*, Huang performed Monk Song Wukong. Since then, the Quanzhou Puppet Play Troupe has become very famous, due largely to Huang's superb skill. In 1983, when the Quanzhou Puppet Play Troupe performed for Philippine spectators in an open air theatre in a park, it rained. Nearly 1,000 spectators stayed throughout the performance with uninterrupted attention until the final curtain.

by Hong Lanxing

Mural Paintings On Display in Beijing

Copies of tomb mural paintings, as well as more than 80 pieces of objects from the Liao Dynasty (907-1125) unearthed at Hure (Kulun) Banner, in the Jirem (Cherim) League area of the Inner Mongolian Autonomous Region, were on display in Beijing's Palace Museum from April to June this year.

The mural paintings, totalling more than 300 square metres, were copied by experts through two years' effort. The display was the first of its kind.

The Liao Dynasty was established in north China by the Qidan (Khitan) people and stood as a strong opponent to the Song Dynasty (960-1127 AD) ruled by the Han.

Situated to the east of the Inner Mongolian region, the Jirem League was the birthplace of the Qidan people in the 4th century AD, and was also a central region of the Liao Dynasty during the 10th-12th centuries. The people of the area enjoyed not only a high standard of living but a rich

culture as well. The tomb mural paintings from the Qianwulibuge village in Hure Banner, Jirem League, are a typical example.

During the Liao Dynasty, the Qidan people built the famous Yizhou City on the southern bank of the Xinkai River. Yizhou, an economic and cultural centre at that time, was the private estate of Princess Yue Guo and Xiao Xiaozhong, the daughter and son-in-law of the Liao emperor Sheng Zong (971-1031). Qianwulibuge, on the northern bank of the river, served as a graveyard for the Xiao family and its descendants, and the Liao tombs spreading all over the land leave a large number of cultural relics.

Since the 1960s, archaeologists in Inner Mongolia and Jilin Province have excavated a dozen or so Liao tombs by Qianwulibuge. Most of the tombs have mural paintings which show both the social life and painting skills of the Liao Dynasty. On display were the exquisite murals in the Nos. 1, 2, 6 and 7 tombs.

The fresco *Leaving* shows an aristocrat leaving home accompanied by his retinue, each with unique facial expressions. The grand picture provides historians with valuable information on the clothing and rituals of the Liao Dynasty.

The Qidan people were good at shooting on horseback. The pictures *Going Hunting* and *Return From Hunting* vividly illustrate the customs of the Qidan.

Some artists who visited the exhibition said the murals display painting techniques of the Liao Dynasty that are seldom mentioned in the existing works on art history. Although China's north and south were at war during the period, painters of the two sides learned from each other. The pictures show the results of these exchanges, as well as reflecting and further developing the style of art of the Tang and Song dynasties (618-1127). ■

China's Education Better & Useful

Your editorial "What Students Can Learn From Reality" (*Beijing Review* No.13, 1987) demonstrates that some aspects of the educational policy in China are far ahead of those in the West.

Education for those of us fortunate enough to have access to it should expand the student's appreciation of the world and prepare the student for a useful role in society. In China, students are encouraged to reconcile their education to the needs of the people who provide their education. This objective is achieved by "making education serve socialist construction." The West lags sadly behind, when young people are encouraged to pursue education purely for the selfish motive of securing a well-paid job.

While knowledge is a much-appreciated commodity, it is also the common property of society, to be put to use for the benefit of all. Those privileged to enter higher education should never lose sight of the people who collectively make educational opportunities available through their labour. Students should be committed, at the completion of their studies, to repaying society for the costs of their schooling, and not to seek personal reward. China is showing the world the way forward, by removing education from the "ivory tower" and presenting education as a popular practice.

Aarn Whilehouse
Camden, Australia

Morning Exercises, Discipline, Practice

Since May this year, the 18 movement *Taiji Qigong* (deep breathing exercises) has been the morning exercise in universities, middle schools and primary schools in Singapore and it is part

of the sports classes too. There are many people doing the routine every morning in Singapore, Sweden and Indonesia. I hope China will do the same, because it is important for everyone to be strong in order to build their country better.

I am an old sailor and my foot prints have been left all over the world. From my experience, I know that in West Germany they do not have a big army or high defence spending, but in the universities and the schools they value military training and civil protection such as fire fighting, and first aid. Their discipline is very rigorous. Every morning at 6, all the students and teachers in institutes and schools gather to have a roll call, raise the national flag and sing the national anthem. Both teachers and students must sing together as their president conducts. This is not seen elsewhere in Europe.

Many people only pay attention to Japan and not to West Germany or Italy. The college and middle school students in these two countries go to factories to gain practical experience in the holidays and get paid. However, they work only five hours a day and do private study for three hours. We should research why Italian industry could catch up with Britain and France and even come close to West Germany? We Chinese should look at the FRG's teaching methods. They do not require students to memorize mechanically but ask them to raise questions, experiment and learn and they provide sufficient funds to universities to carry out proper research. We Chinese should learn from this.

We should learn from the West only its discipline, manners and hygiene of the 1930s, 40s and 50s, but not from its mischief of the 60s, its hooliganism of the 70s and from its lost and perverse life of the 80s.

An Old Overseas Chinese
Wu Jia
Singapore

The Alphabet and Combating Illiteracy

"Combating Illiteracy in China" (*Beijing Review* No.7) was very informative.

Much work was done to combat illiteracy after liberation, but I feel China never really got to the root of the problem. China requires employees to be able to read at least 2,000 characters, farmers and town residents should read 1,500, this is simply inadequate. China should adopt an alphabet, this would eliminate illiteracy as a problem for good.

China has achieved much in combating illiteracy. The illiteracy rate has fallen from 80 percent to 20 percent, so, there are 200 million illiterate people, of them 90 percent are farmers. I think they should be taught the 26 letter Roman alphabet instead of the old Chinese characters because using the alphabet is easy to learn and hard to forget.

Chinese writing is a positive obstacle to developing education and science. You should not repeat the mistake of feeling bound hand and foot to your ancient history.

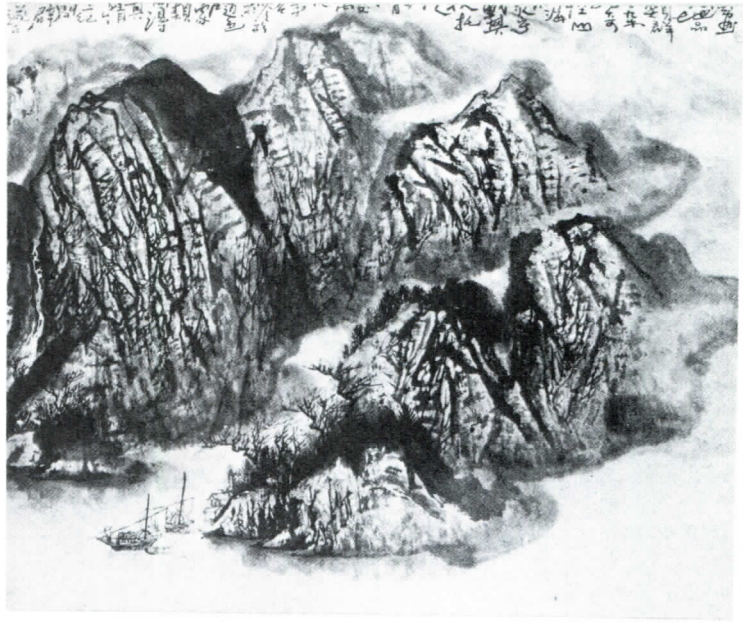
We should let this socialist train speed ahead, and not be like those who are ignorant and stuck in a rut which leads to misunderstanding, violence and war.

Botelle Francois
France

Campus Unrest

Thank you very much for *Beijing Review* No. 8 containing the article "Campus Unrest: Result of 'Liberalization'" which I liked. I think it is necessary to combat bourgeois liberalization and uphold the line of the Communist Party of China. Socialism with Chinese characteristics is the only way forward. I've thought of a phrase to remind myself of this: "Socialism with Chinese characteristics gives the best economic statistics."

Martin Clarks
London, Britain



**Traditional Chinese Paintings
by Yang Yang**

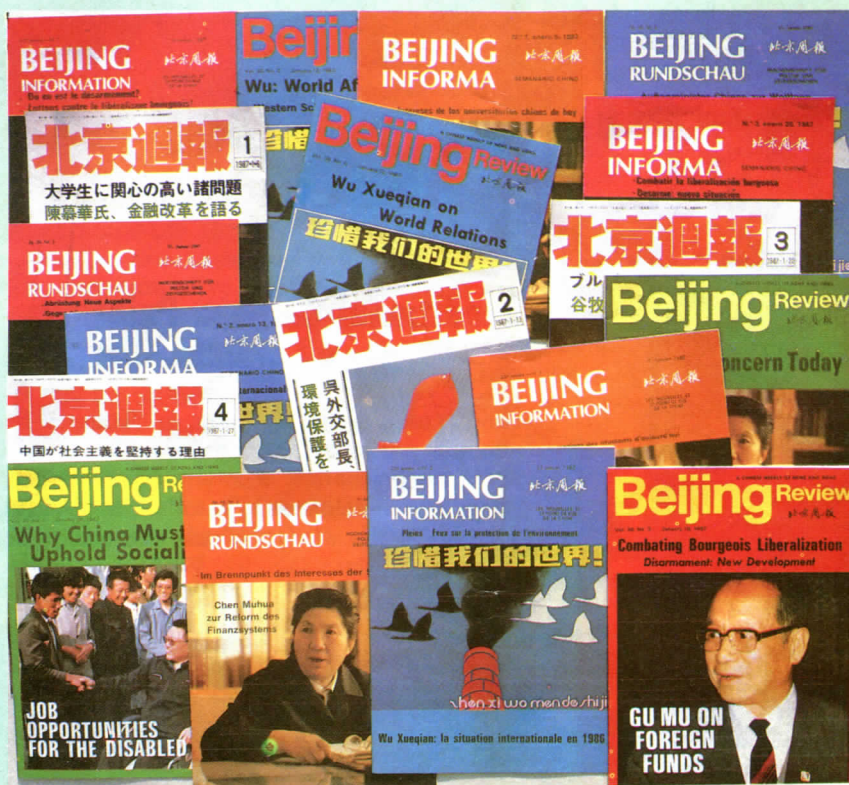
Yang Yang, born in 1946 in Jinan, Shandong Province, now works as an amateur artist at the China Council for the Promotion of International Trade.

Yang, who specializes in splashed-ink landscapes, vividly captures the wind, the rain, the clouds and the mist of the mountains.



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