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Anyang Sets Out to Reform Political Structure



THE GROWTH OF
CHINA'S PRIVATE
ENTERPRISES



American readers glance over "Beijing Review" in China Books and Periodicals in San Francisco.

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HIGHLIGHTS OF THE WEEK

Anyang Sets Out to Reform Political Structure

■ One of 16 cities approved by the State Council to carry out political reform on a trial basis, Anyang has already made its first step towards separating Party from government functions and reforming government organs. The reform involves the reorganization of the power structure and the reassignment of some 1,000 cadres (p. 17).

Tibetan Leaders Condemn Rioters

■ Two leaders of Tibetan nationality, Ngapoi Ngawang Jigme and Bainqen Erdini Qoigy Cyaincain, condemned the separatists who staged the March 5 riot in Lhasa at a meeting of Tibetan figures in Beijing. They said the riot was contrary to the will of the Tibetan people and the teachings of Buddhism, and demanded justice against the rioters (p. 5).

Urban Reform Experiment Progresses

■ An enhanced market mechanism, extended jurisdiction over surrounding areas, greater trans-regional co-operation and increased application of research results in production — these are the major features of the experimental comprehensive economic reform being conducted in 72 cities. Their experience will help guide nation-wide reform (p. 4).

Private Businesses Boom in Liaoning

■ In China, the private sector's goods and services fill gaps in the market left by the public sector. By being bold and flexible, quickly responding to market changes and competition, private businesses are quickly flourishing (p. 14).

The Traffic Guardians

■ The rapidly increasing number of vehicles on Beijing's roads have rendered the city's traffic police more vital than ever. This article is a tribute to the capital's best traffic police squad at the Xidan intersection, a major Beijing crossroad (p. 25).

Urban Reform Experiment Goes in Depth

by Ge Wu

The 72 cities, which were chosen by the state to try comprehensive reform of the economic structure last year, set about moving away from the charitable impulse—grants, tax cuts—to the self-help approach of reforms within enterprises. The majority of larger state-owned enterprises have implemented various forms of the responsibility system, and about half the smaller enterprises were contracted or leased to collectives or individuals. An element of competition was introduced into the granting of contracts. This has motivated the employees and promoted production.

Last year, the aggregate industrial output value of these cities increased by 17.2 percent; the figure is 14.3 percent when village-run industries are excluded. Both the figures are higher than the national average.

While making efforts to improve the consumer goods market, these cities have also established markets in capital goods, funds, technology and labour. For instance, Jinan, capital of Shandong Province, has set up seven specialized markets for means of production, which handled 70 percent of the city's capital goods (such as steel products and timber) last year.

In Guangzhou, 183 new financial organizations were established in 1987. Now, the city has 844 financial institutions offering various services. Last year, these institutions handled accounts worth a total of over 7.5 billion yuan, and issued over 1.6 billion yuan in enterprise debentures and

financial bonds.

Shenyang in northeast China's Liaoning Province has set up more than 600 agencies to handle technological transfers, and last year they negotiated the signing of over 9,100 such contracts. The city has also opened over 30 labour markets and over 250,000 people found jobs through them.

Of the 72 cities, 66 have extended their jurisdiction over the surrounding counties, allowing for greater integration. The urban industrial enterprises have vied with one another to co-operate with township enterprises and transfer technology and production to them, promoting the common prosperity of the cities and the rural areas. Last year, these cities' total industrial and agricultural output value increased by 15.4 percent, exceeding the national average of 13.3 percent.

The cities have broken administrative barriers, and encouraged trans-departmental and trans-regional co-operation. Thus, a large number of enterprise consortia have emerged. The Qingdao Soft Drinks Factory, which produces the well-known Laoshan Cola, has entered into co-operation with 82 factories throughout the country, forming a beverage enterprise group that has an annual production of 250,000 tons, 13 times that of the factory's original output. The Shijiazhuang Television Factory in Hebei Province has formed the China Huanyu Electronics Joint Company with 148 other enterprises, realizing its goal of producing in

China all the colour television parts two years ahead of schedule and pushing its annual output from 80,000 sets to 400,000, many of which are sold on the international market.

Another important aspect of the reform is to apply research results more quickly and completely to production. For instance, the automotive research institute in Changchun, capital of northeast China's Jilin Province, co-operated with the China No. 1 Automobile Factory with its newly imported technology. Together, they developed a new model of *Liberation* truck, a 30-year old Chinese lorry brand-name.

These cities' reforms are an inspiration to the whole country, and their experience will be used to guide and promote the economic reforms in other cities.

The problems encountered have been primarily derived from the immaturity of the market system. The capital goods market cannot offer a complete range of goods and demand outstrips supply; the money market is short of cash; and the technology market has developed slowly for lack of customers able to pay.

The efforts to move from direct control of enterprises by government departments towards indirect control have made little headway for the habit of too much interference dies hard. The upshot of this is that enterprises do not have the freedom to display their full vitality. Only further reform will solve these problems. ■

Coastal Areas Prepare for Push

Party leader Zhao Ziyang has urged coastal communities to improve their efficiency and output so that a new economic development strategy can be implemented in their areas.

Speaking to participants at a working conference on coastal development, Zhao said the difficulties of implementing the strategy must be appreciated. But the need for the strategy and the advantages that will be derived once it is in place must also be understood.

"In the changing and competitive international market, much of our work lags behind," he told the group, which met March 4-8 in Beijing. The conference, which brought together 150 ministerial officials, governors and mayors from coastal regions, was organized by the State Council.

While calling for a push to develop the export-oriented economy, Zhao said that there is much room for improvement in accelerating reforms, drafting the necessary regulations, and boosting worker productivity and efficiency.

Regulations on foreign trade, banking and foreign exchange must be revised, he said. He also called on scientific and technological departments to help realize the coastal strategy.

The coastal development strategy, which was recently proposed by Zhao, aims to link China more closely with the global economy. The strategy includes orienting the coastal economy to the world market by increasing exports and bringing in more foreign investment. This should lead to speedy improvements in the areas' technological and managerial levels, and give a boost to China's central and western

regions, which are relatively underdeveloped.

"Science and technology should serve economic development," Zhao told the group. "Efforts should be made to help state-run enterprises and rural factories in these areas improve their administration, update their technology and raise the overall level of their employees."

Zhao called "a misunderstanding" the notion that labour-intensive products are of low quality. They can be of high quality as long as new technology is introduced, he said.

State Councillor Gu Mu said on March 4 that to help coastal regions build an export-oriented economy, the council has drawn up a package of plans. These include experiments with comprehensive reform in Guangdong and Fujian provinces, special policies for Hainan Island after it is made a province, and reform of foreign trade through the contract responsibility system.

Reviewing the past nine years of experience in opening up the coastal regions, Gu said that remarkable success has been achieved in importing foreign capital and technology, building export industries and developing other forms of technological and economic co-operation.

These achievements have greatly bolstered the national economy and have prepared the coastal regions for the coming stage in their development, he said.

Gu called for a sense of urgency among economic officials in carrying out the coastal development strategy. Structural changes in the industrialized world offer China the possibility of increased foreign investment in labour-intensive industries and an ideal

opportunity to build an export-oriented economy, he said.

This strategy is very practical because China boasts substantial infrastructure and processing capacity, a relatively inexpensive but well-trained labour force, and first-rate scientists and researchers.

Gu warned that China can no longer afford to let opportunities slip by, as it did in the 1950s and 1960s.

He called for further improvement of the investment environment, saying that every one of the 4,000 foreign investment ventures in China should be assured of preferential conditions as an incentive to potential foreign investors.

He urged big cities such as Shanghai, Tianjin and Guangzhou to lead the way in building an export-oriented economy, and encouraged them to increase their efficiency. The coastal regions should mainly rely on their own resources and efforts instead of waiting for state allocations, he said.

The conference recommended that the State Council open up more coastal areas. Officials said the new open areas along China's coastline would be about the same total size as the existing areas, all of which were opened up in the past nine years.

Currently China's special economic zones and open cities and economic districts have a population of 90 million people and cover an area of 150,000 square kilometres. ■

Tibetan Leaders Condemn Rioters

The separatists who staged the March 5 Lhasa riot must be punished according to law, two top leaders of Tibetan nationality said on March 9.

Ngapoi Ngawang Jigme and

Bainqen Erdini Qoigy Gyaincain, vice-chairmen of the Standing Committee of the National People's Congress, called and addressed a meeting of Tibetan figures in Beijing to condemn the riot.

Ngapoi described the riot as a "political incident of violence in violation of law."

He demanded justice against the rioters, especially those who had participated in the riots in Lhasa on September 27 and October 1 last year and were dealt with leniently.

Ngapoi also recounted a rarely heard story about the events that led to the rebellion in Tibet 29 years ago. The events were not as the Dalai Lama faction described, he said, adding that he was a local official at the time and knew every detail of the incident.

The Dalai faction said the spark that ignited the 1959 rebellion was a plot by the People's Liberation Army stationed in Tibet to kidnap the Dalai as he attended an artistic performance.

Ngapoi said the alleged plot was a fabrication designed as a pretext for the rebellion.

"As a witness, I must clear up the facts because there are some people who remain hoodwinked

both at home and abroad," he said.

Bainqen told his listeners that the March 5 riot was of the same nature as the riots last autumn in that it went against the will of the Tibetan people and the teachings of Sakymuni, founder of Buddhism.

Participants in last year's riots should have been punished severely, he said, but because of the specific conditions in Tibet, the central government decided to be lenient.

Earlier this year, Bainqen continued, he was entrusted by the central government to go to Lhasa to handle the aftermath of last autumn's riots and help with preparations for the annual grand summons festival.

While in Lhasa, he ordered the local government to release 59 of those detained for taking part in the riots. The 15 who remain in detention have been proven guilty of criminal offences including assault, attacks on property, looting and arson.

"After I came back to Beijing, central leaders instructed me to show leniency to some of the 15, too," he said. "The leaders also said that policies towards Tibet should be more relaxed and

flexible in the future.

During his stay in Lhasa, Bainqen and leaders of the Tibetan regional government granted food subsidies to some monks and nuns and took measures to ensure the well-being of aged monks and nuns.

To date, 2.7 million yuan (about US\$725,000) has been paid back to monasteries in Tibet to compensate for property that was confiscated during the 1966-76 "cultural revolution," Bainqen said.

"The separatists have staged repeated riots because they have totally misunderstood the attitude and policy of the central government," Ngapoi said.

"They regard the central government's leniency and forbearance as a sign of weakness, assuming that the more violently they riot, the more we will give in."

But while we condemn the March 5 rioters, Bainqen said, it is imperative to take firm and effective measures to assure the autonomy of regions inhabited by minority nationalities.

"We must continue rectifying the 'leftist' errors committed during political movements in the past, strengthening the unity between Tibetans and people of other nationalities while giving more aid to Tibet's development."

Ngapoi Ngawang Jigme (left) and Bainqen Erdini Qoigy Gyaincain denounce the March 5 Lhasa riot at a meeting of Tibetan figures in Beijing.

by XU ZHICHENG



Changes Proposed For Constitution

The Central Committee of the Communist Party of China has suggested two amendments to the country's Constitution.

The proposal, which involves clauses on the private economy and the right of land use, is the product of years of practical experience in economic structural reform and opening up to the outside world.

The suggestions were praised by

people attending the 25th meeting of the National People's Congress (NPC) Standing Committee.

Members of the NPC Standing Committee said the present Constitution is a good one, reflecting both the spirit of reform and the opening up policy. But to meet the needs of the country's development, they said, it is necessary and timely to make the amendments—adding a clause on the private economy and altering another clause to permit the transfer of the right of land use. The changes are significant for the country's socialist modernization, the members said.

With the great changes in the economy and the rapid growth of the commercial sector in recent years, a private economy has emerged as a supplement to the socialist economy of public ownership. Privately owned enterprises have appeared, and the right of land use has been transferred in many places.

Amendments to cover these developments will benefit the reforms and the open policy and will promote the development of the commercial sector and China's productive forces, committee members said. They added that because of the matter's urgency, it should be submitted to the First Plenary Session of the Seventh NPC, scheduled for later this month, for examination and approval.

Committee member Deng Jiatai noted that private enterprises produced goods and services worth more than 190 billion yuan (about US\$51 billion) last year and made significant contributions in agriculture and industry. He said the legitimate rights and interests of private business people should be protected by the state, and the state should provide the private sector with guidance, supervision and administrative regulations.



MENG RENQUAN

First Test-tube Baby on Mainland

The first test-tube baby on China's mainland was born at 8:56 am on March 10 in No. 3 Hospital affiliated to Beijing Medical Sciences University. The baby, a girl, weighed 3.9 kilograms and was 52 centimetres long.

The baby's mother, 39, is a rural primary school teacher and her father, a farmer.

Professor Zhang Lizhu and deputy professor Liu Bin started research on test-tube births in 1984.

Thanks to their success, the couple has the child they have wanted since their marriage, 20 years ago.

Other members noted that some new laws would be needed after the suggested amendments on private economy and the right of land use are passed. Zhou Zhanao said there should be a law prohibiting the employment of children in privately owned enterprises. Chu Tunan, vice-chairman of the NPC Standing Committee, also said that children should not be permitted to work in the private sector.

Another member stressed that developing the private economy without restrictions would shake the public economy to its foundation. Duan Suquan suggested that steps should be taken to control the growth of the private economy. Measures are needed to deal with the capital of private enterprises, the number of workers they employ, working conditions and inheritance tax, he said. ■

Shanghai Post Fills English Gap

The birth of the *Shanghai Students' Post* caused a lot of excitement in the metropolis.

"Look! Shanghai has its own English newspaper at last!" exclaimed Wang Guozong, the ex-director of the Shanghai Municipal Publishing Bureau.

True, the two-and-a-half-year-old *Post* is far from being a regular English daily. It is only a small, four-page weekly, published every Tuesday. Yet it enjoys a readership of 150,000 across the nation. It is also one of the only two state-authorized English language newspapers in China (the other being Beijing's *China Daily*.)

As its name indicates, the *Post* is mainly aimed at students—from young learners to college level. But it is also a source of information for anyone who is curious about Shanghai.

The *Post* is a product of Shanghai's efforts to open wider to the outside world. The paper has won attention and praise from many key figures in the municipal administration, as well as foreign consultants, scholars and their consuls in the city. Shanghai Mayor Jiang Zemin himself has written for the paper, and has encouraged the editorial board to make the *Post* into the harbinger of a future English-language daily.

Shanghai saw the existence of about five English dailies in the 1930s and 1940s. The last of them survived until 1953. The *Post* is the first to restore the city's English newspaper tradition.

"There had been no English newspaper in Shanghai in more than three decades," said Li Liangyou, the *Post's* deputy editor-in-chief. "This could never be appropriate for an international metropolis like Shanghai."

The goal of the *Post* is to fill the void and to offer college and school students advice on learning English, and reading material suited to their level of proficiency. The paper also acts as a practise ground for senior students in the new international journalism programme at Shanghai International Studies University.

Associate Professor Li is a middle-aged scholar full of confidence in what he is doing. He is also editor-in-chief of the Shanghai Foreign Language Education Press, the co-sponsor of the *Post*, and a member of the council of Shanghai International Studies University.

The Shanghai Foreign Language Education Press publishes a wide range of textbooks and books on teaching and learning foreign languages. It is one of the leading publishers of its type in China.

The *Post* is jointly run by the press and *Jiefang Ribao* (*Liberation Daily*), Shanghai's major newspaper. The press is in charge of the writing and editing, while *Liberation Daily* looks after the printing and circulation. The *Post* is printed on imported paper and uses laser phototypesetting, giving it a professional appearance.

"It is good for news and press bodies to co-operate with institutions of higher learning. This allows the unique advantages of both sides to be put into full play," said Li. "Our co-operation is a pleasant one."

In the two-and-a-half years since its birth, the *Post* has come to be regarded by many experts as the best and most serious of the country's 19 similar newsletters of English teaching and learning.

The *Post* used to be divided into four parts—news (mostly local), education, "Around the World" and entertainment. To stress the paper's special role as a helper of English learners, the editors turned the education section into

"Junior Middle School English" and "Around the World" into "Senior Middle School English." But, said Li, "We want to return to the original format."

Thanks to the high quality of its content and presentation, the *Post* has become popular in other parts of China, as well as in Shanghai. Of the total current circulation of 150,000 copies; only 30,000 are locally delivered.

The paper aims at people who have mastered about 3,000 words of English. To help the readers notes in Chinese are sometimes provided. Many schools and families with members who study English subscribe to the *Post*.

"Schools in Qingdao, Shanghai and the Mianyang Prefecture, Sichuan Province, also use the *Post* regularly for press reading courses. Some schools, such as the No. 3 Girls' Secondary School in Shanghai, can be proud of the fact that every individual student gets a copy of his or her own," Li said.

The paper has a wide network of contributors. Its own reporters and senior students of journalism practising at the paper provide the news, while the excerpts and articles carried on the education page are usually sent in by teachers of English from across China. The paper has also launched a series of special reports on different regions of the country, including Fujian, Yunnan, Anhui, Sichuan, Jiangsu, Shanxi and Xinjiang. Teachers and experts from the International Studies University contribute and proofread important articles, while a column called "Students' Corner" is provided for student contributions. The paper has set up a Readers' Club, whose members—all top students in English at different schools—meet frequently. The *Post* also sponsors social activities to promote the study of English. These activities provide a link between the paper and its readers.

The editorial board consists of

about a dozen people, headed by Professor Jian Weifan, the editor-in-chief. Among the members of the board are a language expert teaching at the university and an American student who once studied journalism back at home.

by Dai Gang

Viet Nam 'Must Quit Nansha Islands'

China's Foreign Ministry lodged a strong protest on March 14 against Vietnamese armed intrusion into Chinese sea waters and their armed provocations against Chinese vessels around China's Nansha Islands.

The Foreign Ministry spokesman said that the ministry had sent a note of protest to the Vietnamese embassy in Beijing, expressing the Chinese government's "great indignation and strong protest."

The note said, on March 14, 1988, the Vietnamese armed vessels that had illegally intruded into the sea waters of China's Nansha Islands flagrantly launched armed attacks on the Chinese vessels which were carrying out normal activities such as surveying, and the study and patrol of sea waters around Chigua Reef of the Nansha Islands. The Chinese vessels were forced to counter attack in self-defence.

In disregard of the repeated solemn statements of the Chinese government, the Vietnamese authorities continued to dispatch troops to invade and occupy islands and atolls of China's Nansha Islands, the note said.

The note demanded that Viet Nam immediately stop its armed provocations against China in the sea waters of the Nansha Islands and withdraw all its armed vessels from China's islands, atolls and their adjacent waters under Vietnamese occupation. ■

Weekly Chronicle

(March 7-13)

POLITICAL

March 8

■ Chinese State Councillor and Foreign Minister Wu Xueqian and US President Ronald Reagan hold talks in Washington.

Wu says he is satisfied that Sino-US relations have generally developed smoothly since diplomatic ties were established between the two countries. He also briefs Reagan on China's economic situation and its policies to broaden reform and further open its door to the outside world.

March 9

■ The Political Bureau of the Chinese Communist Party's Central Committee holds its sixth meeting in Beijing.

The participants discuss and approve in principle the draft government work report to be given by Acting Premier Li Peng on behalf of the State Council at the first plenary session of the Seventh National People's Congress, scheduled to open on March 25.

ECONOMIC

March 8

■ At the opening of a national science conference in Beijing, Song Jian, minister in charge of the State Science and Technology Commission, says China will introduce a contract responsibility system at research institutes engaged in technological development and applications.

He says contracting, leasing and transferring property rights will be allowed between research institutes and enterprises.

March 10

■ Three poor districts in northwest China, which have been designated by the State Council as pilot areas for economic development, have boosted agricultural output by 10 percent a year for the

past five years, Xinhua reports.

The districts are Gansu Province's Hexi area, and the central part of Dingxi Prefecture and the Xihaiqu area of the Ningxia Hui Autonomous Region.

CULTURAL

March 10

■ An official from the State Nationalities Affairs Commission announces that a Tibet song and dance troupe will tour the United States later this year to help the American people get to know more about Tibetan history, culture and arts.

China will also send abroad other artistic troupes representing various ethnic groups to promote international understanding of China's minority nationalities, he adds.

SOCIAL

March 8

■ More than 1,500 women gather in the Great Hall of the People to celebrate the 78th anniversary of International Women's Day.

At the gathering, Zhang Guoying, vice-president of the All-China Women's Federation, calls on Chinese women to continue to raise their competence in the spirit of self-respect, self-confidence, self-improvement so that they can make an even greater contribution to the modernization drive.

March 11

■ The China Federation of Handicapped People is formed in Beijing. It pledges to help China's 50 million handicapped people with employment, education and health problems.

China now has 24,000 welfare enterprises, employing 385,000 handicapped people. About 5,000 blind people work in 500 massage clinics. And nearly 3,000 handicapped youths are studying in colleges.

Another Step Towards Rapprochement

The prime ministers of Greece and Turkey have made a further step on the road to reconciliation between their nations by reaching a consensus on some delicate issues.

Greek-Turkish relations seem to have embarked on a course of healthy development with the moves taken during talks between Greek Prime Minister Andreas Papandreu and his Turkish counterpart Turgut Ozal on March 3-4.

The talks, which took place in Brussels after the summit meeting of the North Atlantic Treaty Organization (NATO), were held "in an atmosphere of goodwill," the Greek and Turkish leaders told the press after the first round of their meeting. They pledged to "refrain from any words or actions likely to undermine the spirit of the Davos meeting."

The Brussels talks were an important follow-up to the prime ministers' meeting in January at the Swiss resort of Davos, where the two leaders were attending the annual World Economic Forum.

The January summit meeting between top Greek and Turkish leaders was the first of its kind in nearly a decade. At the meeting Papandreu and Ozal set guidelines for future dealings between the two countries—to avoid war, resolve their long-standing disputes, and develop lasting peaceful relations.

Commenting on the latest talks, one Western diplomat said, "This can be seen as a good demonstration of the determination and sincerity of the two sides to seek substantial rapprochement and development of their relations." He added, "They really suffered too much in the past from mutual accusations and recriminations."

Greece and Turkey, both NATO members, have been quarrelling for years over territorial and mineral rights in the Aegean Sea, and the divided eastern Mediterranean island state of Cyprus. They nearly went to war in late March 1987, when both of them threatened to explore for oil in the northern Aegean.

A joint statement issued at the end of the Brussels talks said Papandreu and Ozal had "decided upon ways to promote rapprochement between the two countries" in the spirit of the Davos meeting.

Among the initial steps, the Greek and Turkish prime ministers agreed that a group of diplomats and military experts would meet later this month to deal with "matters concerning national military exercises and problems arising from flights by military aircraft" in the Aegean Sea.

Many incidents between Greece and Turkey have been caused by alleged violations of each other's airspace and territorial waters. These incidents have often led to tension between the countries.

The joint statement also recommended the reactivation of a United Nations-appointed committee on missing persons in Cyprus. This issue has been one of the main obstacles to better bilateral relations.

The committee, made up of representatives of the Greek and Turkish communities in Cyprus and the International Committee of Red Cross, will "have all possible assistance" from the

Greek and Turkish governments, the statement said.

Athens claims that thousands of Greeks or Greek Cypriots have disappeared since 1974, when Turkish troops occupied the northern part of Cyprus, while Ankara maintains that a number of Turks are missing.

The prime ministers agreed they would not allow the issue "to become the object of any kind of political exploitation."

Another significant development in the Brussels talks was Ozal's declaration that his government would permit Greeks who have property in Turkey to invest freely in the country.

Some 60,000 Greek nationals fled Turkey since tension erupted between the countries in the early 1960s, leaving behind about 10,000 houses. Under a decree issued by the Turkish authorities in 1964, the houses were prevented from being sold or passed to others and incomes from the premises were frozen.

Last month, the Ozal government announced its decision to scrap the discriminatory legislation in a gesture to improve its ties with Greece.

Papandreu agreed during the meeting that his government would give the green light to a co-operation agreement between the European Community (EC) and Turkey signed in 1964. This represents a concession because Greece, as an EC member, would share the costs of EC programmes in Turkey.

Analysts noted, however, that the joint declaration mentioned neither the long-standing problem of Cyprus nor the sharp bilateral disputes over the continental shelf in the Aegean.

According to one analyst, "This fact indicated that both sides wanted to seek common ground by starting from easier issues and shelving complicated ones."

Whatever the explanation, a substantial improvement in relations, patience and persistent efforts will be needed to resolve

the accumulated problems and differences between Greece and Turkey.

by Zhou Xisheng

NATO

Summit Achieves Show of Unity

The recent summit meeting of the North Atlantic Treaty Organization gave the United States an opportunity to relieve its allies' defence anxieties before the US-Soviet summit in Moscow in May. The meeting was held to demonstrate NATO unity.

The North Atlantic Treaty Organization (NATO) has succeeded in co-ordinating its position on nuclear deterrence and demonstrating its unity. These were the main results of the NATO summit held in Brussels on March 2-3.

The meeting gave the United States a chance to allay the worries of its European allies in the wake of the intermediate-range nuclear forces (INF) treaty.

The INF pact was, in general, well received in Western Europe. West European countries believe the treaty will facilitate other US-Soviet disarmament negotiations and help relax East-West tensions.

But the agreement has also aroused concerns. Western Europeans fear that it will reduce their nuclear deterrence, disrupt NATO's flexible response strategy, and leave them vulnerable in the face of the Warsaw Pact's superiority in conventional weapons and short-range missiles.

Western Europe has been paying close attention to the US-Soviet disarmament negotiations. The Europeans fear that the United States might barter with the Soviet Union behind their backs. They have asked Washington to consult with them fully during the negotiations.

Moreover, because intermediate-range nuclear forces are the

core of the US-European defence coalition, the pact has fuelled anxiety that Washington will loosen its defence ties and reduce its defence commitment to Western Europe.

West European countries still want the protection of the US nuclear umbrella and US troops in Europe. But in view of the leaks that have appeared in the US nuclear umbrella, they are also determined to strengthen European bilateral and multilateral military co-operation so as to maintain their security.

The meeting was called in the light of new differences on defence issues that have appeared among NATO members. Federal Germany, almost alone except for France, called for East-West negotiations on conventional weapons and short-range missiles, and opposed the immediate modernization of such weapons out of fear that it might become first target of a Warsaw Pact attack. The United States, Britain and other NATO members advocated the modernization of nuclear weapons.

NATO countries also differed on the priorities for disarmament negotiations. Federal Germany argued that NATO should take a flexible stand in negotiations on short-range nuclear weapons so

that the number of these weapons can be reduced as much as possible. But the United States, Britain, France and others stressed the priority of conducting negotiations on conventional and chemical weapons at the same time as talks on reducing strategic weapons.

As a result of these differences, the United States and its allies decided to hold a NATO summit to demonstrate their unity on the alliance's defence strategy and co-ordinate their stands for the next phase of disarmament negotiations.

A show of unity was needed for three reasons: first, to gain the initiative in arms control talks with the Soviet Union; second, to strengthen the US position in such talks; and third, to demonstrate NATO's competence for the task of adjusting its defence strategy and internal structure.

The summit passed a declaration calling for deterrence based on both nuclear and conventional forces. The declaration reaffirmed members' full support for the INF treaty and the superpower strategic nuclear arms negotiations. It also reaffirmed US-West European defence ties, assessed the current state of East-West relations and reviewed the opportunities and challenges facing NATO. The summit hammered out guidelines for the conventional disarmament talks, reached a consensus on NATO's nuclear deterrent strategy and set priorities for arms control negotiations, stressing the principle that arms control talks must be combined with military strength.

The summit achieved its aims, although differences remain over the modernization of tactical nuclear weapons deployed in Federal Germany. US President Ronald Reagan said after the meeting that he had never before seen such a harmonious NATO summit.

Reagan, trying to allay the Western allies' fears that US troops stationed in Europe might be withdrawn, said that "American troops will remain in Europe under any administration so long as Europeans want them to stay."

He also pledged that any future agreement between the United States and the Soviet Union would not harm its allies' interests. This promise reflects US sensitivity to its political and economic interests in Western Europe.

FRANCE

Unusual Political Partnership Ending

France's unprecedented partnership between a socialist president and a conservative prime minister is drawing to an end. Has the dual-partisan leadership been a success, a failure or a combination of both?

France's approaching presidential election will mark a natural end to the country's dual-partisan leadership of Socialist President Francois Mitterrand and conservative Prime Minister Jacques Chirac. As the election draws nearer, the pros and cons of the political cohabitation—the first in the 28-year history of the Fifth Republic—have once again become a hot topic.

During the past two years, the government headed by Chirac has led a successful battle against terrorism, which used to be as big a headache for the country as the problem of unemployment. No serious terrorist incident has occurred since September 1986, when Paris was horrified by several bomb explosions. In addition, the crime rate has fallen and social security programmes have been improved.

France has also scored what is generally hailed as substantial progress in the economic field. Last year the country's economic growth rate climbed to 2.1

British Prime Minister Margaret Thatcher said the message of the NATO summit was "defence, deterrence and dialogue."

The Soviet press commented that NATO leaders' unanimous support for the ratification of the INF treaty is evidence of a turn for the better in East-West relations. But the commentaries added that the results of the summit also show that the Western allies find it hard to grasp the new thinking in the Soviet Union.

by Zhao Xin

percent, while its inflation rate dropped to 3.1 percent. The 10 percent rise in productive investment over the past two years surpassed expectations. The record is particularly remarkable because it was achieved after the lifting of price controls that have been in force since the 1940s, along with all other price restrictions.

Unemployment has been the biggest problem faced by the government and its achievements in the field are open to argument. The government announced that the number of people who were unemployed was 115,000 less at the end of 1987 than in the spring of that year, while the opposition parties stressed that the number was 100,000 more at the end of 1987 than in the spring of 1986.

The various parties base their calculations on different periods to support their own views. In fact, the government arrested the rising momentum of unemployment at the beginning of last year but failed to make further progress throughout the year. The Socialist

Party has also accused the government of reducing unemployment by promoting casual employment and offering people retraining so that they can change their vocations.

Opinions vary sharply on the reasons for the improvement in the national economy. The government points to its economic policies—privatization, tax cutting, and the lifting of price controls and foreign currency restrictions—which it says have inspired the enthusiasm of both employers and employees. But the Socialist Party attributes the achievements to the economic readjustment strategy which it implemented in 1983, when it was in power. The Socialists say the ruling party has merely inherited the benefits of the strategy.

The unprecedented political cohabitation of Mitterrand and Chirac has reduced the antagonism between the right and left and strengthened the trend towards political centrism. For two years the leaders, although belonging to different parties, have spoken with one voice to the outside and cooperated hand in glove at home. The president has kept aloof from daily affairs and has concentrated on his duty to assure adherence to the constitution and act as the guarantor of the country's independence and territorial integrity. The prime minister has formulated and taken charge of national policy. The division of power, originally worked out by the late Gen. Charles de Gaulle, has finally been fully put into practice with the establishment of the leadership team.

French people are currently considering their choice for their next president. No one knows whether the future president will be one who tries to grab centralized power or one who favours decentralized power. It is up to the French people to decide.

by Ma Weimin

ISRAEL

Palestinian Struggle Hurts Economy

The latest round in the Palestinians' struggle against the Israeli occupation of the West Bank and Gaza has gone into its fourth month. It has not only exposed the savage face of Israel to the world but has also dealt a heavy blow to the Israeli economy.

The West Bank of the Jordan River and the Gaza Strip are two of Israel's major sources of manpower, materials and money.

About 120,000 Palestinians work in Israeli-owned factories and other businesses in the West Bank and Gaza. For Israel, the Palestinians are a source of cheap labour. They hold the lowliest jobs and get the lowest wages.

Statistics show that Israel can obtain US\$275 million worth of vegetables, fruits and other food a year from the occupied territories. They also provide a market where Israel can dump its goods. Israel's sales in the West Bank and Gaza total US\$750 million a year.

The latest round in the Palestinians' struggle for their national rights has caused direct economic losses to Israel. These can be grouped into five categories.

Manpower shortages. Since the current round of clashes started, only 10 percent of the 145,000 Arab workers in the occupied territories have continued to go to work. Some factories and other businesses have been forced to reduce or halt production or to close temporarily because of the shortage of manpower. In an attempt to find a way out of the problem, Israel has advertised for 14,000 workers in the Philippines and Europe. The Israeli education authorities also plan to let students in high schools graduate early to help remedy the manpower gap.

Reduced tax revenue. The

struggles of the Palestinian people have prevented the Israeli tax authorities from collecting the usual taxes. Statistics show that Israel obtains US\$500 million a year in tax revenue from the occupied areas. But it is currently estimated that the figure will be US\$180 million lower this year. The Israeli authorities are also expected to lose US\$50 million in transit duty because the turbulent situation has discouraged Arab traffic into and out of the occupied territories.

Reduced sales revenue. The Palestinians have launched a boycott of Israeli goods. Shop shelves are filled with Israeli products, and many Jewish business people have been forced to sell Israeli goods at reduced prices, resulting in considerable financial losses. Moreover, the European Community has decided to freeze its agreement to import US\$3 billion worth of goods from Israel to show its support for the Palestinian struggle.

Reduced tourism revenue. The tourist trade is one of Israel's major sources of income. Tourism revenue last year reached US\$2 billion. But the storm of the Palestinian struggle has blown away many US and European tourists. They have changed their plans and gone to other countries. Tourism revenue is estimated to have been cut in half since the current clashes started.

Increased military spending. The Israeli authorities have sent



A Palestinian woman raises her son, who is dressed in the pattern of the Palestinian flag.

60,000 to 70,000 soldiers to put down the Palestinian protests. This has placed a heavy burden on the Israeli economy. Israeli Economics Minister Gad Y'Acobi recently disclosed that Israel had spent US\$350 million to buy truncheons, tear gas bombs, rubber bullets, guns, ammunition and other military supplies to deal with the Palestinian uprising. An Israeli newspaper estimated that the cost to maintain each Israeli soldier in the West Bank and Gaza is more than US\$150 a day.

In recent years, Israel's foreign trade deficit has increased while its foreign exchange reserves have dropped. By the end of last June, the country's foreign debt had reached US\$26 billion, more than its gross national product for all of 1987. The current struggles of the Palestinian people will further deepen Israel's economic difficulties.

by Fu Weijia

Private Businesses Produce Millionaires

by Our Correspondent Zhang Zeyu

Will socialist China have millionaires? It would have been inconceivable just a few years ago. But today it has become a reality. These millionaires are now to be found on the outskirts of some cities and in rural towns. Becoming rich through individual work, these people are still few in number but their ranks are expanding very quickly.

On the eastern outskirts of Shenyang, capital of Liaoning Province, farmer Liu Xigui's transport team has accumulated fixed assets worth 3 million yuan. It made profits of 800,000 yuan in 1986 and 1 million yuan in 1987. The 13th Party Congress which was held last October encouraged the development of the private economy. Much inspired, Liu resolved to raise his team's fixed assets to 10 million yuan by 1990. In Shenyang and other places of Liaoning Province there are many other such private businesses. They are in handicrafts, transport, home improvement and commerce—areas the public sector cannot cater for fully.

Businesses employing eight people and more are classified as private enterprises and those with seven or fewer are known as individual businesses. This would yield a count of 2,103 private enterprises in Shenyang—with total registered capital of 50 million yuan—accounting for 2.99 percent of all the city's industrial and commercial households.

Private enterprises roughly fall into four categories:

Exclusively Individually Funded Businesses (numerically 45 percent in Shenyang). Growing out of the individual sector, these businesses are funded and managed entirely by their owners.

Production relies mainly on hired labour. Liu Xigui, Shenyang's transport millionaire, started his business with an old truck. Meeting a huge demand, the team quickly prospered. Between 1985 and 1987 Liu bought another 20 vehicles valued at 1 million yuan and hired 100 drivers and loaders. He also engaged some retired cadres with management experience as advisors. Recently he put money aside to build a household chemical products factory, a fluorescent light factory and an automobile repair shop.

Household Managed Businesses (25 percent). This is where a business is run jointly by members of one family. Yang Shifan, director of the Shaling Electric Wire Factory of Shenyang, used to be a technician at the Anshan Iron and Steel Research Institute. In 1961 he went back to his home village to farm. Later, he joined a village-run factory. In 1982, he opened an electrical appliances repair shop on his own and made 5,000 yuan that year. The next

year he found partners to set up a canvas and electrical machinery service co-op, but that soon folded. He and his relatives then set up an electric wire factory which opened in 1985. The factory now has three branches, headed by his brothers and eldest son. Yang's third son is the accountant and his daughter, the cashier.

Joint-Stock Management (30 percent). These businesses' means of production are owned and deployed by their investors. The shareholders can withdraw their stocks at any time. The Shaling Standard Parts Factory, founded in January 1984, secured the investment of 24 people at the beginning. The number of shareholders rose to 32 in 1985 and dropped to 29 a year later. The after-tax profits are divided according to shares held, each costing 1,000 yuan. In 1984, the dividend on each share was 344 yuan. It dropped to 180 yuan in 1985 and rose back to 380 yuan in 1986.

State Enterprises Auctioned Off

Liu Xigui (third left) with his employees.

WANG MENG MING



to Individuals (5 percent). Between 1986 and 1987, 15 small, losing, out-of-the-way state and collective shops in Shenyang were auctioned off to individuals. Now they are all turning a profit.

There are also a number of private enterprises under "collective management." Although the government began to encourage the development of the individual economy in 1979, there were no clear policies for private enterprises prior to the 13th Party Congress last October. To ensure a measure of security, some private business owners registered their businesses as collective enterprises. Now they need worry no more. Last December, the Shenyang city government issued its first batch of licences to private enterprises, legitimating their position. Businesses now wrongly registered are expected to correct their titles.

Strong Competitors

In Liaoning Province, about 90 percent of the private business owners are farmers who used to be brigade leaders and accountants, or sales people for collective

township businesses. Some others were unemployed youth and retired workers. They all share four vital characteristics:

Good Managers. These people are generally between 30 and 40 years old. Educated and experienced, they are alert, ambitious and natural managers. The Qingjilou Hotel is in the centre of Gaixian County where there are over 20 other hotels and restaurants, and competition is stiff. To attract guests, the owner, Zhao Qingyou, decided to offer free breakfast and supper. This helps raise the hotel's occupancy rate and income, although the diningroom loses money. The hotel had a turnover of 300,000 yuan and a profit of 30,000 yuan in 1986. Last year its turnover reached 360,000 yuan and it made a profit of 50,000 yuan.

Flexible. These private businesses are run flexibly, free from the numerous burdens which restrict state enterprises. They are smaller and quicker to adapt to market changes and adjust to mounting competition. Su Yingqi of Shenyang's Tiexi District, used to run a beancurd shop. He soon sold that business and bought a truck

Su Yingqi (second right) enjoying his good labour relations.



WANG MENG MENG



WANG MENG MENG

Yang Shifan (first right) instructs new workers.

with the money. He did well, bought two new trucks and netted 60,000 yuan the next year. He saw more potential in the market for lean pork and invested 150,000 yuan in building an animal farm in Kaiyuan County to raise lean-pork pigs.

Bold. To gain their fortune, private business owners will also venture. Rolled steel has always been monopolized by state enterprises and always in short supply. Zhao Zhimei of Gaixian County invested nearly 1 million yuan and hired over 100 people to set up the county's first private steel rolling mill. In her opening speech she told her workers: "If I succeed I'll buy a jeep. But, if I fail, I'd prefer to throw myself into the river." Now she is richer than ever and travels around in a jeep.

What if she had failed? Suicides are not unknown. Xu Shujia, director of a synthetic fibre mill in Yingkou County, bought eight cheap looms with 6,000 yuan of his own savings and a loan of 15,000 yuan from the local bank. The looms, however, did not work. With no means of repaying the loan, he killed himself.

Attract Talent With Good Pay.

Chen Yunxin, owner of the Shaoyuan Restaurant in Yingkou County, has engaged a well-known chef, paying him 2,000 yuan a month (20 times an average worker's salary). Chen has made 120,000 yuan since he opened the restaurant three years ago.

Advantages & Drawbacks

Private business has evoked much controversy. Those who support it stress its positive role in promoting the productive forces. They argue that:

—Private enterprises make up for deficiencies in the public sector. Although their business scopes are broad and not clearly defined, in general they cover areas state enterprises neglect. The Heping Gear Factory in Shenyang's Dongling District is a private business with only 30 employees. Since it was opened two years ago it has made over 2,000 gears of high quality and low cost. It also delivers on time. Its clients are almost all larger state enterprises with whom it co-ordinates well.

—Private enterprises provide more employment opportunities. In Shenyang, currently there are over 60,000 households in individual management, involving 160,000 people. There are also 2,100 private businesses employing 30,000 people.

—Private enterprises provide taxes to state coffers. In 1986, the individual producers in Yingkou City handed over to the State 2.94



XUE CHAO

Zhang Baoning (first right), owner of a private arts and crafts factory in Haidian District, Beijing, with his employees.

million yuan in taxes while the private businesses handed over 4 million yuan. Last year, the private businesses in Shenyang paid 10 million yuan in taxes, no negligible amount.

—Private enterprises boost urban and rural economies and stimulate commodity circulation. Yingkou's private businesses involved in foodstuffs, clothes, plastics and rolled steel, mining and aquaculture are now able to make over 40 kinds of products, and have a total annual output value of 30 million yuan. The city's private transport businesses, deploying 2,450 trucks and 193 coaches, carry 30 percent of the city's total road transport tonnage and 40 percent of its passengers.

—Private businesses train managers. A great deal of talent and expertise is being gained in these private businesses.

Those who are against the

private businesses say they have revived capitalist labour relations and will foster capitalism. This is true. However, private business owners and their employees disagree that there are any serious problems.

When asked about their labour relations, Wang Zhendong, director of the Gaixian County Joint Electric Wire and Cable Factory, said, "They couldn't be better. Of the 97 employees, 40 percent are my relatives, 30 percent are my friends and another 30 percent are from the poor families in our village. Currently, there is a labour surplus in the rural areas. They see working in my factory as a favour I do for them. They used to be able to make 1,000 yuan each a year in the fields. Here they can make 2,000 to 3,000 yuan a year."

When asked if they feel exploited, Wang's workers laughed, "We all live in the same

village. Who cares?"

Private business owners are good at winning over their employees. They reward good workers with handsome bonuses and year-end dividends, and give gifts at times of weddings, funerals and illness.

Since most of the raw materials used by private businesses come from state enterprises, the prices of their products are tied in with the state sector. But private businesses and their state and collective counterparts are rivals. Private business owners will not hesitate to siphon off the collective sector's technical personnel. A township building team in Gai-xian County had a skilled workforce and made a profit of 400,000 yuan a year. In early 1985, Wang Hailong, one of those workers, quit the team and set up a building team of his own. He lured some of his old colleagues away with high pay. That year he netted 50,000 yuan and eventually the original township team closed down.

Some private business owners will speculate and cheat at the expense of the state. The most serious problem is tax evasion. It is common for private businesses to bribe taxation department and

township government officials or declare falsely low output value and turnover figures. This is giving private enterprises a bad name.

Legislation Expected

Private businesses like those in Liaoning Province are growing elsewhere in China too. Incomplete statistics show that by June 1987, the number of private businesses throughout China had topped 70,000. They employ a total of 1.2 million people and have a combined capital of 2.5 billion yuan.

In Wenzhou Prefecture, Zhejiang Province, household industries using hired labour started earlier and developed faster than in Liaoning, along lines now known as the "Wenzhou model." After studying the phenomenon, many economists confirm the private sector's role in promoting economic development but also admit there are problems involved.

These problems have worried China's top leaders. But they have resisted hasty action and encourage further experiment.

Zhao Ziyang's report to the 13th Party Congress noted: "A

certain degree of development of the private sector promotes production, stimulates the market, provides employment and helps meet people's needs in many ways. It is thus a necessary and useful supplement to the public sector." Zhao expects the government to "formulate policies and enact laws governing the private sector as soon as possible, in order to protect its legitimate interests and to provide it with more effective guidance, supervision and control."

The 13th Party Congress elaborated the thesis of the primary stage of socialism which helps give a new understanding of the problems of the reform, including those of private businesses. With this new understanding, those who doubted the legitimacy of private businesses now admit that in the primary stage it is impossible for us to build a pure socialist society, and that the main criteria for reform measures should be how conducive they are to the development of the productive forces. No reform can be free of its bad side. If a reform is good its advantages should eventually overwhelm its disadvantages. ■

Anyang Begins Political Reform

by Our Correspondents Lu Yun and Feng Jing

Before last October's 13th Party Congress drew up the blueprint for political structural reform, some cities in China had already initiated the project on a trial basis. One of these cities, Anyang, has already made its first step towards separating Party from government functions and reforming government organs.

Situated in northern Henan Province, Anyang is a famous

cultural city with a recorded history of over 3,000 years. Huaxian County, under its jurisdiction, is the hometown of Zhao Ziyang, present general secretary of the CPC Central Committee. With iron and steel, electronics, textile and light industries as its economic mainstay, Anyang covers 7,400 square km and has an urban population of over 500,000, and another 3.8

million people living in its five suburban counties.

In recent years, the city has attracted public attention through its efforts in urban reform and in stimulating the economy. It is also one of the first cities to establish industrial and trading centres and capital inter-loan markets. In 1986, it set out to reform its political structure on a trial basis.

taking a number of basic issues as its starting point.

Government Set Apart

The lack of distinction between Party and government functions and the practice of Party control over government administration which persisted in Communist Party organizations at all levels were also visible in Anyang. Although some improvements were made after the end of the "cultural revolution" in 1976, no fundamental changes ensued.

Under the old practice, the Party organizations took on what should have been functions of the organs of state power (including the people's congress, the government and judicial departments), mass organizations, enterprises and institutions. Meng Xiangxi, secretary of the city Party committee, said: "In the past, the Party committee operated in the same way as the city government, taking charge of production, urban construction, commerce, trade and marketing; we believed that boosting economic construction was of prime importance and the means of achieving it secondary. Under this centralized Party leadership it was very hard for administrative leaders in government departments and enterprises to give full play to their initiative since many issues had to be first approved by the city Party committee and its secretary."

Mayor of Anyang Li Zuwei is one of the deputy secretaries of the city Party committee. Under the old system, he admitted, he often depended on the city Party committee secretary to make decisions. As a mayor, he should have some say in government processes. However, more often than not, he refrained from putting forward his own opinions for fear that other members of the standing committee of the city

Party committee might have different views. In particular, if the Party committee secretary disagreed with him on an issue he would be placed in a more difficult position. "So, I left minor issues and problems to the city Party committee and waited for them to make the decision."

In March 1986, Anyang became one of the 16 cities approved by the State Council to begin structural reform on a trial basis. The first problem the city authorities tackled was the lack of distinction between Party and government functions and the overlap of Party and government organizations.

According to the Constitution of the People's Republic, the people's congress of a city should be its organ of power and the city government its executive organization. The city government carries out the decisions of the people's congress on the same level and the orders of the higher organs of state power (the provincial government and the State Council), and establishes organizations in higher administrative bodies to take charge of the economy, urban construction, education, science, culture, health care, finance, civil administration and public security. Under the centralized leadership of the Party, however, the city Party committee also set up its own economic and rural work departments. Its propaganda department took care of the work under the government's cultural, educational, sports and health departments, while its organizational department took charge of the cadres above the section level of all Party and government organizations, enterprises and institutions. In addition, it established a political and judicial committee to guide and coordinate the work of the city's judicial departments. Under this system, subordinate units reported to and requested the

approval of both the Party and government organizations, a slow, inefficient process. Any difference in views within these duplicated higher organizations made things even more difficult.

Based on careful studies and a huge amount of preparatory work, in April 1987 the city Party committee closed departments which overlapped government departments, including economic and rural work departments. The cultural, educational, sports, health, national affairs, and overseas Chinese work formerly controlled by the city Party committee's propaganda and united front departments were taken over by the city government, and management by the Party committee's organizational department of over 800 cadres above the section level was also transferred to the city government. The number of departments under the city Party committee was reduced from 11 to eight and many provisional functional departments were done away with. The city Party committee recently decided to disband its political and judicial committee and gradually withdraw the leading Party members' groups in all government departments.

Party Committee's Duties

The 13th Party Congress decided that the local Party committees should exercise political leadership in local work according to Central Committee guidelines and ensure the implementation of the decrees of the central government. To implement this decision, Anyang's city Party committee now no longer discusses everyday affairs controlled by the government, nor does it directly guide the work of the various government departments. Standing committee members of the city Party committee



北京園藝創刊卅周年
一九八八年元月
凌雲拔翠
張鼎

Zhang Ding



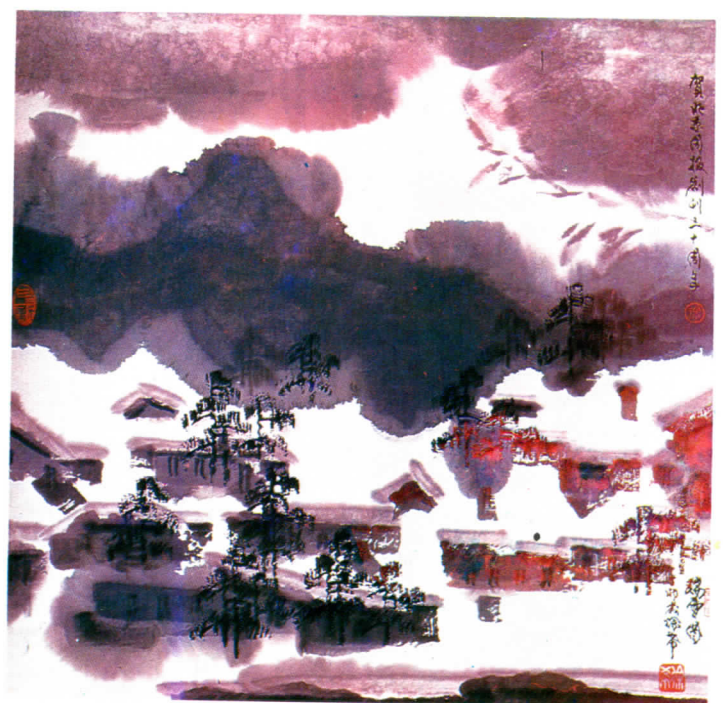
Li Xingjian

Some of the paintings and calligraphy presented to the Beijing Review as congratulations on its 30th anniversary.



易風亮節 祝賀
北京園藝創刊卅周年
一九八八年元月
胡書管

Hu Shuagan



Shi Qi



Dong Shouping



Qi Gong



Ren Shuaiying



Zhang Renzhi



Ding Guanjin





Wang Peidong



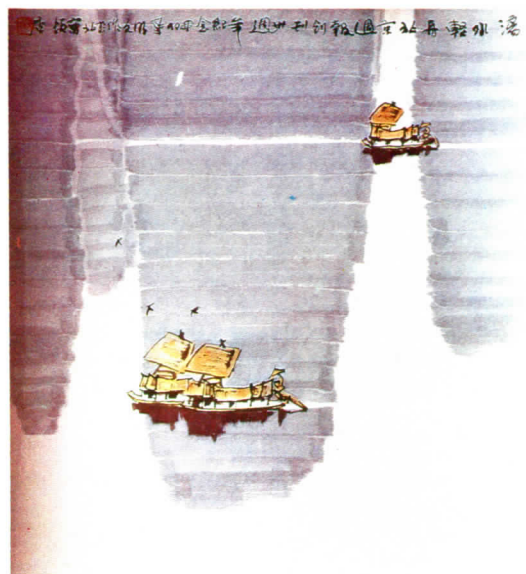
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Li Baolin



Nie Ou



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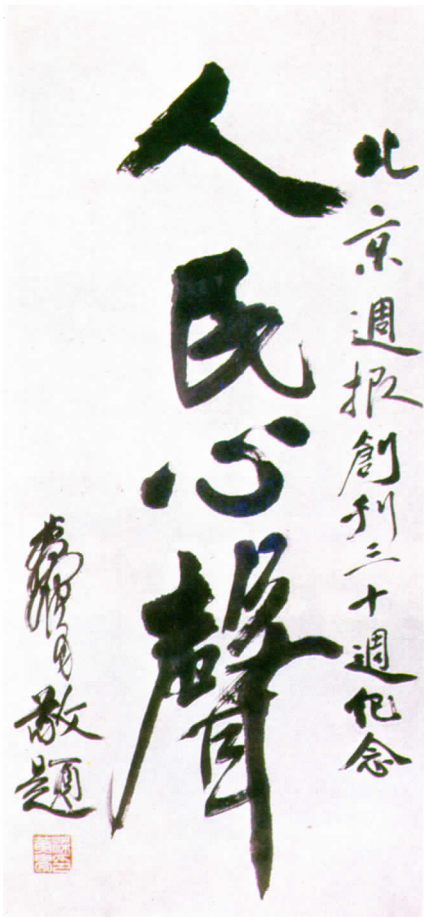


Xu Xi

Liu Maoshan



Sun Junliang



Liang Shunian



Shi Yu



Huang Zhou



Zhang Shoutao



Qin Lingyun



Cai Yun

who hold no government posts are not assigned to take charge of government work and will not attend routine government meetings. Neither will documents on government functions be drafted or distributed by the city Party committee. The Party's commission for discipline inspection now limits its responsibilities to overseeing Party order and helping the Party committee supervise the Party's own style of work. It no longer deals with breaches of the law or infractions of administrative regulations; these responsibilities having been transferred to the judicial departments and the government supervisory bureau soon to be established.

The principal responsibilities of the Anyang city Party committee with its new concentration on political leadership are:

- To carry out directives from the Party Central Committee and higher Party organizations.

- To ensure the implementation of directives from the State Council and governments at higher levels.

- To propose policy decisions on important local issues (the city's strategic development plan, annual plans and major reform blueprints). Resolutions adopted by the people's congress will be carried out by the government, and the city Party committee will mobilize Party members and organizations to work towards fulfilling the set tasks.

- To recommend cadres for key posts in local state organs, including chairman and vice-chairmen of the people's congress, mayor and deputy mayors, chairman and vice-chairmen of the city's political consultative conference, chief judge, chief procurator and candidates for leaders above the county deputy head level. Legal procedures on the selection of leaders will follow.

- To co-ordinate activities of

the various local organizations. Anyang's Party committee is making efforts to gradually straighten out relations between the Party organizations and the local people's congress, the government, judicial departments, mass organizations, enterprises, institutions and other social organizations, with an eye to allowing each to attend to its own duties.

The initial success in separating Party from government functions has resulted in improved efficiency in both the city's Party committee and government. Since the 13th Party Congress, leaders of the city Party committee have held talks with workers, students and army officers, in an open exchange of views. A discussion about the image of Party members sponsored by the city Party committee provided all Party members with an insight into Party character. After the transfer of some of its responsibilities to the local government, the organizational department of the city Party committee began to dedicate itself to training cadres and consolidating rural grass-root Party organizations. The city Party committee has also decided on the priority for this year's work and plans to hold an ideological and political work symposium and organize exchanges.

Secretary Meng Xiangxi said: "Anyang has entered the orbit of separated Party and government. In terms of actual work, however, it is sometimes difficult to make a clear distinction between their responsibilities. Whether or not the city Party committee should intervene in special circumstances is also an undecided issue."

When asked why the city Party committee is willing to transfer part of its power to state organs, Meng said they see it as conducive to the socialist cause as a whole and to the development of productive forces. "The Commu-

nist Party is the political organization of the advanced elements of the working class and is not an organ of state power, nor is it an administrative or economic organization. In the past while taking on work which should have been the responsibility of state organs and other social organizations, it relaxed political leadership, ideological work and its own construction," said Meng. "As a result, it tilled others' land while its own fields lay fallow." This situation also resulted in contradictions in the Party leadership frustrating its co-ordination activities.

Mayor Li thinks the separation of Party and government functions has placed higher demands on him. He now takes on more responsibilities. Except for important issues (the government will draw up plans for resolution and submit these plans to the city Party committee or the standing committee of the city's people's congress for discussion), the mayor now has to independently formulate and implement plans in administrative areas.

Restructuring Government

The disbanding of Party organizations which overlap with government departments is only part of the structural reform. Problems within the government's own organs are also a major issue. Their main manifestations are overstaffing, overlapping functions, unwieldiness and the confusion of responsibilities. For instance, industrial bureaus established in the past directly controlled enterprises through administrative measures which restricted enterprise autonomy and held back the development of the commodity economy. This raised a cry for the simplification of government organizations and a change to indirect control over

enterprises. However, this reform involved readjustment of the power structure and the reassignment of nearly 1,000 cadres. To ensure that these people willingly accepted their new jobs and that the new structure operated smoothly, leaders of the city authorities proceeded cautiously and spent a whole year on detailed preparatory work.

They began the preparatory work with investigations into the responsibilities, functions, management methods, internal structure and personnel composition of existing government departments. In more than 30 meetings held in 1986 leaders from various government departments and enterprises debated about the merging or disbanding of certain government departments.

Leaders from the city government and many enterprises proposed that to thoroughly implement the government decision to grant more decision-making power to enterprises and minimize unnecessary administrative interference, the various industrial bureaus should be closed down and a management office established under the economic commission to guide the planning and co-ordinate the work of each special line of production and exercise indirect management over enterprises. At the same time, they suggested, the roles of markets for the means of production, capital, labour and technology should be given full play to facilitate the development of the commodity economy.

However, their proposal to disband the industrial bureaus was rejected by the bureau leaders, and the industrial department of the provincial government also hesitated for fear that the abolition of the bureaus should hamper the fulfilment of production tasks assigned by provincial authorities. During the debate, they insisted that these bureaus had con-

tributed to boosting Anyang's industrial production, and that to abolish them would be like cutting the stomach instead of the caecum.

After listening to all sides, the city Party committee and city government sent people to inspect other cities involved in the pilot project. In October of the same year they submitted a structural reform plan to the Henan provincial government and canvassed for opinions from economists and other specialists, on the basis of which they made the decision to abolish the various specialized industrial and commercial management bureaus.

This plan was put into effect in April 1987 with the approval of the provincial Party committee and the provincial government. During the reform, six industrial bureaus and two commercial bureaus were closed down, some other departments were either disbanded or merged, and the number of government departments was cut from 81 to 41. The number of cadres in organs directly under the city government was reduced by 40 percent, and more than 1,000 cadres were assigned new jobs.

Job Reassignment

Although there had been strong debate before the changes, when the final decision was made no one refused to accept the new assignments, nor did anyone lodge any complaint against the city authorities through higher authorities. Under the principle of allowing all transferred cadres to develop their own strong points, the authorities assigned jobs suited to their abilities and specialities often giving consideration to their achievements. They also did their best to meet personal requests. One cadre was afraid that his transfer would mean

losing the new apartment he was to be assigned by his old unit, but the responsible leaders consulted with both units and helped him get the new apartment. A deputy director of an industrial bureau was assigned to a unit he worked in during the "cultural revolution." Considering his fear that some unhappy incidents at that time could hinder co-operation with former work colleagues, the leaders assigned him to another unit.

Like their subordinates, the directors of the various industrial bureaus have also taken up new posts. Zhang Wenbo, 47, former director of the Heavy Industry Bureau, has been working with industrial departments for 30 years. At first he disagreed with the abolition of the industrial bureaus and argued strongly with city Party committee secretary Meng Xiangxi. After his bureau was disbanded, he was assigned to work in a suburban district to help develop rural industry. He was displeased with the new assignment, pleading a lack of familiarity with rural work. Secretary Meng explained to him that Anyang's rural industry was lagging behind and that the leadership thought he had a good organizational ability and placed high hopes in him. He accepted the offer and since assuming office he has helped 12 district-run factories to establish management systems, initiated co-operation between rural businesses and urban enterprises, and busied himself with obtaining the help of scientific research institutions and recruiting specialists and other trained people. His efforts helped advance rural industry, and Zhang says he has now found his own place there too.

Li Guangyu, former director of the light industry bureau, with his higher education, made great contributions towards Anyang's

economic development during his leadership of the bureau. After the bureau was abolished, he handed over his modern office building and Anyang's only two red de luxe limousines, and took up the post of director of the Standard Measuring Administration Bureau. He found the work very challenging. Currently, he is involved in establishing a measuring tools testing centre equipped with advanced instruments, and is making efforts to tighten quality control.

Song Chaoyu, a staff member of

the city Party committee's general office, volunteered to work at the grass-roots level and was appointed deputy director of a pharmaceutical factory. Although he now has more responsibility, his income has increased, and he enjoys additional fringe benefits.

Party committee secretary Meng attributes the initial success of the city's structural reform to the efforts of all the people involved. The abolition of some intermediate layers such as the various industrial bureaus has helped stimulate enterprise. With

guaranteed autonomy and the introduction of the director responsibility and contract management systems, the city's industrial enterprises last year registered higher output value, profits and taxes, and collective and individual incomes. However, the city authorities see as desirable the establishment of a new operation mechanism with government market regulation and production guided by the market. As for political structural reform, the city has only just begun and still has a long way to go. ■

REPORT ON DUNHUANG (III)

Dunhuang Institute: Devoted to Its Caves

This is the last part of the series on the treasure-house of Buddhist art at Dunhuang. The first two articles which described the grottoes' present appearance and the recent research on them were published in "Beijing Review," No. 9 and No. 11 — Ed.

by Our Correspondent Ling Yang

The Dunhuang Art Research Institute has over 100 people working in it. They all say that they are used to being in a place so far from big cities, so lonely, monotonous and harsh. They all have a deep commitment to the cause of the grottoes. Many of them came to Dunhuang when they were still young, and have dedicated the best part of their lives to the grottoes.

Protecting the Treasures

The Mogao Grottoes were reinforced after the founding of the People's Republic of China. The whole project, including the construction of stone pillars, wooden eave supports, and cement-covered plank paths which link various grottoes, and

outer walls coated with crushed stones, has now been completed. The project cost several million yuan, and can resist an earthquake registering 7 on the Richter scale, said engineer Li Yunhe. Li, around 50, is a deputy director of the cultural relics protection department, one of four sections under the Dunhuang Art Research Institute. He came to this out-of-the-way desert from coastal Shandong Peninsula after completing middle school in the 1950s. He has been on several occasions sent to Beijing and Xian to study mural preservation and restoration of ancient artefacts and buildings as well as fine art. He has become an expert and leader in his field after many years of practical application.

Li's department, staffed by just 20 people, is in perfect order.

Every grotto has its own detailed file. The major efforts of the department are aimed at preserving the murals and statues. They are facing such threats as scab-like incrustations, peeling, fading and mildew. Another problem is the blackening of some caves by the smoke from the cooking fires of the tsarist Russian soldiers who fled here early this century. Measures are being taken to bring these problems under control and all the grottoes are well preserved.

A large mural from the 10th century in Grotto No. 161 was beginning to peel off. Under the guidance of the experts, a dozen or so young people gently brushed dust off the mural, injected glue around the peeling area, pressed with fine silks and coated the whole thing with a transparent bonding agent. They worked for



A scene in Dunhuang county town.

three months in the dark grotto. When I visited this grotto I did not see any scars on the mural and there is no sign of damage.

In a specially built passage outside Grotto No. 220 I saw a mural with figures and scenes of more or less the same size as the one inside. But they were painted 200 years apart, one on top of the other. Recently, with a remarkable, award-winning technique, the topmost mural was separated from the one below, and both can now be viewed. This outstanding achievement of the Dunhuang protectors has been rewarded by the Ministry of Culture.

Copying the Murals

Copying the murals is another major task of the Dunhuang researchers. The copies can be easily preserved and shown to the public. Besides, it is a good opportunity also for artists to study the art. The process began in 1940. Zhang Daqian, the much respected modern artist who died

in 1983 in Taiwan, once stayed here for three years and copied over 100 large murals. His works were on display in Chongqing, Shanghai and other places, giving the locals a first chance to see the Dunhuang art. So far, murals covering 1,400 square metres have been copied. Many of the

reproductions are excellent and have been displayed abroad a dozen times.

Ten artists at the Dunhuang Art Research Institute have been copying the murals for 30 to 40 years, and three of them are women who all come from the interior "land of fish and rice" (the

The playing of music depicted in grotto No. 112, Tang Dynasty (618-907).





A Tang Dynasty (618-907) statue, Kasyapa, in grotto No. 45.

Western equivalent is "milk and honey"). Like the men, they live in the crude rooms and eat simple food. They have been working here since their youth and are now over sixty. They have long experience of the desolation and loneliness and have endured sandy winds and severe cold. In the past they had to travel back to the interior to buy the drawing paper they needed and have procedures, such as having their paper properly mounted, done there. They had to make their brushes and grind the pigments themselves. Much of their work was done with movable mirrors which reflected the sunshine onto the cave walls. Sometimes, they worked by the light of kerosene lamps or candles. To reproduce murals on the ceilings of the grottoes, they had to climb ladders and look at the mural first and then come down to draw it. Conditions are better now.

To do their work, the artists first study the period style of their model, its content, its theme, the features of the forms and faces, the structure of the piece, its outline, and colouring methods. They then sketch and colour their own drawings, following as closely as

they can the process used by the original artists. The combination of copying the murals with the preceding research has meant a constantly improving quality of reproduction and has made the artists into formidable scholars in the field.

Researches

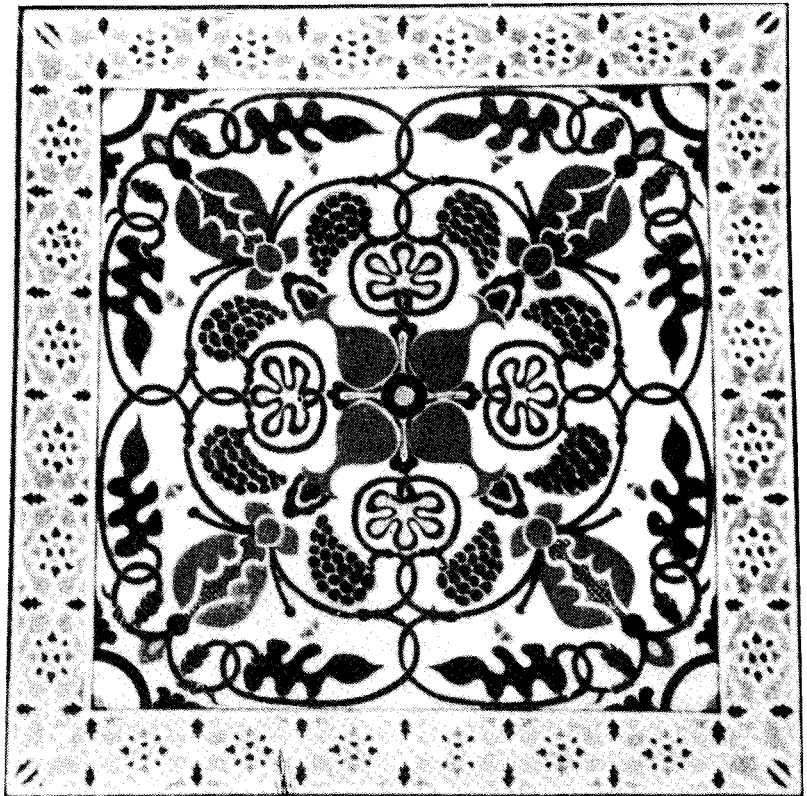
At the recent international seminar on the Dunhuang grottoes, Zheng Ruzhong from the Dunhuang Art Research Institute reported on the initial results of his researches into the musical instruments depicted in the Mogao grotto murals. He has identified 200 caves with murals which depict music being played. They contain 3,346 musicians, 490 orchestras and 4,330 musical instruments. The music is enjoyed in the heavenly palace, during religious ceremonies or in the

earthly world; sometimes a musical instrument is shown to fill a vacant space in the murals; the guardian gods are also shown holding musical instruments. The musical occasions in the murals are graphic presentations of the rites, decrees and regulations, banquets and leisure, singing and dancing performances, and orchestral music of successive dynasties, and they reflect the cultural consciousness and national features of ancient China.

Zheng Ruzhong studied the musical instruments in the murals, their evolution and the forms of their performance. His presentation was well-received.

The scholars of the Dunhuang Art Research Institute have carried out complex research on the chronology of the murals and undertaken comprehensive research into the contents of the murals, and the documents and historical literature which relate to

A design on the ceiling of grotto No. 209 of the Mogao Grottoes.





Photos by CHEN ZONGLIE

Chang Shuhong, a noted artist and Dunhuang researcher, and his wife, by the Mogao Grottoes.

them. Zheng Ruzhong had been an art teacher at a university in east China, but after a tour to Dunhuang, he and his family moved to Dunhuang. Before beginning his in-depth work he made detailed on-the-spot research for one year.

Over the past ten years, the Dunhuang Art Research Institute has published *Dunhuang Research*, a large periodical carrying reports on the progress of the research on the grottoes; *Collected Works on Dunhuang Research*, a series of books covering the grotto arts and archaeology; comprehensive records of the Mogao Grottoes; *China's Grottoes*, a large picture album series in five volumes; reading materials and popular picture albums in 16 volumes relating to the history and art of Dunhuang for the lay reader.

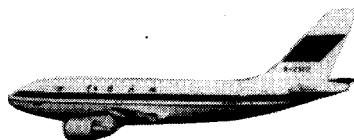
Most of the researchers in Dunhuang are young people. Ma De was one of the youngest participants at the international seminar on the Dunhuang grottoes. He has published ten papers since his graduation from univers-

ity ten years ago. At the seminar he delivered a paper on his survey of the cliff face of the Mogao caves built in the middle of the 10th century. The next day he left Dunhuang for Beijing to study Tibetan. He said that during the late period of the 8th century Dunhuang was under the rule of the Tubo (Tibetan) people. With the support of the leadership, his long-cherished wish was being realized and he has the chance to study Tibetan for one year at the Central Institute for Nationalities.

In the past few years, several dozen young people of the Dunhuang Art Research Institute have been sent to study art, history, the preservation of artefacts and foreign languages at universities and colleges in Beijing and Lanzhou, capital of Gansu Province. The research institute pays their expenses, and they continue to receive their regular wages. One of their number is now studying abroad.

The young blood at the institute promises a long and fruitful future for the institute. ■

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On point duty.

Busy Traffic Policemen

by Our Correspondent Feng Jing

Although the ancient city of Beijing has taken on many modern buildings and roads, traffic jams are a problem. The city supports a population of about 10 million residents and 1.15 million visitors coming to Beijing on business trips or visiting relatives and friends, and the increase in the number of cars is faster than that of roads. In spite of the various measures taken to limit danger, including limits on speed and the number of motorcycles, two people, on average, were killed on Beijing's roads every day in 1986.

The situation places a heavy burden on the traffic police, yet at one of the major intersections in the city—Xidan, one seldom sees congestion. No wonder 22-year-

old Yang Rongyi, head of the Xidan traffic point, describes his five young colleagues as "excellent traffic police."

Hardworking

Xidan has been a model of a well organized crossroads for years. Being the point where Beijing's major east-west thoroughfare, Changan Avenue, meets the busy commercial street of Xidan, cars, trucks, carts and bicycles go by in a continuous flow. In one hour at peak time tens of thousands pedestrians, over 3,900 motor vehicles and 37,000 bicycles will pass in one direction alone. This kind of pressure cannot be served just by traffic

lights—the man on point-duty is also needed. He will gesture the traffic on average once every eight seconds. In this way, he has to make over a thousand gestures to direct the traffic and turn his body 720 times during the three-hour duty.

Every day the police at Xidan break the state's maximum eight hour day limit. They also must do night traffic duty at least two nights a week, and work overtime during festivals and holidays. In the busiest time, they may not go home for one or two months at a stretch. Even when it is 40°C in summer and -10°C below zero in winter, they are still at their post. Due to the quick response and appropriate actions of the police, no traffic accidents have occurred here for the past two years. In the first eight month of last year alone, at least 18 imminent accidents were prevented. One cyclist did not see how close a car was behind her as she turned left. She was about to be run into when Liu

Guojian jumped off his podium and pushed the woman out of the path of the car.

In addition to guiding traffic, these policemen at Xidan are also responsible for the nearby streets, and every day about 200 people ask for directions. In order to answer these questions, they spend their spare time walking through the streets and lanes nearby getting to know the names of the streets and sites.

Help the People

There is a "suggestion box" beside the Xidan traffic control box. Anyone is welcome to make suggestions or comment on the traffic policing. The government requires the policemen to be "highly civilized": neatly dressed, courteous, and fair. Zhang Shijun of the Xidan section pointed to the badge on his chest, and said, "It is easy for the public to supervise our work for we wear our number on duty."

With the help of local bus drivers, the traffic police at Xidan

used their spare time to study and draw out an excellent road map. They invited nearby residents' representatives to supervise their traffic management, and collected suggestions. Some retired workers also volunteered to assist the policemen with their work. These old people work conscientiously and have been praised for it.

Although the traffic policemen try always to be courteous towards the masses, they often meet with bad-tempered people who violate the traffic rules. On these occasions the policemen always patiently persuade and educate rather than quarrel with them. Their motto is, "Stay calm for the first three seconds and you'll be all right." One day, a young man violated the traffic regulations and did not listen to the policeman's remonstrations, indeed he slapped the policeman, Wang Heng, across the face. Wang neither hit back nor punished him heavily. He was complemented by his colleagues for his fortitude.

In the Xidan traffic control box are an air pump, a tool kit, and

some medicines, bought by the police with their own money, ready when needed. There is one wheel chair-bound young woman who has been passing this way to and from work every day for a year, and the policeman on duty always helps her safely across the road. This sort of thing is not rare. It is said that Beijing's policemen did 11,000 good deeds in 1986.

The policemen care, and enjoy the trust of the masses. At the Xidan traffic point, they are often given raincoats and umbrellas on rainy days, and cold drinks in summer. One young passer-by collected over 500 yuan and gave it to the policeman. Another young man consulted the police in the traffic control box repeatedly; he was studying the traffic lights, hoping to find a way to improve them.

Relatives' Support

The sports, swimming, and Chinese chess games organized by the city's traffic and communication administration bureau hold a strong appeal to the young policemen working in Xidan's police box, but their spare time is limited. Wang Heng is 1.94 metres tall and a basketball fan, but he has no time to take part in regular training, though he tries to make the matches; Wang Zhigang loves singing but has not rehearsed for several months.

All but one of the policemen have girl friends, and they often miss their dates because of work, causing problems in their love lives. The work of the traffic policemen is very hard and their wages are low, but Liu Guojian tells his father, "People cannot live for money. My work is of great significance. Once I've taken it on, I'll do it well." Yang Rongyi's mother often advises her son, "Your work affects the masses' life, never be careless." ■

Zhang Yasheng of the Xidan traffic police team.

Photos by CHEN ZONGLIE



Rural Society Composed of Five Forces

"NONGYE JINGJI CONGKAN"

(Agricultural Economy Journal)

Taking social position as the main factor and combining it with psychological factors, professional status and personal income, the social structure of rural China is composed of five forces.

1. **Ordinary farmers.** The largest force in China's rural society, the great majority of ordinary farmers have yet to change and remould their ways of thinking.

2. **Craftsmen, small business people and enterprise owners and managers.** Full of vigour and vitality, craftsmen and young women leave the rural areas to make their fortune in the cities and then come back. They are receptive to innovations and have a strong desire to get rich. They use all their ingenuity to earn money.

Small business people mainly include those who are self-employed in transporting goods, providing services, and running restaurants, grocery stores, family hotels and shops. They are experienced and knowledgeable but lack information about modern management and business methods. They are an independent force in the current rural reforms that is hard to control.

Another group is composed of directors and managers of village- and township-run enterprises, and owners of successful private enterprises. Well-informed, experienced and knowledgeable, they dare to take risks and are competent. They represent a challenge to traditional patterns of behaviour in the countryside and are playing a leading role in rural society.

3. **Workers.** Workers at state-run enterprises located in rural towns are the envy of ordinary farmers. This group currently has few contacts with other rural forces and has yet to play a full role in the rural reforms.

Workers in township-run collective enterprises feel inferior compared to those in the state-run enterprises. But they are content when they compare themselves to ordinary farmers. This group of workers can perform an important role in economic and cultural exchanges between rural and urban areas.

Workers in village-run enterprises in developed areas have wider connections with rural society than workers in state-run and township-run enterprises. They also play a greater role in rural development and social reforms. Still, their role is far inferior to that of rural tradesmen and enterprise owners and managers.

4. **Functionaries and specialized personnel.** Cadres at

institutions and enterprises in townships and small cities wield considerable power and are widely respected by people in the rural areas. They play a multi-faceted role in rural development and social reforms.

Specialized personnel include teachers, medical workers and agricultural technicians. They make a tremendous contribution to the development of China's countryside.

5. **Leading cadres at the township and village levels.** This group is charged with the important tasks of safeguarding social norms and propelling production and social reforms forward.

To sum up, the key social strata and groups in rural development and social reforms are enterprise owners and managers, specialized personnel and leading cadres at the township and village levels. Each of these three forces is a trail-blazer in its own area. If they maintain wide connections while improving themselves, a contingent of talented people will be formed in the countryside, and the rural economy will develop rapidly.

(Issue No. 6, 1987)

Non-Government Universities

"GUANGMING RIBAO"

(Guangming Daily)

Non-government universities in Beijing now have an enrolment of 12,000 students. A new development in the reform of higher education, the universities are run by enthusiastic intellectuals.

The Zhonghua Social University, the largest and oldest of the non-state universities, now has 15 departments offering 40 speci-

alities, and has 3,122 students and 1,507 graduates. The graduates from this university have achieved great success in their jobs and have won honour for their school.

The universities, which are seen more as a supplement to state-funded universities, are expanding at a remarkable rate. Since the founding of the China Science and Technology Management University two years ago, its number of specialities has gone from six to 38 and enrolment has shot up from 300 to 3,314, according to the

university's Vice-President Jiang Shuyun.

Jiang said non-government universities are well received because they offer a second chance for students who fail national entrance examinations for state-funded universities. The universities concentrate on skills and specialities in high demand such as garment design, industrial accountancy and village and township enterprise management. Jiang is proud of her school's faculty members: its 300 teachers were chosen from 1,600 candidates, and 40 percent of them are professors or associate professors.

The emergence and development of privately run colleges and universities has posed some questions well worth considering.

—The spirit of managing education through hard effort is held in high esteem. Take the China Science and Technology Management University for example. There are no cars in the school. Every day the school leaders go to work by bicycle. Their 25-square-metre office is also used as a bedroom and storeroom. In addition, there are only 22 managers and 61 teachers in charge of classes. The proportion of full-time cadres or managers to students is 1: 28.

—Privately run colleges and universities play a major role in solving the problem of the shortage of institutions of higher education without relying on state funds. The Jinhua Medical University, for example, exceeded its budget from autumn 1984 to January 1987—overspending its 122,390 yuan tuition fees by 40,051 yuan, which was offset by financial help from society.

—Privately run colleges and universities act in accordance with school regulations and the system of engaging teachers is most effective. To maintain a high quality of teaching, classes taught by professors and associate

professors occupy a high proportion of the weekly timetable. Moreover, the school often conducts student opinion polls on the teachers. Those who are not competent are automatically dismissed.

Facts prove that the development of private or non-

government colleges and universities is effective in ensuring the growth of higher education. The government should therefore provide support for these institutions while continuing its efforts to develop state-run colleges and universities.

(January 8, 1988)

Mount Qomolangma Expedition

"RENMIN RIBAO"

(People's Daily)

Between 1953, when the first person conquered Mount Qomolangma (Everest), and the end of 1986, about 230 mountaineers from different countries have left their footprints at the top of the mountain.

On May 5, another bold dream will come true if the circumstances are favourable. A team of mountaineers from China, Japan and Nepal, divided into two parts, will attack the northern and southern sides of the mountain and charge the peak at the same time. After they meet at the top, the two groups will switch sides for the descent.

According to the plan, three Japanese television cameramen will climb the mountain with the team. Using a satellite ground station to be set up in the expedition's base camp on the northern side of the mountain, the climbing of the last stage (above 8,000 metres) and the meeting at the peak will be broadcast around the globe via communications satellite. It will be the first time a mountaineering expedition has been televised at such a high altitude.

Plans for the climb were set out in a protocol signed by China,

Japan and Nepal on February 24, 1987, in Beijing. The three countries agreed to jointly organize the 1988 Mount Qomolangma Friendship Mountaineering Team. The chairmen of the Chinese, Japanese and Nepalese mountaineering associations will take general command of the expedition, with their headquarters in Beijing. Shi Zhanchun, chairman of the Chinese association, will be chief of the general command.

The base camp of the northern team is at an elevation of 5,180 metres and the southern team's camp is at 5,350 metres. The members of the northern team are already at their camp, while the southern team is scheduled to reach its camp on March 29.

(February 2, 1988)



Bad Tourist Guides To Be Punished

Foreign tourists travelling in China need not worry about poor-quality services from their tourist guides. The "Interim Provisions for the Management of Tourist Guides" will go into effect on March 1st. Violators will be educated and punished by tourism departments if complaints are made against them.

At present, there are nearly 10,000 guides in China. Generally speaking, they are quite good, but some are less skilled and lack professionalism. They may detract from national dignity by openly asking tourists for tips and commission. That is why the State General Administration for Travel and Tourism is promulgating these new provisions, which clearly lay down responsibilities, qualifications, rewards and punishments, and require regular checks. Those who are found lacking will be trained, educated, and transferred, so as to guarantee the quality of guides.

by Han Guojian

Free Travel for Prize Winners

Japan's Umiko Koonoike, and Liang Yi from Canada will come to Beijing on a free five-day trip in March or April this year. They are the silver prize winners of the quiz held by Radio Beijing in October 1986. The gold medal winners are Liang Dasheng from Hong Kong and He Jiangong from Singapore. All the winners will be given free travel and brought to participate in prize-giving ceremonies in Beijing.

The quiz attracted over 600 letters from listeners to Radio Beijing in 30 countries and regions. The bronze medal winners live in 21 countries and

regions in six continents, and will receive certificates and awards. Every participant will receive a souvenir with dragon characters on it.

by Wei Liming

'Planets' Land on Beijing Horizon

China has its first dome-shaped apartments, thanks to materials and technology from Domes of the United States.

Foreign tenants have started to move into the Huaxiang Apartments, which are located on the northeastern outskirts of Beijing.

The complex, which has become known as the "planet" apartments, covers an area of 24,000 square metres and has a total floor space of 13,700 square metres. It consists of 10 hemispherical buildings which look like half planets emerging on a horizon. Each building has five two-storey flats, each with a floor space of 107 square metres. Heights of the ceilings in the flats differ but they all give an impression of spaciousness, unlike most modern flats.

Amenities include 400 programme-controlled telephones, 200 direct-dial international telephone lines, 35 telexes and a ground satellite TV receiving system, as well as restaurants, a beauty parlour, gymnasium, swimming pool, shops and other services.

The complex is under the administration of the Beijing Bureau of Animal Husbandry.

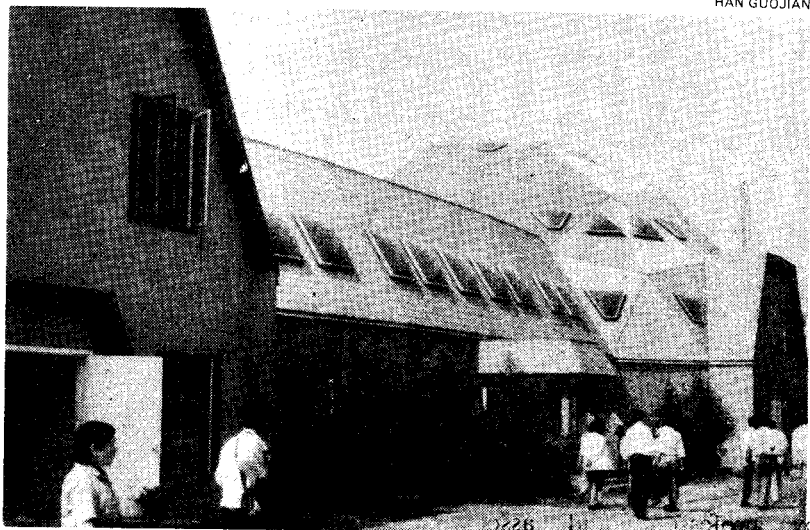
— Han Guojian

News in Brief

Five large guest houses have gone into business since 1988 in Haikou City, the capital of Hainan Island. They include the Overseas Chinese Guest House, the Haikou Guest House, the Haikou International Financial Hotel, the Qiongzhou Hotel and the Wanghai International Hotel. These hotels will offer a total of 2,000 beds in nearly 1,000 rooms of high and medium level. This will double tourist accommodation in Haikou City. Most of the rooms are equipped with close circuit television, air conditioning, telephones, etc. There are also recreational facilities within the hotels such as bars, shops and ballrooms.

The new-design hotel, the Huaxiang Flats, the first "celestial-body" building in Beijing, has just opened.

HAN GUOJIAN



Export of Machinery & Electronic Products

Last year China exported US\$3,854 million worth of machinery and electronic products. That is US\$1,370 million more than in 1986, a 55 percent increase. As a proportion of China's total exports, it went from 6.1 percent in 1985 to 9.6 percent last year.

The 10 top exports last year were watches, tape recorders, radios, manual tools, hardware, televisions, ships and telephones and construction metals. The export value of each of these exceeded US\$100 million.

Great successes have been scored with these goods on the North American and West European markets. Machinery, equipment and ships' exports to North America increased by 67.8 percent and to West Europe by 350 percent.

Over the past two years the state has granted loans of over 700 million yuan for the establishment of 411 export bases and for the

upgrading of export-oriented enterprises. When these projects are completed, exports are expected to increase by US\$1,000 million. At present, over 40 export-oriented key enterprises, such as the Jinan No. 1 Machine Tool Factory, the Dalian Shipyard, the Foshan Electronic Industry Group Corp, have been given the power to handle their own international business.

The state's target is that by 1990, exports of machinery and electronic appliances should account for 10 percent of the country's total. Some experts believe the target could be reached this year.

by Li Ning

Wuxi Economy to Be Export-Oriented

The Wuxi city government has recently decided to set up more export-oriented enterprises and seek maximum economic and technological co-operation with

foreign countries to promote the city's economy.

Wang Hongmin, mayor of Wuxi, said at a press conference held early March in Beijing that his city has worked out a plan to increase the city's total exports to US\$770 million by 1990, accounting for 21 percent of its gross output value; and to make exports earn the city US\$3 billion, 40 percent of its total output value, by year 2000.

Wuxi is situated in the Changjiang (Yangtze) River Delta. It has good communications and beautiful scenery. The city is one of China's top 15 urban economic centres and top 10 major tourist cities. It has also been designated by the State Council as one of the important cities in the coastal areas opened to the outside world.

Wuxi has been a processing industries city. It is one of the places where China's national industry originated, and its commerce also developed early. Back in the Ming Dynasty (1368-1644), the Wuxi area already had ceramics, silk reeling and cloth weaving industries.

Since the implementation of the open policy, Wuxi has conscientiously adhered to the policy of reform and opening up. Its economic strength has increased, laying a good foundation for expanding exports.

Wuxi has established a comprehensive range of industries, with emphasis on the textile, light, machine-building, electronics, chemical and metallurgical industries. Rural enterprises are emerging as an increasingly important force in the city's economy. It has over 11,700 township and village enterprises with a work force of 950,000. Last year, their industrial output value reached 14.7 billion yuan, 56.2 percent of the city's total. The upgrading of their technologies and equipment is being speeded up; with exports in mind. Last year

A 220-litre fridge production line at Qingdao Refrigerator Factory, Shandong Province. Over 40,000 Qindao-Liebherr refrigerators made here were exported last year.

SHI PANQI



06/16/11 24

these rural enterprises exported 500 million yuan worth of goods.

Last year Wuxi's export value reached 1.8 billion yuan, 3.5 times the 1978 figure. The city has 18 major categories of export commodities with 600 varieties, selling to over 120 countries and regions.

In the next few years, Wuxi will energetically expand its export resources. This year the city will export 2.5 billion yuan worth of goods and will further improve the quality of its textile products and its metals and hardware, which are the city's traditional exports and constitute 80 percent of all its exports. Wuxi will also work on its sophisticated, high-grade goods, which it will endeavour to sell abroad. The city will strive to make use of foreign capital on a still greater scale through developing its processing and assembly sector. Wuxi will seek more compensatory trade and the establishment of more foreign-funded enterprises.

To improve the investment environment, the city will establish a management centre for foreign investment to simplify procedures, co-ordinate and implement policies and regulations. It will work to protect investors' rights in all spheres.

Wang said foreign entrepreneurs are welcome to run their enterprises in Wuxi according to standard international practice. The local government will be responsible for transport, water and electricity and other public facilities.

by Li Rongxia

Export of Transport Technology

The China National Transport Technology Import and Export Co. is holding talks with companies in the United States, Japan and West European countries on China's advanced ion-titanium-carbonitriding tech-

nique. An agreement to sell this technology to one of these companies is expected soon, according to Zhang Ji, the company's general manager.

The technology has already been exported to Singapore, said Zhang. This is the first time that China has provided Singapore with advanced technology, equipment and training.

Metalock Singapore (Pte), which bought the project, earned 120,000 Singapore dollars, and received many orders in the first month of trial-production.

The technology was developed by the Dalian Mercantile Marine Institute. It is important because it not only can render ship and other vehicle building and repair more efficient, but also can be widely applied to machinery repair.

The China National Transport Technology Import and Export Company was established in 1981. It acts mainly as an agent in the international business for harbours, maritime and inland shipping, highway transport, and science and technology organizations.

Its trade last year was valued at 36 million yuan. In future, the company will make greater efforts to expand technology exports in addition to continuing to import advanced technology, equipment and ships.

by Liu Jianjun

Coca Cola Expands In Chinese Market

Last year the Coca Cola Company established its seventh bottling plant and first raw liquid plant in Shanghai. It also set up a joint venture in Tianjin producing high-quality concentrates. This has considerably improved China's soft drink production.

"Our task in China is to transfer our technology to help China develop its beverage industry through improving production,"

said Fan Tingming, chairman of Coca Cola China Co. Ltd.

Coca Cola returned to the Chinese market in 1978. Since then, it has set up six co-operative factories in China, with others expected. The Coca Cola Company plans to sponsor the Asian Games which is to be held in China in 1990.

by Liu Jianjun

EBILC Established In Beijing

The Ever Bright International Leasing Co. opened in Beijing on March 1. It is jointly managed by the Beijing Ever Bright Industrial Company, the Ever Bright Finance Company, Mitsubishi Trust and Banking Corp., Mitsubishi Corp. and Ryoshin Leasing Corp.

EBILC's headquarters is in Beijing. Its capital is valued at US\$6 million, shared equally between China and Japan.

The two Chinese shareholders are under the China Ever Bright Holdings which is registered in Hong Kong, and the three Japanese are under the Mitsubishi group.

The new company will, through finance leasing, subleasing and operating leasing, provide both Chinese and foreign companies with machinery, electrical equipment, vehicles, meters and instruments and computers. It can also provide guarantees for the contracts.

Importing through leasing will allow China to import more foreign equipment promptly, with fewer procedures. Therefore, it has been welcomed by Chinese enterprises.

At present, China has about 40 leasing companies, of which half are Sino-foreign joint ventures. The China Orient Leasing Co. is the most credit-worthy while EBILC has the greatest financial resources.

by Yue Haitao

National Music Greet Dragon Year

A week of traditional national music concerts was one of the events heralding this year's Spring Festival (Chinese lunar new year) celebrations in Beijing. A dozen or so professional and amateur music ensembles from across the country gave 26 performances at the Beijing concert hall, factory clubs and universities and colleges. The gala opening and closing concerts, held at the Great Hall of the People, were broadcast live by China Central Television (CCTV), drawing hundreds of millions of viewers.

The Shanxi farmers' drum troupe thrilled Beijing audiences with a performance of *King Qin Musters His Soldiers*. The history of drum music in China goes back 4,000 years. This grand and powerful piece depicts King Qin (Li Shimin who later became an emperor of the Tang Dynasty in the 7th century) mustering his soldiers for an expedition to the north and extolling their bravery and heroism. The band has a commander drum, four general drums, nine field officer drums and 13 soldier drums, as well as several clappers, gongs and cymbals.

The piece consists of six parts — the overture, drum-rim music, drum-centre music, drum music with gongs, cadenza and coda. The drummers used their magical playing skills to get the best sounds from different parts of the drum. The cadenza, in particular, won audience acclaim.

Honghu Lake Capriccio is a solo for the *erhu* (a two-stringed fiddle). The piece, which is based on the theme song of an opera, was composed and performed by Min Huifen, a famous *erhu* player. Min poured her all feeling into the performance, and the piece touched the soul of her audience. The virtuoso's reappearance on stage, after several years of struggle against cancer, including six operations, was in itself a demonstration of the power of her spirit and her love of art and life.

Suona (Chinese cornet) player Wu Anming of the Anhui Provincial Arts School performed *Repairing a Vat*. He used his instrument and a long metal bowl to imitate a dialogue between an old woman and a tradesman. The humour and vividness of the simulated questions, answers, calling out and laughing, mixed with the sounds of repairing the

vat, drew warm applause.

Percussion music is traditionally popular with Chinese audiences. In *Tiger Grinds Its Teeth* and *Ducks Quarrel*, each player holds a drum, a pair of cymbals or a gong. Varied rhythms, tempos, volumes and drum-playing techniques are used to imitate the sounds of the tiger and ducks.

An Zhishun, who composed both pieces, was also a player. Using small cymbals, he controlled rhythm changes. After seeing his performance, a well-known Italian composer called An "the Beethoven of percussion instruments."

The pieces were presented by the Shaanxi Provincial National Music Orchestra. Shaanxi was one of the first provinces in China to set up a national music orchestra players' association. A total of 11 dynasties had their capitals in the province, leaving Shaanxi with a rich national music legacy and a special role to play in the revival of Chinese classical music.

The province has a national music orchestra featuring the art of percussion instruments, which comes under the classical art troupe of the Shaanxi Provincial Song and Dance Theatre. In

Performances of the gong sonata "Molten Steel Pouring Out in a Stream" (left) and "Homeland Capriccio" on ranged drums accompanied by a band (right)

CHEN ZHONGLIE



addition, teachers of the National Music Department of the Xian Conservatory of Music have organized their own small orchestra, which aims to use modern composing techniques to enrich traditional-style instrumental music. The Shaanxi national music broadcasting orchestra set up in 1950 is known for the purity of its folk flavour. And provincial artists have founded associations to promote the *banhu* (a bowed stringed instrument with a thin wooden soundboard) and *zheng* (a 21- or 25-stringed instrument in some ways like a zither).

Riverside Scene at the Qingming Festival is a piece for the *konghou*, an ancient plucked stringed instrument somewhat similar to the harp. The piece takes its theme from a famous Northern Song Dynasty (960-1126) genre painting which depicts people of all social strata at the Qingming Festival. According to historical records, the *konghou* was spread to China's central plains (the middle and lower reaches of the Huanghe River) from the Western Regions (a Han Dynasty term for an area that includes what is now China's Xinjiang Uygur Autonomous Region and parts of Central Asia) during the Han Dynasty (206 BC-220 AD). Later the instrument disappeared. With her performance, Cui Junzhi, the first modern *konghou* solo player in China, drew listeners back in time to an ancient imperial palace to enjoy the elegant melody.

The Chengdu National Music Ensemble from Sichuan Province also performed in Beijing during National Music Week. Founded only three years ago, the ensemble has already made outstanding achievements in researching, collecting and performing national music. *Bamboo Instrumental Divertimento* was performed using improved models made by the players of folk instruments

collected in areas inhabited by national minorities. The piece consists of six parts: "Water," played on *hulusi* (a wind instrument) and *zheng*; "Small Chickens," on *zhuxiqin* and *zhubangqin* (both stringed plucked instruments); "Dong Nationality Dance," on bamboo *sheng* (a pipe wind instrument) and drum; "Resounding in the Valley," on extension flute; and "Mabu Hemaka," on *yue* (a wind instrument). The music is full of local flavour, reflecting the lives and customs of the Dai, Han, Yi and Miao people.

The most warmly welcomed performance at the closing concert was two *zheng* pieces played by 70 people from the China Ancient Zheng Research Society—*Upstairs* and *An Evening Tune at the Fishing Boat*. The two classical works represent the northern and southern schools of *zheng* playing. The players ranged in age from 7 to 70. Cao Zhen, the oldest, was the lead player. His performance of classical style was forceful, deep and thought-provoking.

Cao is also an outstanding educator. He started China's first modern-day *zheng* training class and along with other musicians, founded the country's first contemporary *zheng* players' association. Today, he has followers all over the country and abroad. Many of his performances have been recorded on tapes, which are popular with listeners. In his words, "National instrumental music can arouse people's sense of self-respect and national pride. That's why I have devoted 50 years of my life to the art of the ancient *zheng*."

A small number of the pieces performed at the National Music Week concerts were from the traditional repertoire, while many were new works composed using traditional techniques, which are easily accepted by audiences. Some pieces were composed using modern techniques, representing a

new development in national music. Of these, some were adapted from classical or folk music but with something new added.

The performances revealed the distinctive features of the national music performed in different parts of China. The players from Shaanxi and Jilin provinces had a bold and vigorous performing style, while those from Sichuan and Anhui provinces were more elegant. The Shanxi farmers' drum troupe reflected the fresh and energetic force of folk art. Orchestras from Shanghai and Beijing proved themselves worthy to be state-level professional art troupes with their superb playing techniques and varied styles of performance.

National Music Week was jointly sponsored by the Central People's Broadcasting Station, CCTV and the China National Orchestral Music Society. The week of concerts was only a part of recent efforts by central radio and television stations to promote national music. Since last November the stations have broadcast performances by dozens of national music ensembles from across the country.

by Hong Lanxing

New Image of Lenin Appears on Stage

A modern Soviet drama, *Blue Horses on Red Grass*, has been staged by the Chinese Youth Art Theatre. The play is on how to apprehend Lenin's ideology.

The title refers to an inscription on a painting presented to Lenin as a gift by an artist. It suggests that the Communist cause is marching forward on a broad road. The drama was written by the contemporary Soviet writer Mikhail Shatrov, who is well known for his plays about Lenin.

It has been successfully staged in the Soviet Union and other countries.

Soviet director Mark Zaharov, who directed the drama in Beijing, said, "We have many common problems, common joys and sorrows. We must search for and take a new road."

The drama recalls a day in Lenin's life in 1920. The first lines spoken by the actor who plays the leading role are: "What is right and what is wrong? We recall a day in Lenin's life because we want to study Lenin's thought and his sad reflections."

The two-hour drama vividly portrays the political, ethical and cultural controversies among people of the Soviet Union during the time of Lenin, as well as controversies over sexual ethics. Lenin—physically weak yet overworked—worried that his ideals might be misunderstood or distorted. Chinese audiences, which retain both positive and negative memories from the tortuous revolutionary experience, could relate to the historical scenes. They also saw the close connections with today. They realized that Lenin's sad reflections were mirrored not only in his country, but also by his followers in China and elsewhere.

A scene portraying a question-and-answer evening on culture is one example. In the scene, the evening's main lecturer proclaims that revolution has "smashed down all the old things. . . . We are building. . . pure proletarian culture on these ruins." In his opinion, "Proletarian culture is one that should be created by the proletariat itself. The proletariat selected new artists and writers from its own ranks, let construction workers replace architects, decorators replace painters, printers replace writers and poets."

He continues, "For our tomorrow. . . burn Raphael, break down the museums, trample

on the essence of art. . ." even at the expense of being called "you devils who strangle beauty."

He explains, "Only those people who lose their class stand read Ahmatova's poems." because in her recent collections "the most common word is 'window,' which was used 13 times, 'bedroom' 10 times, 'sitting room' seven, and 'shed', 'balcony' and 'ball ground' four times each. There are also rings, hand warmers, fur clothes, a shawl, sheet, quilt. . ." He asks, "Where is the class struggle? Where is the material world that conforms to the needs of the proletariat, words such as cobblestone, rifle, shooting and red flag?" His conclusion is, "This poet—like Tolstoy, Tchaikovsky and their like—should be swept onto the garbage heap of history!"

From this less-than-10-minute scene, resembling skit, Beijing audiences clearly saw a tragic factor in the air of heroism, and ignorance accompanying the so-called communist enthusiasm in the first socialist country in the world after the victory of the October Revolution in 1917. It is a pity that the Chinese people, who also won great revolutionary victory, were unable to learn this lesson earlier. Half a century after the Russian Revolution, they witnessed and experienced a "cultural revolution" that resulted in great losses to millions of people. Perhaps this event was inevitable for the world communist movement and will not be repeated.

It is in the context of such historical self-examination that people understood what Lenin said in the drama: "No one in the world can damage the reputation of Communists, if they do not damage themselves. No one on earth can keep Communists from victory, if they do not hinder themselves."

Lenin emphasized repeatedly in the drama that to be a communist,

it is necessary to keep studying—this is the main point in his famous speech made at the Communist Youth League Congress in 1920. The drama had a great effect on people in Beijing—in the cause of modernization, we need not only enthusiasm, but knowledge and a clear head.

Audiences in Beijing welcomed and appreciated the new portrayal of Lenin on the stage. It differed from the familiar image of Lenin depicted in the films *Lenin in October*, *Lenin in 1918* and *A Person With a Gun*. In the play, the actor keeps his own looks, without make-up and without imitating the great man's voice and behaviour. But members of the audience learn more about Lenin and his thought. They also learn about how the present-day Soviet people are re-examining the past and how they understand the present and prospects for the future.

The drama is part of a cultural exchange programme between China and the Soviet Union. According to the agreement, each country sent a director to the other to stage a modern drama. While *Blue Horses on Red Grass* was being rehearsed, Zhang Qihong, a woman director from the Chinese Youth Art Theatre, went to the Soviet Union to direct *A Dead Man Pays a Visit to the Living*, a Chinese drama on social ethics and morality.



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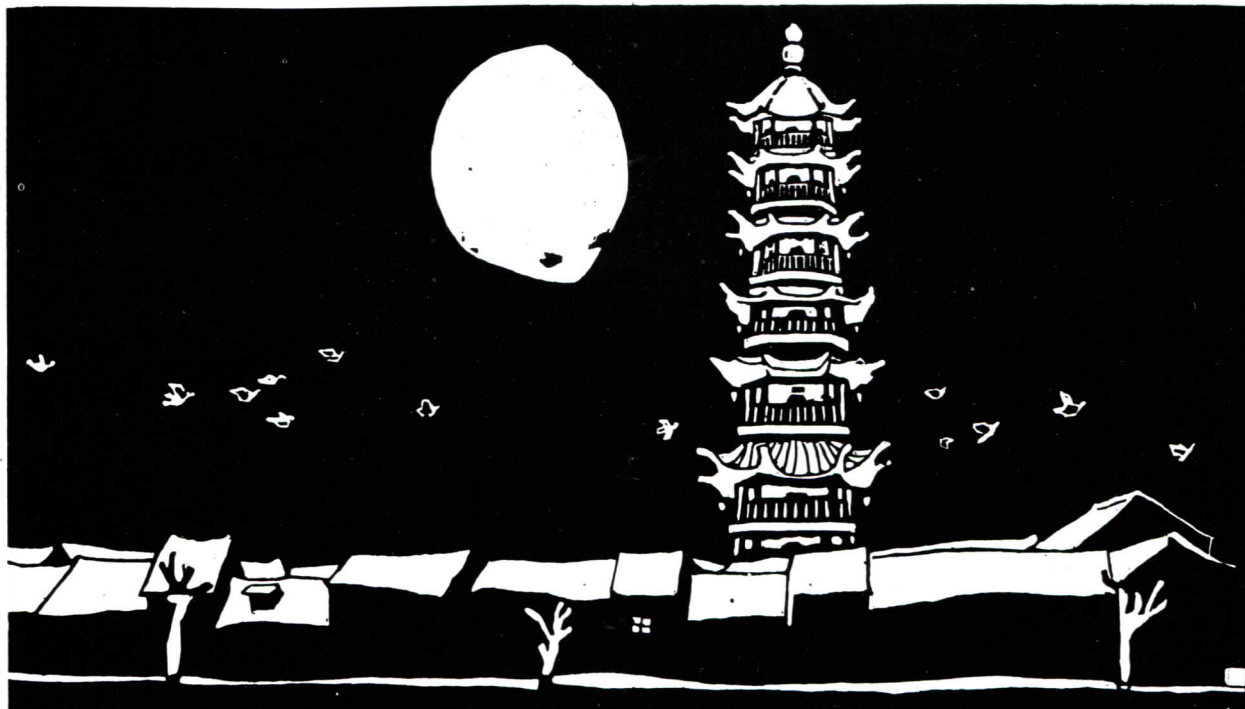


Canal.

Woodcuts by Yang Chunhua

Yang Chunhua, born in Nanjing in 1953, now works in the Fine Art and Calligraphy Studio in Wuxi, Jiangsu Province. She uses a rough knife to create the desired effect and express her own feelings with contrastive black and white lines.

Ancient Pagoda.





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