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The Mainland and Taiwan: Changes Across the Straits



**SCIENCE IN CHINA
— PAST, PRESENT,
FUTURE**



Lucky masks.

Photo by Chen Zonglie

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COVER: Guo Zhongshen (left), a research fellow at the Plant Research Institute under the Chinese Academy of Sciences, inspects maize grown from protoplasts of corn together with his assistant Zhou Yunlou.	
Xue Chao	

HIGHLIGHTS OF THE WEEK

Changes Across the Taiwan Straits

■ The mainland's relations with Taiwan have undergone a marked change in the last year. The Taiwanese authorities now allow visits to relatives and the indirect import of non-political publications, as well as various cultural and academic exchanges and contacts. The KMT, however, still has many misgivings about the CPC's reunification policy and will not relax its "three no's" stand. But if no immediate breakthrough appears likely, there is every reason to believe that the long-term prospects for China's unity are bright (p. 18).

Developments in China's Science and Technology

■ China's science and technology has made great headway in the past few decades. But now the country is faced with the problems of a massive population and the accompanying overexploitation of natural resources, the primary task for Chinese scientists is to aid the growth of the national economy (p. 14).

Trade Union Congress Rallies to Reform

■ China's trade unions have a dynamic role to play in the country's reforms and socialist modernization. At their recently held 11th National Congress, it was underlined that they must help improve the economic environment and strengthen the nation's economic order. Simultaneously they have to play an active role in the administration of state affairs by exercising social supervision, defending the overall interests of the Chinese people and protecting the rights of their members (p. 4).

Three Factors Contribute to Detente

■ This article by a leading Chinese expert on international affairs offers an incisive analysis of the important factors behind the world trend towards dialogue and relaxation. They are the decline of the superpowers, the rise of new industrial technologies and the economic reform wave that is sweeping nearly all countries (p. 26).

East-West Europe Co-operation Strengthened

■ Since COMECON and EC established relations in June, the economic co-operation between EC and six COMECON countries has developed rapidly. Presently, 175 jointly funded enterprises have opened. Both sides believe that the improved East-West European co-operation will play a great role in strengthening their interdependence and abolishing the political and military antagonism between them (p. 11).

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Trade Unions: A Major Force for Reform

by Yang Xiaobing

The 11th National Congress of the All-China Federation of Trade Unions (ACFTU) opened in Beijing on October 22. It should prove of great importance in mobilizing China's working class to play their role in the country's comprehensive and intensive reform programme and the drive for socialist modernization, as well as promoting the internal reform of trade unions themselves.

China's effort to improve its economic environment and economic order has made it possible for the reforms to proceed in an orderly and co-ordinated manner. As trade unions are the social organizations that link the Communist Party with the masses, it is vital that they play a dynamic role in the implementation of these important tasks.

In China, the fundamental interests of trade unions and the government are identical. Trade unions should safeguard the government's authority, which in return should respect and protect the trade unions' legal rights and interests, expanding their rights to participate in state affairs and exercise social supervision.

Under socialism, workers have both universal interests shared with other members of society and their own individual interests. Previously, under the influence of the "leftist" line, the workers' specific interests were neglected. This had a negative effect on the building of trade unions. At the 11th National Congress of the ACFTU, these interests were reasserted as one of the guiding principle for the workers' movement and trade union work: While economic development should remain the overall goal, the interests of all the Chinese people

have to be defended and the specific interests of workers must be better represented and safeguarded.

Trade unions should be an important force in the development of democracy. Besides enjoying more rights to participate in state affairs and exercise social supervision, they should simultaneously promote democratic management and protect managerial authority in the work place. All trade unions should take an active part in the business of their enterprises. On behalf of their members, they should sign a collective contract which concretely outlines all the requirements and measures necessary to realize the enterprise's production targets and ensures that pay can be increased, working conditions improved, cultural level raised and welfare benefits increased. Such agreements should provide enterprises with the popular support they need to lay the foundations for their overall development and growth.

The ACFTU needs to promote the many achievements it has already made. Along with representatives from many local or industry-based unions, it has taken an active part in all discussions on major Party and government decisions involving workers' interests, expressing the workers' wishes and demands. This has included promoting the enactment of the Law on Industrial Enterprises Owned by the Whole People and other important legislation.

Both the CPC and the government have constantly sought and accepted the ACFTU's opinions and suggestions on social and employment

policy, such as wages and prices, increased subsidies to urban low-income workers, pensions, industrial safety and women's rights.

China's 530,000 grass-roots trade union organizations have a combined membership of 130 million workers. Their work has helped create the nation's economic prosperity. Over 70 percent of China's gross national product and 90 percent of state revenue is created by trade union workers. According to statistics compiled by 360,000 branches, trade unionists put forward more than 60 million suggestions on changes in working practices during 1987, 45.6 percent of which concerned improvements in production and enterprise management. A survey of 260,000 enterprises showed that from 1985 to 1987, the trade union workers developed more than 40 million technical innovations or offered rationalization proposals, leading to an increase in enterprise revenue of 3.15 million yuan.

However, trade union work is not all satisfactory. Efforts to establish trade unions on a mass and democratic basis have proceeded slowly, measures to safeguard workers' interests have been weak, and their leaderships and administrations remain overly bureaucratic. In sum, trade unions have much to do if they are to play their proper role in the life of the state and society. At the ACFTU's 11th National Congress, these problems have been much discussed by delegates. It is hoped that after the congress, they will return to their respective organizations eager to create a new era for China's workers' movement and trade union work. ■

Zhao: Curb Inflation, Improve Economy

Communist Party leader Zhao Ziyang has reaffirmed that China must be fully aware of the importance and urgency of checking inflation and focusing attention on improving the economy in the coming two years.

The 10,000 character report, delivered on September 26, has recently been published in China's major newspapers. The report dealt with three major issues — improving the economic environment and rectifying the economic order, which will be key tasks of the reform and construction during the coming two years; promoting comprehensive reform systematically and under unified leadership; and strengthening Party leadership in order to bring the Party's political superiority into full play.

Speaking on behalf of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, the Party's general secretary said that China is in a period of transition from the old system to the new.

A foundation for the new economy cannot be created unless prices are rationalized, he said, adding that the deepening of the reform is not only a question of price reform but of comprehensive reform in many fields.

China will try to slow down its overheated economic growth to 10 percent or lower next year, he said. Investment in fixed assets will be cut by 50 billion yuan next year, approximately 20 percent of the actual investment this year. The unchecked growth of consumption, especially institutional buying, must also be controlled.

On price reform, he said the rate

of increase of prices next year should be much lower than this year, and in the next few years the annual increase should be maintained below the 10 percent rate. If the rate goes above the double-digit figure, economic and social stability will be affected, Zhao said.

During the price reform China should see to it that living standards of the overwhelming majority of staff and workers are not lowered. Instead, they should be raised with the development of production. "This is a fixed policy of ours," he said.

The wage system should be reformed step by step with emphasis laid on eliminating egalitarianism. For those groups whose wages are too low, such as teachers, scientists and medical

workers, he said, the problem should be solved in a planned way.

In his report, Zhao urged the Party to strengthen its leadership and its supervisory role in improving the economic environment and carrying through the reforms.

Party organizations at various levels must safeguard the authority of the Party Central Committee and carry out its orders. "This is a political principle of great importance," he stressed.

Another extremely important and urgent problem is how to keep Party and government organs clean and honest, he said. To solve the problem, the Party and the government should be more open so as to ensure supervision by the people, he said. Regulations should be made so that no room can be left for power abuse. These tasks should be made part of the agenda of leading institutions, Zhao added.

(The full text of Zhao Ziyang's report will be in the next issue of *Beijing Review*.)

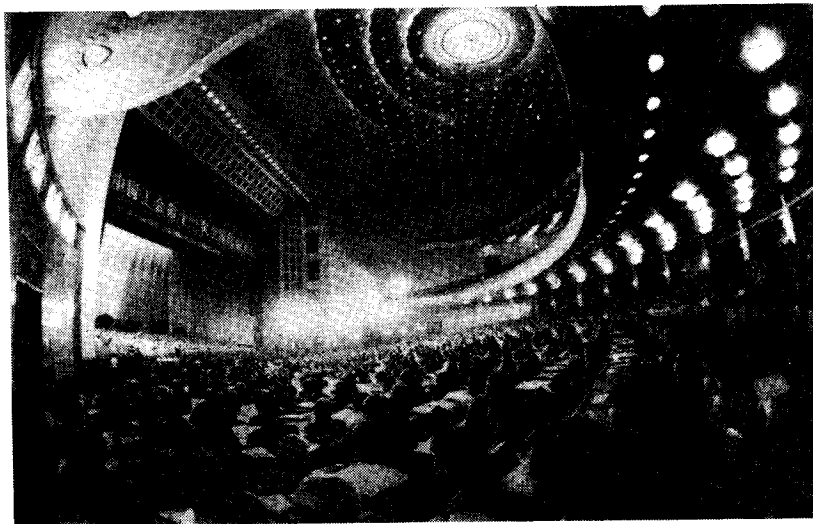
Trade Unions Meet In 11th Congress

China's 11th National Congress of the All-China Federation of Trade Unions (ACFTU) was held in Beijing at the Great Hall of the People on October 22-28. Of the 93,365,000 members (estimated at the end of 1987), 1,500 attended the congress. Zhao Ziyang, general secretary of the Chinese Communist Party, and Ni Zhifu, chairman of the ACFTU, spoke at the meeting; and general elections were held.

Zhao, on behalf of the State Council and the CPC Central Committee, paid tribute to the ACFTU and local trade unions for their important roles in linking the Party and government with the workers. He specifically acknow-

ledged their devotion to the building of a material and ethical socialist society, and their mobilization of workers to participate in the ongoing reforms. He also said that trade unions should represent and protect the workers' rights as well as the interests of the nation.

Trade unions must adhere to the Party's lines, principles and policies, Zhao said, but, also should remain independent, democratic and non-governmental. This is because the fundamental interests of trade unions and the government coincide. Trade unions must vindicate the government's power and inculcate in the workers better



ACFTU members, representing 536,000 grass-root units, meet in the Great Hall of the People.

By LU SHUMEI

obedience of the state laws and regulations. In return, the government must respect and protect the trade unions' rights and interests by increasing their democratic participation in national affairs. He said the trade unions must be public and democratic organizations instead of becoming administrative departments of the government.

Zhao concluded with hopes that all the people, especially the working class, will support the fight against the problems China is now facing, such as inflation, corruption in some Party and government departments, and unfair distribution of goods and materials within society.

Speaking from the workers' perspective, Ni Zhifu, chairman of the ACFTU, suggested that a rational and feasible price compensation system be set up. The problem of low incomes among scientists, teachers, artists, medical workers, as well as government workers could be solved gradually, he said.

Reforms of social welfare, Ni said, should improve production and living standards and include

such things as workers' retirement pensions, medical care, compensation for injuries and maternity leave. He suggested the state work out a policy encouraging workers to set up a fund for housing construction to solve the severe housing shortage problem in Chinese cities.

Ni also suggested the setting up of arbitration courts to hear labour disputes. However, he added, when workers are making unrealistic and impossible demands, trade unions should act to dissuade them in order to maintain the unity and stability of society. Trade unions always have the right, he said, to supervise, criticize, report and charge those state administrative departments and their employees who encroach on the workers' interests or conduct illegal activities.

In regard to the ACFTU, residing members then exercised their right to vote for renewed leadership. On the fifth day (October 26) of the congress, 1,490 delegates (10 were absent) elected the new executive committee, consisting of 229 members. They were chosen from 240 candidates by secret ballot. The committee

members include ACFTU leading officials, leaders of local trade unions, grass-root trade union workers and model workers. This election showed that members desire more workers from grass-root trade unions on the executive committee. The committee removed 10 seats, however, to carry out the principle of efficient and simple administration.

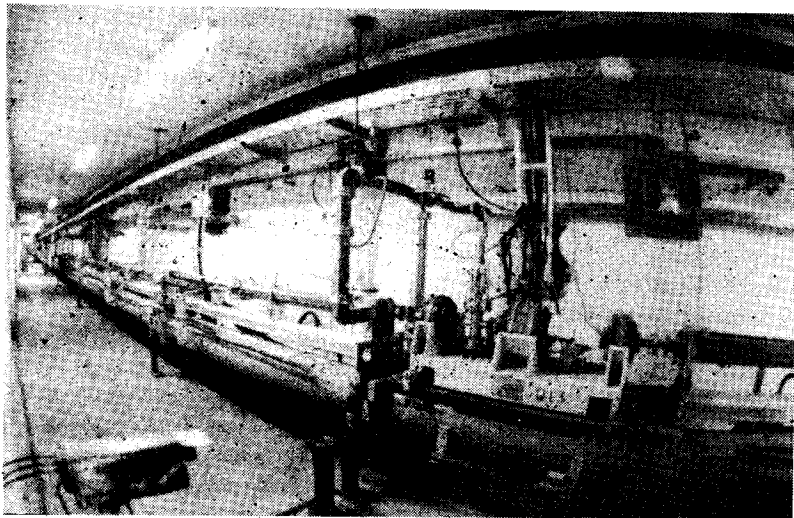
Ni Zhifu, veteran labour leader, was once again elected president of the ACFTU at the first meeting of the 11th ACFTU executive committee on October 27. Seven vice-presidents and a 19-member presidium were also chosen. ■

'Atom Smasher' Starts Operation

Atremendous mass of positron and electrons, two basic particles travelling at the speed of light (about 300,000 kps) collided at an underground laboratory in Beijing on October 16, and the great energy released is expected to help Chinese nuclear physicists study physical phenomena and elementary particles of matter never seen before.

"The completion of the Beijing Electron-Positron Collider (BEPC) is one of the most important advances in Chinese science in recent years," said Professor Zhou Guangzhao, president of the Chinese Academy of Sciences (CAS) and head of the project, when he disclosed this momentous scientific event.

The BEPC, a huge machine located in a six-meter-deep tunnel at CAS' Institute of High Energy Physics, has a power of 2.2-bev (billion-electron-volts). It is composed of a linear accelerator 200 meters in length, a 240-meter perimeter storage ring, a 400-ton detector, a synchrotron radiation laboratory and a computer center. It aims to explore the fundamental structure of matter.



Atomic particles travel at light speed in the storage ring of the BEPC.

YANG WUMIN

"This super-laboratory is first of all used to study the movement and interaction of the tiniest particles, such as 'quark' and 'charm' particles, which are the fundamental building-blocks of the atom," Zhou said.

When electrons and positron travel at high speed in the storage ring they emit a strong light called "synchrontron radiation," according to Zhou.

As a national laboratory, the BEPC will be open to users from universities and other institutions in China. Zhou also welcomed scientists from overseas to do research here.

"Because high-energy accelerator and high-energy detector facilities involve sophisticated high-tech engineering, the construction of the BEPC has greatly promoted China's high-technology development," he pointed out.

During the construction of the collider, Chinese scientists not only introduced many advanced types of technology from abroad, they also made their own contributions. National scientific laboratories in the United States and Brazil are purchasing key collider equipment developed and

manufactured by Chinese scientists and engineers. In addition, some other countries are negotiating with China for the same purpose.

However, Zhou admitted that further efforts have to be made in order to perform advanced experiments and to apply synchrotron radiation.

The Chinese government gave strong support for the building of this 240-million-yuan collider. The late Chinese Premier Zhou Enlai gave it the go-ahead in 1975, the last document he signed before his death.

The construction of the BEPC started in October 1984, and Chinese leader Deng Xiaoping attended the ground-breaking ceremony. ■

Public Spending — Need or Greed?

Despite government control, public spending has kept rising. This has led to market disorder, commodity shortages and price hikes and is preventing further development and corrupting social conduct, the *China*

Youth News, a Beijing-based national newspaper, warned on October 6.

According to the State Statistics Bureau, public spending hit 55.3 billion yuan (about US\$15.2 billion) in 1987, accounting for 90 percent of the country's capital construction investment that year and 24 percent of its revenue. It was a three-fold rise over 1978.

In February this year, the State Council issued a circular calling for a 20 percent drop in such spending this year. But, it reached 36.8 billion yuan in the first seven months, a 19.8 percent growth over the same period of last year.

The paper analyzed this unusual phenomenon. The rapid growth of revenue not covered in the state budget, resulting from financial separation and the profit retention system, has become a powerful cause of public spending, it said.

The budgeted expenditure has also risen sharply. The coexistence of new and old organizational systems has caused an increase of administrative organizations. The number of units subordinate to the State Council has grown to 72 early this year from 63. Non-standing bodies have also grown to 77 from 30 in 1982. Various associations, learned societies, research bodies, developing zones and experimental zones that are supported by the administrative expenses have sprung up like mushrooms. As a result, more and better cars, office buildings and equipments are being required. Spending has increased with the broadening scale of meetings, *Youth News* reported.

Some officials have used this spending trend for personal gains. They have been able to fill their own pockets by expanding the fund for public spending. Measures taken, the paper pointed out, include "perfectly justifiable" money raising, illegal cut-backs of appropriations, apportionment and the imposition of fines.

Auditing bodies, after studying departments responsible for education in more than 2,000 counties and about 8000 schools, found that 420 million yuan of educational funds have been cut back or embezzled. In 1985 and 1986, 133 million yuan of the fund for supporting poverty-stricken areas were embezzled in almost one thousand counties and cities. All the money has been spent chiefly for buying cars, building constructions or doing business.

A strict economic policy simultaneously counter-balanced by official corruption makes administrative means feeble before the intense desire of public spending. Enterprises and institutions try every means possible to buy luxury goods including cars, videos, tape-recorders, air-conditioners and television sets. The paper mentioned a survey made by Chendu City, Sichuan Province which shows that half of the 400 cars licensed by individuals were bought with public money.

Such luxury goods sometimes are also sold to units under disguised designations to escape financial supervision, *Youth News* said. For example, videos and tape-recorders are labeled as "hardware electronic components" in dispatch lists.

The paper also reported that the public spending in recent years has appeared to be a "benefit to all". A survey of 200 inhabitants in a large city in the north showed that 70 percent of them bought goods at lower prices from their units during the 1987's Spring Festival. The prices they actually paid were 30 percent lower than market prices.

A factory in Shijiazhuang, capital of Hebei Province, bought 4,500 refrigerators and 7,500 TV sets this year with its retained foreign exchange worth 22.8 million yuan and resold them to its employees and officials at prices

200 yuan per item less than the market prices.

Public spending has distorted the three links of a commodity economy—demand, market and supply—and intensified the imbalance between total demand and supply, the paper commented.

According to Xinhua News Agency, the guest houses of various ministries and commissions under the central government in Beijing receive 40,000 to 50,000 meeting participants every day. They are provided by commercial departments with 1.9 million *kilogramme* of pork, 950,000 *kilogramme* of eggs and 360,000 *kilogramme* of refined white sugar.

An economic researcher estimates that a total of 13.5 billion kilogrammes of grain are likely to be thrown away by 1.5 million restaurants nationwide this year because many dinners are given at public expense.

At the same time, blueprints for the development and construction of railways, power stations, bridges and mines have to be continuously laid aside and neglected because of the shortage of funds.

In a society, if its officials, entrepreneurs and citizens eat up and waste its properties rather than putting them into production to obtain more profits and make greater developments, the reason for this short-term action must be traced to its system, the newspaper article said.

Under the current system, one-third of 1,000 billion yuan of fixed assets are idle. Many fixed assets are of low efficiency, and only a few are operated efficiently. All people enjoy the equal ownership of production materials in name; actually, no one thinks that these properties are "mine". Therefore, "I" have no right to pursue the accumulation of and returns from properties. Consequently, the article concluded, people have to

seek for immediate benefit.

A sample survey showed that some enterprises spend 80 percent of their retained profit for consumption, not reinvestment. Thus, it is not difficult to understand why public spending is rising at an average annual rate of 20 percent. ■

Dazhai Takes on A New Look

Dazhai, which was once a poor village, is now putting on a new face owing to ten years of reform.

Dazhai is a village in Xiyang County, Shanxi Province. During the "cultural revolution," Dazhai was made a model village. Chairman Mao Zedong's 1964 slogan "In agriculture, learn from Dazhai" could be seen everywhere in China. Yet, the gang of four took advantage of this slogan and turned the movement of learning from Dazhai into a political one. In this situation, "leftist" thoughts became overwhelming, and the truth was contrary to what was publicized. The villagers experienced a hard time.

Now, in the era of reform, the people of Dazhai have made great efforts to eliminate "leftist" factors and set up a new management system of combining an overall plan and a distributed means of production. In the spring of 1983, they implemented a household contract responsibility system. The village's total grain output that year was 490,000 kilogrammes, 35.6 percent higher than that of 1978. Its income per capita was 411 yuan, 121 percent more than that of 1978. At the same time, the orchard and the township enterprises were also contracted to collectives where the leaders assumed responsibility for their own profits and losses.

The single-product structure of the village has begun to change. Industries and sideline productions, such as coal mining and transportation, are on a rapid rise. In 1983, a coal pit with a capacity of 20,000 tons was dug up and put to use in Mahuanggou at the foot of the Hutou Mountain. A second coal pit with an annual capacity of 50,000 tons will be opened this year. There are also township enterprises, such as a cobblestone and a grain processing factory, and privately owned equipment

The total income of the industries and sideline productions last year reached 465,000 yuan, 15 times that of 1978, and the proportion it occupies in the total income of the village rose from 15 percent to 58 percent. The income of cash crops reached 100,000 yuan, 2.6 times that of 1978, making up more than half of the agricultural income of the village.

Individual economy has also been developed. Now, of the more than 100 households, ten are engaged in businesses, transportation and cobblestone processing. And the township enterprises can now hire workers according to their own needs. Of the nearly 100 labourers in Dazhai's township enterprises, non-native workers make up 40 percent.

In short, in 1987 the total income of the villagers reached over 800,000 yuan, and pure income per capita reached 653 yuan. These were, respectively, 3.3 and 2.5 times those of 1978.

However, the people of Dazhai will not be content with what they have achieved. Jia Chenglin, head of the village committee, who recently visited nine counties in Shandong Province, said that compared with the commercial economic development in other places, they still need great improvements in emancipating their minds and developing productivity. ■

Weekly Chronicle (October 24-30)

POLITICAL

October 24

■ The China Welfare Fund for the Handicapped and the United Nations Association of China are designated as the recipients of the United Nations 1988 Peace Messenger Award by UN Secretary General Perez de Cuellar, who initiated the award in 1986.

These two Chinese organizations are given the honour for their outstanding service to world peace.

October 25

■ Hu Qili, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), briefs visitor Janos Lukacs, member of the Political Bureau and secretary of the Hungarian Socialist Workers' Party Central Committee on the organizational restructuring of the CPC. He stresses that the Party must be administered strictly and adapt itself to the necessity of being separated from administrative functions.

October 26

■ The first meeting of the Macao Basic Law Drafting Committee ends its two-day session in Beijing.

In a communique the committee announces that its members are fully confident in working out a good basic law for Macao. The second meeting is scheduled for next May in Beijing.

October 29

■ The 13th Plenary Session of the Political Bureau of the Communist Party of China's Central Committee is held today in Beijing.

The session discussed how to further deepen the agricultural

reform and speed up the agricultural development during the period from now to the 8th Five-Year Plan period (1990-95). How to deal with rural problems of the next two years will especially be emphasized.

ECONOMIC

October 26

■ A release by the State Statistics Bureau shows that more enterprises with sole foreign investment have been set up this year in China's special economic zones and open coastal cities.

It says that there were only 16 such enterprises in those areas in 1986. The figure rose to 40 last year and to 73 in the first half of this year with foreign investment totalling US\$780 million, a 62.5 percent increase over the same period last year.

October 27

■ Some 3,500 agricultural scientists and technicians from 10 agricultural colleges and research institutions in Yangling Town, Shaanxi Province, will join hands to help develop the Weibei Plain, *Renmin Ribao* (People's Daily) reports.

In the next five years, the scientists will try to upgrade the grain output per hectare in the arid area by 23 percent.

CULTURAL

October 26

■ Contemporary Chinese novelist Jia Pingao has won this year's Mobil Pegasus Prize for literature with his novel *Turbulence*, the sponsor, the Mobil Corporation of the United States, announces.

Jia is the first Chinese writer to win the award. The prize-winning book, which depicts the dramatic changes in the rural area during the years of social and economic reforms, will be published in English in the United States in 1990. ■

BURMA

Parties Tug Military Leash

Since the military takeover of the state power, nearly 30 political parties have registered in Burma, and this will surely affect the situation there.

Since U Ne Win resigned as chairman of the former ruling Socialist Programme Party and president of state last July, the Burmese situation has been turbulent. Following his resignation, his good friend U Sein Lwin succeeded him. The Burmese people held big demonstrations and protest activities demanding another resignation. The policemen suppressed the demonstrators, but they failed to prevent them from opposing the new president. Under such circumstances U Sein Lwin had to step down after only 17 days in office.

On August 19 Burma's former Attorney-General Maung Maung was elected chairman of Burma's Council of State (president) and of the Burma Socialist Programme Party. He adopted some conciliatory measures in order to put down the rebellion. But the Burmese people insisted on a coalition government. Meanwhile peaceful demonstrations and strikes still occurred, paralyzing the government and economic departments. Faced with this deteriorating situation, a group of officers headed by Saw Maung, chief of staff of the Defence Service, took over the state power on September 18.

However, on the day of the military takeover thousands of people in Rangoon took to the streets to protest the new power. Some people drummed pans and tubs to protest. Some of them cut down the trees to build roadblocks and prevent the government soldiers from patrolling.

To bring the explosive situation under control, the military has taken a series of measures: imposed curfews on the cities; banned gatherings and demonstrations; increased troops in Rangoon, Mandalay and other cities to subdue the demonstration and protest activities; ordered the military and policemen to fire at the people, students and monks who violated the prohibition, causing thousand of deaths; closed or dismantled the strike bases; and arrested student and strike leaders (At present, more than 1,000 people have been arrested).

At the same time, the military dispensed with officials who had taken part in demonstrations and strikes; issued orders to the army to set up security-proposal committees at state, division,

township and ward, village-tract levels; and ordered government officials and employees as well as enterprises' staff members to return to their offices on October 3, with strikers being subject to dismissal.

To further ease the situation, General Saw Maung reaffirmed that the military had no desire for a long-term takeover and called on all the opposing factions, monks and citizens to co-operate. He also promised that after the situation turned for the better, multi-party general elections would be held. To meet the demand of the opposition parties, he promised that they could use radio and TV stations.

Besides, the Burmese State Law and Order Restoration Council repealed the 1964 National Solidarity Protection Law that made the Burma Socialist Programme Party, founded in 1962, the only legal party in Burma. It also declared that the students who took part in demonstrations in the previous period were forgiven their mistakes with the exception of those students who committed crimes.

Hundreds of thousands people in Rangoon hold demonstrations demanding the government to step down.



The military government's measures have eased the tense situation. The grave confrontation between the government and opposition parties has relaxed. The traffic that once was at a standstill has been restored, and shops and banks have re-opened. A large number of government officials and employees, as well as factory workers and staff, have returned to work. But the political situation is not completely quiet.

The government repeatedly states it will practise a multi-party system and hold just and democratic general elections, requesting that the opposition parties co-operate with it. After a law calling for the registration of organizations was issued at the end of September, 28 political parties have registered with the Multi-Party Democratic General Election Commission in Burma and received legal positions. The former ruling Socialist Programme Party was renamed National Unity Party on September 24.

Most of the parties, however, have not yet declared a willingness to participate in the general elections arranged by the military government. General Secretary of the National League for Democracy and daughter of the late General Aung San, who led Burma's independence movement during the 1940s, Daw Aung San Su Kyi recently said that the new parties first want the harassment, intimidation and illegal arrests to cease. Second, they hope to maintain contact with press circles and freely express their views.

On October 23 the National Unity Party laid down a programme with two objectives: The first objective is "to unite the people of all national races including peasants, workers, youth and the intelligentsia for safeguarding the independence and sovereignty of the state and for the attainment of genuine

democracy." The second is "to develop and modernize the country for better living conditions and for the maintenance of a peaceful life for all the people."

Although the military government and the ruling party have adopted many measures to restore order to the country, it seems to be

difficult to realize in a short period. Observers believe that the recent developments have resulted from economic deterioration and a lack of democracy. Once the desire of the Burmese people is met, the situation will soon return to normal.

by Gui Tongchang

EAST-WEST EUROPE

Economic Parley, Developing Trust

Agreements between the European Community and the Council of Mutual Economic Assistance are opening up new avenues for trade and economic co-operation between West and East European countries.

Since June 25, when the Council of Mutual Economic Assistance (COMECON) agreed to establish relations with the European Community (EC), the Soviet Union and other East European countries have been building their own diplomatic relations with it.

On September 26, Hungary became the first to sign an agreement on trade and economic co-operation with the EC. Now Czechoslovakia, Bulgaria and Poland are negotiating similar agreements; Democratic Germany has expressed a desire for one; and the Soviet Union has contacted EC unofficially about a co-operative agreement.

Most of these East European countries have also enacted laws protecting the establishment of jointly funded enterprises with the West. According to Belgium's Foreign Trade Department, EC and six COMECON countries, not including Democratic Germany, have opened 175 jointly funded enterprises.

Jozesef Marjai, deputy chairman of the Council of Ministers of Hungary, said at the signing ceremony of the EC-Hungary

agreement: "The total abolition of political and military antagonism and the economic, scientific and technical separation created between the two parts of Europe could allow our continent once again to play its historical role in the evolution of civilization."

Willy de Clercq, EC's external relations commissioner, predicted that co-operation between Eastern and Western Europe would strengthen their interdependence and disperse an atmosphere of hostility and non-confidence.

Of course, the desire to develop trade relations and co-operation between the two parts of Europe comes out of mutual needs in economy and politics.

In competing with the United States, the Soviet Union needs to import both funds and technology. However, East European exports to EC, mainly fuels and raw materials, have been hit by the falling prices of such products at world markets. The export income of COMECON countries in Europe decreased in 1987 by 27.8 percent compared with 1985. Yet foreign debt in these countries increased to US\$102 billion in

1987 from US\$61 billion in 1984. Unless the East European countries can strengthen industrial co-operation with Western Europe and increase exports of industrial products, they will not be able to enhance their economic strength or pay back their debts.

The Soviet Union and East European countries are also concerned about protectionism that may result when the EC establishes its unified market in 1992. On October 11, Soviet leader Mikhail Gorbachev expressed concern over the possibility of the EC's locking itself up in such a market.

At the same time, the EC wants to use the present relaxation between the East and West to open up markets in Eastern Europe. The Belgian newspaper *Evening News* said no businessman with a clear head would neglect a potential market with 280 million residents and give it up to competitors.

De Clercq pointed out that the agreement with Hungary, which is undertaking major reforms, is a political signal for other East European countries, encouraging them to continue their reforms and open further to the West.

But difficulties still remain. Trade volume between EC and COMECON nations has been falling over the past few years. De Clercq noted that lack of foreign exchange, weak competitive ability of products, heavy debt in East European countries and a drop in prices of raw materials on the world market are chiefly responsible. The differences in economic systems, poor communication facilities and lack of professional skills among workers often disappoint Westerners who run jointly funded enterprises in East European countries.

Nevertheless, reports said that Federal Germany and Italy provided US\$1.6 billion and

US\$775 million trade credit in October for the Soviet Union, and British banks were to supply the Soviets about US\$2.6 billion in export loans.

The strengthening of East-West European co-operation is making the United States uneasy. It worries that the Soviet Union will use technology gained from West European countries, especially strategic technology, to strengthen its national power.

Some of the West European states are also reluctant to run the risk of transferring their technology. Up to now, EC says it is premature to consider negotiations on technical co-operation. So, as commission president Jacques Delors says, the EC still keeps a policy of co-operation and vigilance towards the Soviet Union and other East European countries.

by Le Zhude

SOUTHWEST AFRICA

Bartering Stalls Namibian Freedom

Namibia's date for independence, originally set for November 1, is postponed for several months due to the unsettled timetable for withdrawal of Cuban troops from Angola.

Recently, South Africa extended the deadline for implementation of the United Nations Security Council Resolution 435 on Namibian independence to January 1, 1989. Previously, Angola, Cuba, the United States and South Africa had suggested to the United Nations that November 1, 1988, be the date for starting the process of Namibian independence. Why has the event been delayed?

The key reason is that concerned parties have not agreed upon a schedule for the withdrawal of Cuban troops from Angola. Beginning last May, Angola, Cuba, the United States and South Africa held a series of talks in London, Cairo, New York, Geneva and Brazzaville. Those talks broke a long-standing deadlock on the Southwest Africa problem, making apparent progress. In mid-July, the four parties reached a 14-point agreement in principle in New York. It included implementation of the UN Security Council's Resolution 435, the phased withdrawal of all

Cuban troops from Angola and resolution of conflicts through negotiations, not force. Henceforth, the tense Angolan situation calmed down. On August 22, Angola, Cuba and South Africa formally signed a ceasefire agreement and established a tripartite committee of military supervision. On August 30, South Africa finished withdrawing from Angola one day before scheduled.

Although the four parties agreed in principle on the Cuban troops withdrawal, there was controversy concerning the timetable for withdrawal. At first, Angola and Cuba suggested a four-year plan, while South Africa insisted on eight months. Later, Angola and Cuba reduced their plan to three years, but South Africa only agreed to one year. A compromise twenty-months proposal, offered by the United States, was rejected by both sides.

There was also disagreement on the number of troops to be withdrawn initially. South Africa demanded that the majority of

Cuban troops be withdrawn from Angola within the first year, but Angola and Cuba rejected the idea.

The head of the Cuban delegation stated on October 10 that the essential problem was not the time of withdrawal, but the method and conditions under which it occurred. In consideration of Angola's security, he said, Cuba was prepared to withdraw orderly and honourably. Angolan President Jose Eduardo dos Santos said, on October 18, that his country supports some Cuban troops remaining in Angola in order to keep the peace and ensure

South Africa's withdrawal from Namibia. In contrast, South Africa linked the Cuban troops' withdrawal from Angola with Namibia's independence.

Namibian independence and the hostilities in Angola are two different problems. However, since the United States first linked these issues in 1981, South Africa has been insisting that the withdrawal of Cuban troops is a prerequisite for Namibian independence. Pretoria's demand is, in fact, an obstacle to Namibian independence.

by Wun Xian

BRAZIL-USSR

Bilateral Ties Enter New Stage

The recent visit to Moscow by Brazilian President Jose Sarney marked a milestone in the relations between Brazil and the Soviet Union.

Brazilian President Jose Sarney brought back a basketful of bilateral agreements from his visit to the Soviet Union from October 17 to 21. After many rounds of talks between him and Soviet leader Mikhail Gorbachev, the two sides released a Declaration on the Principles of Struggling for Peace and International Co-operation, signed a co-operation protocol on space exploration and the peaceful utilization of outer space and a series of other agreements on strengthening bilateral ties in diplomatic, economic, trade, cultural, scientific and technological fields.

Sarney was the first Brazilian president to visit the Soviet Union since the two countries established diplomatic relations. Observers in Brasilia believed that the visit showed that the relations between the two countries have made much progress, a result of internal reforms and external readjustments carried out in the two

countries in recent years.

Historically, Soviet-Brazilian relations were cool and strained for a long time. Brazil announced twice to sever relations with the Soviet Union. The military government that came to power in 1964 pursued a pro-Western policy—the "automatic alliance" with the United States—to bolster relations with the West in political, economic, military and diplomatic fields. Though Moscow showed a great interest in improving ties with the South American power, it did not make much headway in its attempt to do so.

Since the mid-1970s, with the expansion of its economic strength, Brazil has become more and more aware of its political independence. The wave of democratization in Latin America forced the military government to carry out a policy of democracy, openness and political restructur-

ing. As a result, external ties were adjusted and trade with the Soviet Union and Eastern Europe increased. But Brazil still kept a wary eye on Soviet activities in Latin America and distanced itself from the Soviet Union.

Over the past few years, the world political atmosphere has changed markedly. Since assuming office in 1985, President Sarney, while completing the transition to democracy and implementing the policy of economic adjustment, enhanced his country's links with foreign countries by advancing the policy of developing relations with all countries, including those with different ideologies.

The Soviet Union, in the meantime, also launched reforms in internal and external policies. This gradually convinced Brazil to change its attitude towards the Soviet Union, and the bilateral relations began to thaw. In late 1985 Brazilian Foreign Minister Olavo Setubal paid his first visit to Moscow, and in October last year, Soviet Foreign Minister Eduard Shevardnadze returned Brazil a visit, thus opening a channel of high-level political dialogue and of bilateral co-operation in trade and technology.

President Sarney emphasized during his stay in Moscow that his visit indicated that the era in which Brazilia judged international relations by ideological standards has ended.

Another important factor behind Brazil's urge to develop relations with the Soviets is the desire to seek a partner for commercial and technological exchanges. At present, the South American giant is stepping up its efforts to develop its own economy and technology in a bid to catch up with the West.

by Lan Chaiji

Developing Science & Technology in China

The following are excerpts from a speech made by Zhou Guangzhao, president of the Chinese Academy of Sciences, at the 22nd General Assembly of the International Council of Scientific Unions.

On the whole, the development of science and technology in China from 1949 to 1966 was comparatively fast. By the end of the 1950s, China had already built up a self-trained team in nuclear science and technology. In 1956, an ad hoc team consisting of many scientists was organized to discuss and formulate a 12-year plan to develop 16 priority disciplines including nuclear physics, semiconductors, biophysics, genetics, computing mathematics, geochemistry, and newly emerging technologies such as electronics and automation. Most of the tasks set in this 12-year plan were fulfilled ahead of schedule.

By 1965, the Chinese Academy of Sciences alone had 106 research institutes and 24,714 scientists and technicians, respectively 53 and 110 times more than when it was founded in 1949. In circumstances when the mainland was blockaded from the outside world, important scientific problems arising from the construction of national economy and defence were all solved through our own efforts.

The chaotic "cultural revolution" (1966-76) gave a devastating blow to the fast-developing science and technology in China. However, since 1978, due support has been given to scientific and educational work with the new policies of opening to the outside world and adopting reforms. In the last ten years, Chinese scientists and technicians have lost no time in learning what other countries have achieved with exceptional enthusiasm and stamina. By the end of 1987,

China had sent 56,000 scientists and students abroad. With the support and help of their foreign colleagues, many of them have completed their studies and become the backbone of research work after returning to China.

By 1987, China altogether had 1,612,000 senior and middle-level scientists and technicians working in universities, research institutes or the defence sector.

Scientific Achievements

Since 1949, China has made substantial achievements in many scientific and technological areas. Here I would like to cite a few examples:

1. Large-scale survey, prospecting and integrated research on

China's natural resources and environment; formulation of a strategy and regional plan for local resource exploitation, ecological environment protection and economic development; desert control and amelioration of saline soils, red soils and soil erosion; research on the mechanism and dynamics governing the formation of the Qinghai-Tibet plateaus and their impact on the natural environment of East Asia; development of the theory of continental genesis of oils leading to the discovery of rich oil deposits; development of the strata-bound mineralization theory, which has helped in locating metallic ore deposits.

2. In agriculture, the main research achievements have been: Experiments and applications in

Zoologists of the Shaanxi Animal Research Institute examine wildlife in the "no man's land" of northwest Tibet.

TANG ZHAOMING



ecological agriculture in various areas and the improvement of harvests on medium- and low-yield land; distant hybridization technology and chromosome engineering have been developed to produce new varieties of high-yield, quality rice, wheat, cotton, corn, rape and tobacco; biological prevention and control of plant diseases and insects; the successful control of the East Asian migratory locust. Since 1949, China's annual grain output has increased from 200 million tons to 400 million tons, so that now China feeds over one-fifth of the world's population with only 7 percent of the world's arable land.

3. New technology: China, through the efforts of its own scientists and technicians, has developed its nuclear and space industries. Now China can make communication and meteorological satellites, recover satellites and launch earth synchronous satellites. It also provides a satellite launching service for foreign customers.

In recent years, computers have been widely used in various fields. A 100 MIPS super computer and a 10 MIPS vector computer have been developed and made available for oil prospecting and weather forecasting. CAD, image recognition and information communication networks have also developed rapidly. Particularly, outstanding achievements in information technology have been made by Chinese scientists in Taiwan.

Non-linear optical crystals, rare-earth permanent-magnetic materials, engineering plastics and other new materials developed by Chinese scientists are produced on a small-scale and are available for domestic and world markets.

4. Health care and biotechnology: Chinese medical scientists have made great contributions to cancer prevention and treatment, Chinese herb medicine research,

family planning, microsurgery, treatment of extensive burns and acupuncture anaesthesia. Research on hepatitis B vaccine, human growth hormones, interferon and penicillin acylase have been completed in the laboratory using genetic engineering. Some of these are now in pilot production. Biotechnology has also been applied to the diagnosis of hepatitis, haemorrhagic fever and cancer.

5. In basic research, Chinese biologists and chemists have succeeded in artificially synthesizing crystalline bovine insulin in the 1960s and yeast alanine tRNA in the late 1970s. In recent years, achievements of world level have been made in understanding the mechanisms of expression, regulation and control of nitrogen fixation genes, the three dimensional structure and the function of biomacromolecules, and plant regeneration from protoplasts of corn. Other results which have enjoyed high praise from our foreign colleagues are the discovery of the five-fold quasi-crystal and the octagonal quasi-crystal, research on high temperature superconductors and the making of the solar magnetic field telescope. To strengthen basic research, a number of key laboratories, astronomical observatories and accelerators have been established.

Meanwhile, in recent years, the academy located in Taipei led by President Wu Dayou has made great progress. Not long ago our Taiwan colleagues reported new progress in their research on high temperature superconductors.

International Exchanges

For nearly 30 years from 1949, communication between China's mainland and the Western world in science and technology was cut off. This brought untold dif-

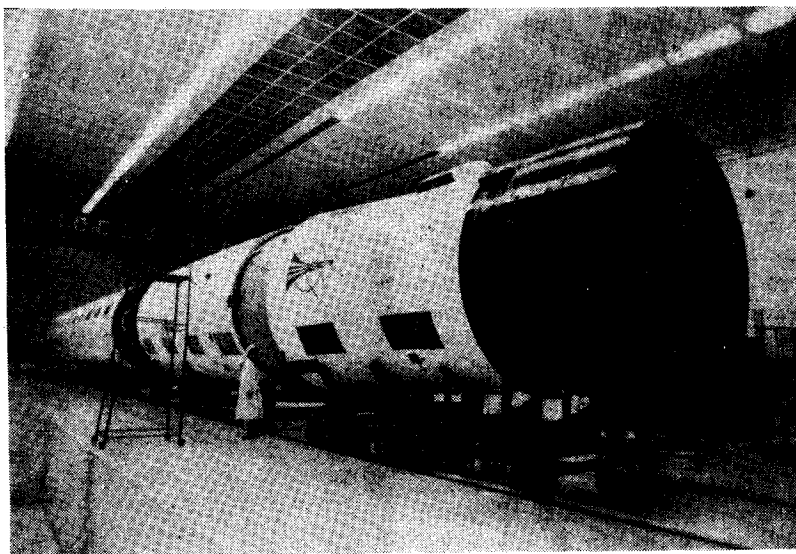


LI GUANGKUAN

Chinese scientists on an investigatory trip to the Taklimakan Desert in Xinjiang.

ficulties to the development of science and technology in China. However, we can never forget the courage displayed by some scientists who extended their friendly hands to us during this period. Among them are Joliot Curie of France, Joseph Needham of the United Kingdom, Wilbur Norman Christiansen of Australia, Niels Bohr and Aage Bohr of Denmark, and Shoichi Sakata and Shinichiro Tomonaga of Japan, and many overseas Chinese. We will also remember the friendship extended to us in the 1950s by many Soviet and East European scientists.

In the 1980s, the open policy adopted by China has created favourable conditions for us to undertake international exchanges and co-operation in the area of science and technology. By the end of 1986, China had established co-operative relationships with 106 countries and regions, and had signed governmental agreements on scientific and technological co-operation



China's three-stage "Long March IV" rocket.

YANG LIMING

with more than 50 countries. It is estimated that in 1986, governmental and non-governmental scientific and technological co-operation generated 10,000 items. These involved more than 40,000 personnel exchanges in both directions and included more than 2,000 international conferences in which Chinese participated. Of these conferences, 100 were held in China.

Reform and Prospects

The institutions for scientific research established under the planned economic system have played a positive role in concentrating resources and efforts in accomplishing national tasks, especially in the areas of the economy and defence. However, there exists a series of problems, which do not suit the further development of society.

The main one has been the lack of organic connections between research institutions, universities and enterprises preventing scientific results from being rapidly transformed into productive forces. Simultaneously, enterpr-

ises, facing no pressure to improve the quality and variety of their products, have not become the motive force in the development of science and technology.

In addition, equalitarianism in distribution (known as the "big-pot" system in China) and universal employment insurance (the so-called "iron rice bowl") have left research institutions overstaffed, inefficient and content with the status quo. Thus, the development of science and technology in China has been severely hindered.

The reform of scientific and technological system cannot deviate from the practical national conditions in China. Two points should be mentioned here:

1. Large population. The population of China more than doubled in the last 40 years. It has now reached 1.08 billion, or more than one-fifth of the world's population. At present, with a strict birth control policy, the birth rate is 0.21 percent. Even with this, the population of China will increase by 200 million by the end of this century. In other words, within 12 years it will grow by a number comparable to the

present population of the United States. The basic necessities of life, including education and health care, of such a huge population will become a big challenge to China's economy, science and technology.

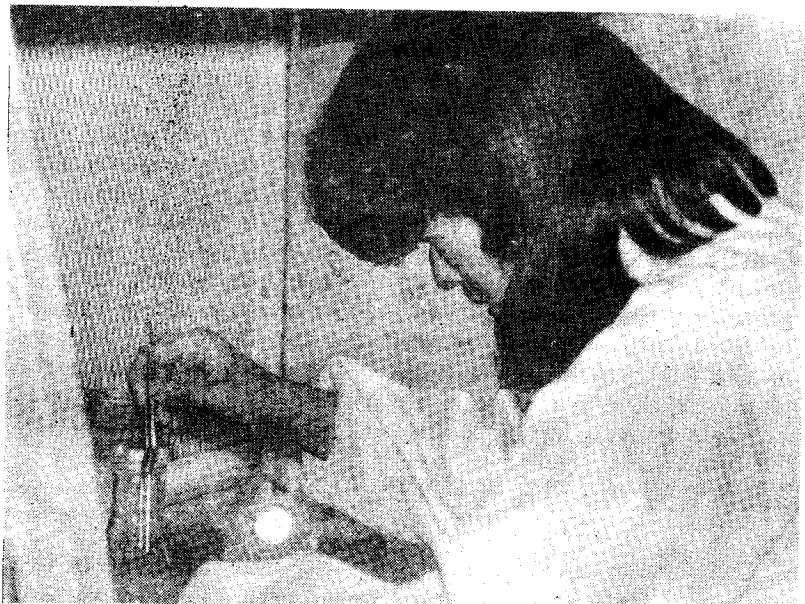
2. Relative shortage in natural resources. Although China has a territory of 9.6 million square kilometres, deserts, plateaus and severely cold and arid areas constitute a large part. Average arable land per person is less than 1.5 *mu* (0.1 hectare). Forest land is estimated to be only 11.5 percent. China is also deficient in some important energy and mineral resources like petroleum, gas, iron, copper, and phosphorus.

Overpopulation combined with overexploitation of soil, forests and other natural resources and the emergence of small and low-tech enterprises have caused serious environmental pollution and will severely hinder further development.

The above-mentioned conditions have determined that the primary task for our scientists is to develop our national economy. Since China's economic system is undergoing a transition from a planned to a plan-guided market economy, our scientific and technological system should also be reformed accordingly.

The essentials of this reform are as follows:

1. To apply different funding and administrative policies to research institutions according to the different nature of their work. To support basic research, a national natural science foundation has been established and a peer review system adopted. The government has also allocated special funds to establish a number of key laboratories and to support research into natural resources, the environment, ecology, basic data etc., through key national projects. We are starting to steer our technological develop-



XIA DAOLING

A scientist of the Chinese Academy of Sciences' Plant Research Institute studies a culture of corn protoplast.

ment work towards the market and to encourage integration with enterprises. Additional funds for further development by technology transfer and product marketing will be made available. The national "spark plan" and "torch plan" have been worked out to serve this purpose.

2. To expand the autonomy of our research institutes and lessen governmental administrative interference. To abolish step by step the "big-pot" distribution system and the "iron rice-bowl" employment status by introducing market and competitive mechanisms.

3. To open our research institutes still wider to the whole country and the world. We will encourage the flow of talent between different institutions, promote personnel and information exchanges, and strengthen lateral ties among our scientific research institutes, universities and enterprises.

4. While emphasizing national economic development, we will continue to keep a rational balance between basic, applied and development work.

Although a great number of people are aware of the drawbacks of the old system and the pressing need for China to develop its economy, science and technology, the reforms we are undertaking are by no means simple and easy. This means changing the conception of value and the life-style to which millions of people have been accustomed to for a long time. These are the mechanisms and structural components by which the whole of society operates. Therefore, there will inevitably arise throes of reactions, and the speculative activities and illegal practices that have emerged in the transition from the old to the new will undoubtedly intensify this painful process. At present, Chinese intellectuals are suffering from high prices, low income, and poor living and working conditions. Nonetheless, most of them still remain optimistic and are confidently playing their part in the reforms.

A large number of scientists have stepped out of their laboratories into enterprises and succeeded in commercializing

some of their research. A new team of entrepreneurs with a scientific and technological background is being formed. They will serve as a bridge linking science and technology with enterprises and the market place under the new economic system.

Because of China's national condition, the following areas of science and technology have been prioritized for development in the 1990s:

- Land management, resource investigation and their rational utilization, ecological and environmental protection, weather and catastrophe forecasting;

- Agricultural sciences and technologies such as the breeding of high quality crops, prevention and control of plant diseases and, water and soil conservation;

- Medical care and health protection;

- Technological innovation and the automation of traditional industries;

- R&D of new materials such as rare-earth products, semi-conductors, ceramics, high-polymers and their compounds;

- Office automation, computer and industrial processors, CAD, networking and communication systems.

To meet the challenge of the 21st century with limited financial support from the government, we have worked out a plan for researching and tracking high technologies. A small number of strictly selected targets have been defined in such fields as space technology, biotechnology, artificial intelligence, computer-aided production, new materials and advanced nuclear-reactor technology.

The Chinese Academy of Sciences and other institutions of higher learning bear the main responsibility for basic research. Because of the actual economic and financial conditions in China, for ten years it is unlikely we will

undertake any big scientific projects consuming large amounts of money. Emphasis will be laid on those important areas which can be developed quickly with relatively little investment, such as non-linear mathematics and sciences, condensed matter physics, life chemistry, the structure and functions of biological macromolecules, the neurological network, and global climate changes.

China has the greatest number of industrious, studious and creative young people in the world. They are our most precious treasure and the hope of China. We believe, that with the establishment of a new system of science and technology, their wisdom and talent will be given full play. The youth of the next generation will be open-minded, eager to learn advanced science and technology and managerial

knowledge. They will be adept in applying what they learn to economic construction and scientific pursuits. China's contribution to the world science and technology development has been very small in the last few centuries. But we hope the young generation of China in the 21st century will feel no qualms in both facing their ancestors and making important contributions to the development of world science and technology.

Review on a Year of Change & Preview

In the past year, more than 260,000 Taiwanese have returned to visit relatives or tour the mainland. At the same time, economic, cultural and academic exchanges have expanded fast. An examination of the shifts in policy and opinion since last November reveals that a turning point has been reached in relations between the mainland and Taiwan.

by Li Shulwang

Marked changes have taken place in the relations between the two sides of the Taiwan Straits in recent years. On July 28, 1987, the Taiwan authorities lifted their ban on Taiwanese entering the mainland through Hong Kong or Macao. On November 2, they allowed some visits to relatives on the mainland and permitted the indirect import of non-political publications.

These developments have occurred since the CPC Central Committee published its policy for China's peaceful reunification in 1979, which allowed normal contact on the mainland between people from both sides of the straits after nearly 40 years of separation.

The author is the director and associate researcher of the Political Research Department of the Taiwan Research Institute under the Chinese Academy of Social Sciences.

Clearly, a turning point has been reached, as an examination of the shifts in policy and opinion since November 2 last year reveals.

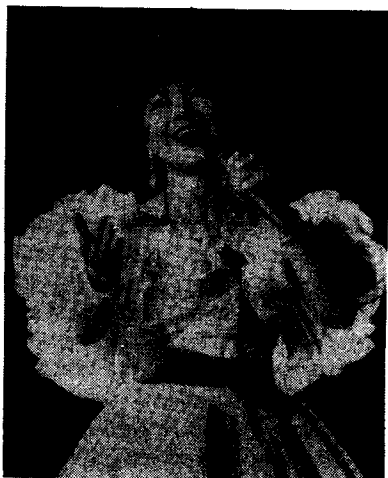
Demands for Contact

Since the relaxation of the total ban on travel to the mainland, many Taiwanese have voiced

Taiwan compatriot Han Ching-Piao is welcomed by his wife and daughter at Jixi Railway Station in Heilongjiang Province.

GAO WEIYI





TANG SHIZENG

The popular Taiwanese singer, Wang Hsiu-ju gave a performance on the mainland to celebrate New Year's eve, 1987.

strong resentment that military personnel, government employees and teachers are still prevented from visiting their relatives. There are also demands that people from the mainland should be able to attend funerals, visit sick relatives or settle in Taiwan.

Representatives of industry and commerce in Taiwan, particularly those from small and medium-sized companies, have called on the Taiwan authorities to lift the ban on imports of raw materials from the mainland, to allow direct trade across the straits, and to permit investment in the mainland.

According to a survey of more than 1,000 large manufacturers and 300 service companies conducted by the Taiwanese magazine *Tien Hsia* last May, 32.4 percent of Taiwanese companies intend to invest in the mainland — almost equal to the 38.2 percent who said they wished to continue investing in Taiwan.

Cultural, academic and sports organizations in Taiwan have repeatedly appealed for the normalization of relations in their respective fields. A poll sponsored by the *Independent Evening News* revealed that most Taiwanese

favoured "an all-round opening" of exchanges in these areas: more than 80 percent of those questioned felt Taiwanese should be allowed to travel to the mainland as tourists or reporters; 67 percent favoured cultural, academic and sports exchanges.

As well as attacks from the Taiwanese media and the island's industrial, commercial, cultural, academic, and political circles, many Kuomintang (KMT) legislative committee members and national assembly representatives have castigated the Taiwanese authorities' reluctance to further loosen prohibitions on contact with the mainland. They have denounced the KMT's mainland policy as "being too conservative" and "lacking openness and realism." They have demanded that the "three no's policy" (no contact, no negotiation, no compromise) be revised, and that extensive people-to-people exchanges should be allowed so that a new mainland policy that is "forward looking, open, realistic and feasible" can be worked out. Many constructive suggestions have been offered. Organizations aimed at promoting exchanges across the straits have been established, including the "In-

dustrial and Commercial Group for Visits to Relatives," the "Tourism, Economic and Cultural Exchange Group," the "Federation for Non-Governmental Exchanges," the "Association for Promoting the Rights of Taiwanese to Visit Relatives in Their Hometown," and the "Association for the Promotion of Peace Across the Straits."

Fast Expanding Exchanges

In the past year, exchanges between the mainland and Taiwan have multiplied.

Visits to relations. The Taiwanese authorities have announced that from November 2, 1987, to August 31, 1988, around 229,000 people applied to visit relatives on the mainland, and the number has continued to rise. According to the mainland's statistics, more than 260,000 Taiwanese had returned to visit relatives or participate in tours by the end of August.

Economic, trade, cultural and academic exchanges. The value of trade between both sides via Hong Kong was US\$955 million in 1986, US\$1.58 billion in 1987

At the 1988 Fifth Young Taiwanese Compatriots' Summer Camp, young people from the United States, Japan, France and Taiwan learn to make dumplings.

DING YUANLI



and is expected to exceed US\$2 billion this year. The Taiwan Foreign Trade Association has estimated that at least 12 percent of Taiwanese import and export companies have established branches in Hong Kong since the beginning of this year. More than 100 Taiwanese firms have invested in or opened factories in the mainland, and several hundred others are "investigating" or negotiating investment deals. Direct trade is thus being conducted with the mainland in the name of indirect trade.

In September, the Taiwanese ship *Chang Hsin* transported people from the island to Naha in Japan, where they boarded the ship *Changrui* to travel on to Shanghai. The fact that Taiwan has opened a navigation route running through Naha to Xiamen in Fujian Province specially for these passengers indicates that a shipping service between the two sides has already begun.

In the cultural arena, some films, telecines, opera and music videos, academic texts and works of art produced either recently or in the 1930s in the mainland can now be sold openly in Taiwan. Publishers from both sides of the straits have also started to co-publish books.

Despite the ban on reporting events from the mainland, correspondents of the *Independent Evening News* arrived in September 1987 to cover various stories. Since then, other journalists have followed suit, claiming they came to visit relatives. Popular Taiwanese artists have also frequently visited the mainland to sing, perform, or simply meet their friends.

Academic exchanges have multiplied fast. This August, Wang Hsiao-bo, Yin Chang-yi and several other leading figures from the Taiwanese History Research Institute took advantage of a trip to see their relatives to meet their

counterparts at the Chinese Academy of Social Sciences' Taiwan Research Institute. For the first time in 40 years, Taiwanese academics thus attended a symposium in Beijing.

This September, the Taiwan Academic Sinica, with the firm support of public opinion, forced the Taiwan authorities to allow a group of academics to attend the 22nd General Assembly of the International Council of Scientific Unions in Beijing. Although they came as representatives of a "non-governmental academic organization," this was the first occasion

that Taiwanese academics had openly arrived on the mainland to participate in an international symposium.

Politicians have made "investigatory" visits despite Taiwan's prohibition against government employees travelling to the mainland. They have included National Assembly Man Wu Chelang and Legislative Committee Member Chiu Lien-hui.

A warm reaction on the mainland. Mainland people have joyfully received their Taiwan compatriots, and Taiwan's industrial products and certain

Members of the China Mainland Affairs Study Group from Taiwan on the Great Wall.

TANG MENGZONG



works of art have been equally appreciated.

It is worth noting that after the death of Chiang Ching-Kuo, the CPC Central Committee immediately sent a message of condolence. And after Li Teng-Hui was elected chairman of the Kuomintang, CPC Central Secretary Zhao Ziyang sent a message of congratulation, expressing the earnest hope that the KMT, the CPC, and all Chinese people would strive to achieve an early reunification of China.

On September 7, *Renmin Ribao*, the organ of the CPC Central Committee, published a prominent and positive commentary on the proposal put forward by Chen Li-fu and 33 other members of the KMT Central Evaluation Committee for the peaceful reunification of China. The article said that although the proposal contained some inappropriate wording, it favoured a peaceful reunification, encouraged dialogue, consultation, mutual trust and co-operation, and was therefore admirable.

On September 22, the Association for Promoting China's Peaceful Reunification was established in Beijing. This organization is aimed at developing contacts between people on both sides of the Taiwan Straits and promoting China's peaceful reunification.

In order to protect the legal rights and interests of Taiwanese firms and factories investing in the mainland, the State Council has formulated and issued a series of Regulations on Encouraging Taiwan Compatriots' Investment, which went into effect on July 3.

New Open Measures

Since the KMT leader Li Teng-Hui came to power, he has delivered a series of talks on Taiwan's relations with the



YANG WUMIN

Professor Yeh Yung-tien (right), director of the Geoscience Institute of the Taiwan Academia Sinica, and Professor Zhu Chuanzhen (Left) of the Beijing Geophysical Research Institute discuss academic matters.

mainland, culminating in the adoption of the "present-stage mainland policy motion" at the 13th KMT Congress held in July this year. This stressed that official relations and non-governmental relations should be dealt with differently. A series of distinctions were drawn between the political and the economic, the political and the cultural, and the government and the people. At the same time, the "one-way, indirect and gradual principle" of allowing Taiwanese to travel to the mainland was upheld.

These ideas have formed the basis for the KMT's gradual relaxation on visits to relations on both sides of the straits and the emerging economic, cultural, academic and sports links. The specific measures introduced in the last six months by the KMT authorities as a result of the changing climate of opinion are principally:

—Expanding the right to visit relatives. Before August 16, Taiwanese could legitimately request permission to travel to the mainland to visit their parents, spouses, children, brothers or sisters. But from this date on, the

range was expanded to include both paternal and maternal grandparents.

—From August 5, controls were lifted on the import of raw materials from the mainland. Now, 50 materials, compared with 30 previously, may be shipped indirectly to Taiwan.

—Controls on transit trade have also been relaxed, thus tacitly consenting to direct trade and investment. For instance, Taiwanese firms and factories are allowed "freely" to set up branches or offices in Hong Kong, rescinding the prohibition on Taiwanese importers and exporters from all contact with organizations and personnel on the mainland.

—Since April 18, the Taiwan Red Cross has handled letters sent to the mainland via a special organization in Hong Kong. Recently it proposed that Taiwan's policy-making authorities allow mails sent to the mainland not to be transmitted by the Red Cross. Other departments concerned also suggested that the policy-making authorities open direct exchange of mail, remittances and air and shipping

services through a third place.

—In July this year, the Taiwan authorities promulgated a series of “Management Essentials” on the entry of mainland publications, films and telecines into Taiwan. This allowed the import of mainland publications on science and technology, history, culture, medicine, public health, tourism and sport, as well as films and telecines provided they were neither financed, published, distributed or produced by the CPC organs and their personnel, nor “involved propaganda on communism.”

—The Taiwan authorities recently decided that, with certain conditions, mainland compatriots could travel to Taiwan to visit seriously ill parents, children or spouses or attend their funerals.

These measures are objectively conducive to increasing economic, trade, cultural and academic contact between the mainland and Taiwan, and so promoting mutual understanding.

Forces for Reunification

As relations between both sides develop rapidly, increasing numbers of Taiwan’s population are concerned about the island’s future and the question of reunification. Forces aimed at peacefully uniting China are developing steadily. The newly established “Hsiachao Fellowship Association,” the “Taiwan Political Victims’ Mutual-Aid Association,” the “Workers’ Party, the Labour Party” (soon to be

established), and the “China Reunification League” all oppose “Taiwan’s independence.” They advocate that, on the basis of visits to relatives, further efforts should be made to establish exchanges of mail, trade, and air and shipping services, and before proceeding to uniting the whole nation as a single political entity.

It should be noted that since the 13th KMT Congress in July, various senior KMT members and other people have been pondering the question of China’s reunification and putting forward constructive proposals. One of these was the suggestion offered by Chen Li-fu and 33 other KMT Central Evaluation Committee members. In an article titled “The Best Plan for the Mainland Policy” published in Taiwan’s

Service workers at the Shanghai Passenger Traffic Station help Taiwan compatriots with their luggage.



Zhou Pelyuan Welcomes the founding of the Taiwan Research Institute in Beijing on August 16.

ZHANG RUIQI



United Daily News, Tao Pai-chuan, national policy adviser to the presidential office, said "opening exchanges between both sides is the best strategem." He wrote that exchanges had been delayed for 40 years, but the recent changes in the climate made it hard to procrastinate any longer. Therefore, new ways had to be adopted and the "three no's policy" revised. Tao also stated that to seek peace now, both sides must first reach mutual understanding by inquiring deeply into all matters concerning reunification, including principles, methods and procedures. This could only happen through contact and consultation.

Many senior KMT legislative committee members and national assembly men of mainland origin yearn to visit their relatives on the mainland. Already one Taiwanese politician, Hu Chiu-yuan, has defied the KMT's ban. In September, he met his relatives and discussed China's reunification with CPC representatives, causing major repercussions in Taiwan.

These facts indicate that the relations between both sides are heading in a direction favourable to peaceful reunification. Of course, obstacles remain. Under the principle of drawing a distinction between government

and private contact, the "present-stage mainland policy" formulated at the 13th KMT Congress allows exchanges subject to certain conditions. But it was still stressed that contact between the KMT and the CPC should be regarded as "relations between ourselves and the enemy,"

It was also emphasized that the "three no's policy" would be adhered to, and the same tired old phrases were trotted out: "Opposing communism and recovering the country," "reunifying China through the Three People's Principles (Nationalism, Democracy and the People's Welfare)," etc.

There was even renewed talk of launching a "political counter-attack" involving political, economic, cultural and ideological infiltration.

In the international arena, the Taiwan authorities have persisted in seeking "dual recognition" through "substantive diplomacy" in a vain attempt to establish themselves as an independent political entity. Their aim is clear: create "two Chinas," or "one China, one Taiwan." As has already been mentioned, the Taiwan authorities have persisted in resisting direct exchanges of mail, trade and air and shipping services. Taiwanese military personnel, government employees

and teachers cannot visit their relatives on the mainland. Many restrictions remain on cultural, academic and sporting links.

Using "security" as a pretext, the Taiwan authorities restrict people from the mainland to travel to Taiwan to visit relatives.

Another factor detrimental to the peaceful reunification of China is the call for "Taiwan's independence." Overtly or covertly, some external forces push for the establishment of "two Chinas," attempting to obstruct all moves to unite the country.

It is my view that the current trend of allowing greater contact will continue to gather momentum. Many of the present indirect links, such as mail and trade, will gradually become more open and direct.

But because the Taiwan authorities still have many misgivings about the CPC's reunification policy and still harbour many illusions about the future evolution of the island's development, they will not easily surrender their "three no's policy."

Overall, it is unlikely there will be any major breakthroughs in the near future. The longer term prospects, however, offer every reason to believe that the peaceful reunification of China should not be too far off. ■

PLA's Logistics Departments: Market-Minded

Although China is the third largest country in the world, last year it spent a mere one-250th of total global arms expenditure. In order to keep the armed forces properly equipped, the PLA's logistics department has introduced various reforms aimed at turning the army into a major economic force.

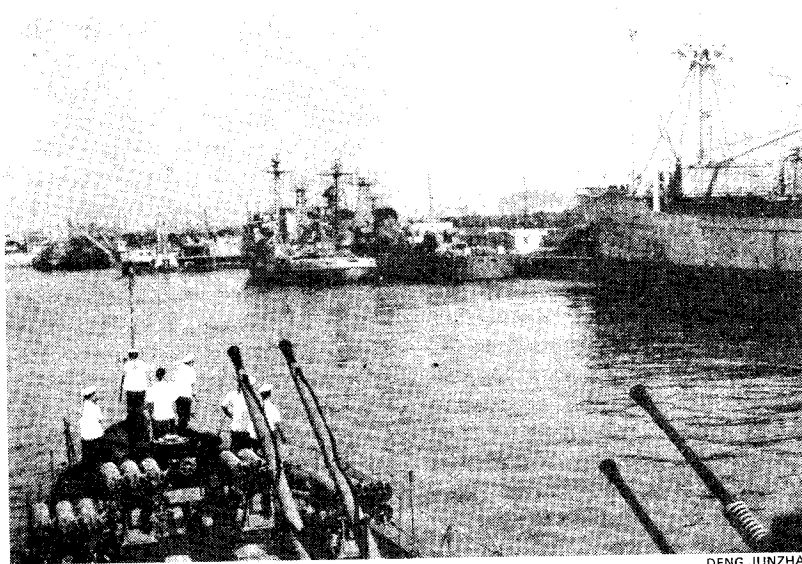
by Guo Chunsheng

Last year, world expenditure on arms came to US\$900 billion. China, a country with one-fifth of the world's population, spent only one-250th of this amount. How

could China manage to provide for its armed forces with such a tiny allocation?

China is now in the primary stage of socialism and its

developing economy cannot support much growth in military expenditure. Economic reforms, such as those implemented in the People's Liberation Army's log-



DENG JUNZHAO

The navy's base in Qingdao has opened its port facilities to civilian ships.

istics departments, have helped fill the shortfall in military allocations. Three basic steps are involved in the reforms.

No Longer a Consumer

All armed forces in the world, no matter what country they serve, form a group of consumers, and China's are no exception. But the Chinese forces have something different from most of them. Over the years they have fostered a tradition of plain living. But with the latest economic reforms, the country's armed forces are recognizing the importance of developing production within the supply system to relieve as much as possible the burden they place on the state. Now production is serving both military and civilian needs.

Since 1985, all armed forces' hospitals have been open to the community, as have their warehouses, airports, harbours, maintenance and repair centres, gas stations, supply factories, and service co-operatives. Army hospitals treat 20 million out-patients

and 1 million in-patients every year. Supply factories have turned out thousands of commodities for the market, more than 300 of which received quality awards from provinces, cities or army authorities; more than 100 of the commodities have found their way on to the world market.

The services' logistics research institutes have transferred to non-

military departments more than 300 scientific results, with proceeds totalling nearly 100 million yuan. In so doing, they have not only supported the country's economic construction but also made money to fill the gap left unfilled by state allocations.

Under the commodity economy, the Chinese armed forces are developing production in the hope of making money. To make money, economic laws must be adhered to.

Early this year, Pan Chunjin, a soldier who contracted a farm in 1986 in the Great Wilderness in China's northernmost Heilongjiang Province, became a newsmaker. The farm, which had been operated at a loss for years by the Shenyang Military Area Command, produced four times the quantity of soybean and other cereals last year under the careful management of Pan and netted 390,000 yuan, leading the entire military area command in per-capita profits.

Prior to 1983, about 42 percent of the army's farms ran at a loss and only 25 percent operated efficiently. In recent years, some of the army's farms, orchards, horse

Officers and men of the Eighth Company stationed in Shanghai help with the construction of the Huangpu River Water Diversion Project.

ZHANG NING





SUN XIAOZHEN

A woman worker from the Beijing Television Factory teaches a soldier how to assemble electronic components.

studs and small enterprises were selected to try the contract responsibility system, with much success.

The PLA General Logistics Department recently decided to introduce the director responsibility system to all farms, and grant the director management and production decision-making powers. The moves were designed to encourage independent management and accounting, and to turn the farms into dynamic, financially viable entities.

Stress on Performance

For a long time, China's armed forces were guaranteed materials rather than cash allocations for buying supplies. Logistics officers made a point of stocking their warehouses heavily without considering real needs. In recent years, a series of measures were introduced to cut back on materials supply and dispose of some of the stockpiled supplies to free warehouses for civilian use. In

addition, funds originally earned for medical care, transportation, and construction of barracks have been used by army units to buy needed supplies or order directly from factories. The reform has not only discouraged stockpiling, but saved China's forces an average of 10 million yuan a year.

Another drawback of the system of guaranteed materials supply was that it encouraged a dependence on the upper ranks to provide everything needed. Some unnecessary supplies were simply sitting in storerooms while other much needed materials were not received on time.

Under the old system, all expenditure on drilling and construction, no matter how great, was covered by the state, so vast sums of money disappeared to pay for these expenses.

The logistics departments have now introduced a commodity economy management. For example, they issue what is called "fuel ration coupons" to units which will then be refunded for

any fuel saved. No fuel above the quota will be supplied. The mechanic departments set a quota for possible maintenance and repair expenses, and reward units which spend less than the quota. Under this new system many units are beginning to show restraint when it comes to spending money. Some have become so cost-conscious that they actually make calculations before they buy.

Three Services Co-operate

Each of the three armed services originally had its own supply system so that duplication of facilities was found in most large and medium-sized cities. Each service considered only its own needs. For example, the army's hospitals would not treat patients from the navy and air force, and naval and air force maintenance and repair centres refused to service the army's equipment.

This exclusive form of service was recently replaced by what is called "a unified supply system," under which materials and equipment are available from any nearby supplier whether it belongs to the land, air or naval force. Any patient can receive treatment from any nearby hospital; gas stations offer services to all vehicles; and warships will be provisioned at any harbour, whether they belong to the navy, the army or the air force.

The introduction of this new supply system has made some suppliers busier than others. To encourage those with heavier work loads, a series of reward measures have been introduced. Now army service centres willingly offer services to the navy and air force and naval and air force service centres try to better serve the land forces. A new dynamic supply network is taking shape throughout the entire Chinese People's Liberation Army. ■

Multiple Factors Summon Detente

by Wang Shu

Today, the trend towards detente and dialogue has drawn worldwide attention. The results of this trend, in terms of scale, influence, diversity and complexity, have exceeded people's conventional judgments and estimations. Detente and dialogue will bring about unprecedented changes in the post-World War II balance of power and international economic order. It will also influence the domestic and foreign policies, science and technology and education of countries throughout the world. Therefore, nations are exploring strategies to meet these changes. There are three important factors which have led to the emergence of this trend.

Decline of the Two Superpowers

First, the United States and the Soviet Union are waning, and a multipolar world is looming. In the 43 years since World War II, there has been a rivalry for world dominance between the United States and the Soviet Union. Taking advantage of their war victory, the two superpowers organized military blocs, engaged in a fierce arms race, interfered in regional conflicts, and even directly invaded some countries. In the end, however, they could not bring the countries to their knees and conquer the world; on the contrary, they found themselves in a political and economic mire that has shaken their

superpower status. As a result, their influence on world affairs dwindled tremendously.

During the same period, however, Japan ascended from being a defeated nation to becoming an economic giant and creditor, ready to assume the role of a major political power. The Federal Republic of Germany also rose to become one of the biggest economic powers. Some countries and regions that used to receive preferential treatment from the United States, the "Four Little Dragons" in Asia—South Korea, Taiwan, Hong Kong and Singapore—in particular, likewise prospered.

Now, the United States' dominating role in the capitalist world is being shared by Japan and the European Community. The emergence of this multipolarity will certainly reduce the dependence on superpowers of various countries and increase their independence. These countries are gaining influence matching their own strength and, in this manner, forming a new balance of power, diversifying and complicating international relations. Of course, the United States and the Soviet Union will continue to contend with each other, but their emphasis will shift from rivalry for military superiority and regional influence to the fields of economics, science and technology—a rivalry for gaining superiority in comprehensive national strength.

Both superpowers will have to evaluate the evolution of international relations since World War II and their past policies. They are unable to continue their intense race due to heavy burdens,

internal and external. Through detente, they can concentrate their energies on internal reforms and readjustment in the hope of maintaining their status as superpowers.

Rise of New Industrial Technology

Second, a new industrial technological revolution centering round information technology is rising. By the beginning of the next century, some advanced scientific and technological breakthroughs will bring fundamental changes to social production and activities, international economic order and international relations. Countries around the world have felt that only with the development of high-technology and its immediate introduction into the production process can they gain a superior comprehensive national strength. This will determinate their status in the world in the next century. Therefore, many countries, especially the developed countries, have begun to compete internationally for superiority in sophisticated science and technology. At the least, they desire not to lag behind others.

Furthermore, the development of information technology will make major countries' activities in the production, trade and banking fields become part of a more integrated world network. Some global issues concerning economy, trade, science and technology, and environmental protection also need common concern and joint efforts to resolve. Therefore, influence and dependency between nations is deepening.

The author is the president of China Institute of International Studies.

Expansion of Economic Reform

Third, nearly all countries of the world are currently engaging in their own economic reform and readjustment in structure and policies. This trend began to appear at the end of the 1970s and continued into the 1980s.

The Soviet Union's extensive economy and enormous military expenditures have led to many problems. Soviet leader Mikhail Gorbachev has judged the hour and sized up the situation, thus deciding to advocate comprehensive changes. This has drawn worldwide attention.

The trade and budget deficits of the United States are high and are not expected to decrease quickly. This problem cannot be underestimated, and the next US president will probably take up the matter

by readjusting the economy. Although Japan and the European Community have made great strides, they are still readjusting unfavourable economic structures and policies in order to maintain domestic development and a high rank in the world market.

Many developing countries are making efforts to sum up their experiences, reform their economic structures and readjust their policies in the hope of easing their difficulties and rejuvenating their economies. They strive to catch up with the developed countries and, at least, not further widen the gaps with these countries. The socialist countries have introduced the market mechanism, developed commodity production and sought ways to combine the planned economy with market economy. Some capitalist countries are now reducing government interference,

sustaining free competition and carrying out privatization. Of course, these efforts are meeting with difficulties and will take time to complete.

The above-mentioned proves that the world situation can be stabilized indefinitely, unlike during the previous post-world war lulls. The danger of a world war is not now great, but the vigilance cannot be relaxed. Regional conflicts are easing, and some of them probably will be solved. Whether solutions are immediate or delayed, situations will not deteriorate further. The decreased tension provides favourable international conditions for China's Four Modernizations and, at the same time, is a great challenge to us. We should pay much attention to the prevailing tendency in world affairs and strengthen our ideology of competition, co-ordination and co-operation in the international arena. ■

FACTS & FIGURES (A Decade of Reform VII)

Education and Reform

by the State Statistical Bureau

Reform and opening to the outside world over the past ten years have brought steady advances to China's educational undertakings. A more rational educational structure has been erected and the situation in which the whole society pay special attention to educational matters has taken shape.

Higher Learning

In 1987, China had 1,063 institutes of higher learning with a

total enrolment of 1,959,000 students—respectively 77.8 percent and 130 percent more than in 1987.

Between 1978 and 1987, 2,716,000 people graduated from institutes of higher learning, 92 percent more than the total in the period 1949-78. Adding the 3,531,000 graduates from other colleges of higher education, 6,247,000 people received professional training, 1.3 times as many as in the 1949-78 period.

This had the effect of increasing the number of college graduates per million of the population from

890 in 1978 to 1,820 in 1987.

Postgraduate training has developed even more rapidly. In 1987, 39,000 graduates began postgraduate courses, bringing the total number of postgraduates in school to 119,000—2.6 times and 9.9 times as many as in 1978 respectively.

Since 1978, 82,000 postgraduates have completed their studies—nearly four times as many as in the period 1949-79.

International educational exchanges have also developed briskly. Since 1978, China has sent nearly 30,000 students to study

abroad, over 10,000 of whom have returned. During the same period, about 10,000 foreign students have studied in China.

In developing higher education, the State has made painstaking efforts to prevent laying one-sided emphasis on increasing the number of schools and students. Primary attention has been paid to maintaining quality and standards. At the same time, special attention has been paid to teaching reform, improving the quality of staff, adjusting the curricula and strengthening scientific research, in the hope of forming a well proportioned structure of higher learning.

Vocational Education

Since 1978, governments and education departments at all levels in China have expended great effort in developing vocational secondary education. Courses have been designed with the country's social needs in mind, and as a result students graduating from technical secondary schools have often become the backbone of production in many factories and companies.

In 1987, China had 16,024 polytechnics with a total of 5,596,000 students—respectively 2.4 times and 3.4 times as many as in 1978.

From 1978 to 1987, 8,643,000 students graduated from technical secondary schools, 1,700,000 more than the total for the 1949-78 period, and the proportion of students attending these schools rose from 18.9 percent in 1980 to 40 percent now.

Adult vocational education has also developed fast following a period of consolidation. In 1978, there were 1,682,000 adults taking vocational courses in secondary schools, 346,000 of whom completed their studies—double the

number for 1984 in both cases.

China's elementary and secondary vocational training has proved both popular and effective. In just under two years, 24,000,000 adults have passed through training schools or classes.

Elementary Education

Currently, 97.1 percent of children reaching school-age enrol in primary schools, 3.1 percent more than in 1978. This means that an extra 4,000,000 school-age children receive elementary education than nine years ago.

Across China, 97.2 percent of primary school pupils and 95.3 percent of middle school students complete their studies. Around 60 percent of counties have had their primary school facilities inspected and approved by provincial governments.

Pre-school education and special education for the deaf-and-dumb or mentally disabled have also been developed.

However some problems remain in elementary education. Some local governments do not oversee the proper implementation of the law on compulsory education, being content to pursue short-term economic interests rather than the needs of the next generation. Enrolment of school age children, particularly girls, remains lower in rural areas than in cities and towns, and investigations have revealed that around 6,000,000 pupils graduating from primary schools do not enter middle schools.

Teaching Standards Rise

By 1987, China had 10,200,000 school teachers, 1,460,000 more than in 1978. Their level of education has also improved. In 1978, 52.9 percent of the teachers had not received either normal or

senior middle school education. By 1987, the figure had fallen to 34.4 percent. The number of teachers with education no higher than middle school has also fallen fast: from 80 percent in 1978 to 57 percent in 1987. Despite this, however, a fairly large part of the teaching body remains under-qualified.

Other problems include a serious neglect of education in normal schools in some areas, where the number of graduates has fallen in the 1978-87 period, and many qualified teachers have left for other jobs due to various reasons.

Educational Expenditure

Between 1979 and 1987, the country's expenditure on educational undertakings totalled 200 billion yuan, increasing on average by 16 percent a year.

Schools have also become safer places with only 7.4 percent of school buildings classified as dangerous, compared with 10 percent in 1980.

National expenditure on education, at 4 percent of national income, however, still remains too low. Many schools have inadequate facilities, and classrooms and halls have collapsed in a few schools, killing or injuring students and teachers.

Overall, education in China has freed itself from the trammels of the decade of turmoil of the "cultural revolution." But although progress has been made, the present condition of education is not strong enough to play its full and proper role in the development of China's economy. The shortage of funds, the straitened circumstances of teachers, and the dispute on the rights of schools to participate in money-making activities make education one of the major topics of debate in China today. ■

China Sees Some Unemployment

"RENMIN RIBAO"

(People's Daily)

Is there unemployment existing in socialist countries? Formerly, we generally replied, "No." In our opinion, the phenomenon of unemployment only existed in capitalist countries; countries with a socialist system should not have unemployment. We called the unemployed "people waiting for jobs." In fact, there is no difference between the unemployed and people waiting for jobs.

According to statistics, the rate of people waiting for jobs in China's urban areas has stood at 2 percent in the last eight years. The real figures may be higher. At present, there are two unemployment phenomena in China's urban areas:

Dominant unemployment. This is mainly labourers who are part of the natural job-turnover rate. Generally we call them people waiting for jobs. By the end of 1987, the total number of such people amounted to 3 million (including dismissed workers and people whose contracts have expired). This kind of unemployment is different from the unemployment caused by a large number of educated youth returning to the cities several years ago. At that time, whenever there was a job available, many educated youth tried to be the first to get it. But now, the occupational demands of the unemployed in urban areas, especially in developed cities, have greatly changed. The unemployed would rather wait than do what they don't like. As a result, some trades in urban areas have to recruit workers from rural areas, while many people in urban areas have nothing to do.

Recessive unemployment. Such people are mainly the large number of redundant personnel in some enterprises. According to a recent survey of Shanghai's 200 enterprises representing 16 trades, conducted by the Economic Development Research Institute under the Huadong (East China) Chemical Engineering Institute, 78 percent to 98 percent of the enterprises are overstaffed. The number of redundant personnel accounted for 14 percent to 25 percent of their total workforce. According to labour departments' estimation, China has about 20 million redundant personnel in urban publicly owned enterprises. They make up about 20 percent of their total employees.

(July 29, 1988)

Urban Women's Current Status

"SHEHUI BAOZHANG BAO"

(Social Guarantee)

Most working women in China's urban areas are also housewives. How are their conditions of life, work, love and marriage? The Suizhou Women's Federation in Hubei Province has recently conducted a survey among married women in the city aged 25 to 52 years old.

When asked "what are you doing at home after work?" All the women surveyed replied, "We mainly do household duties, including washing clothes, cooking and looking after the children." From this we can see that the working women are also shouldering the responsibility of family caretaker. Luckily, 80 percent of the women surveyed said their husbands often helped them.

The survey shows that family caretakers' biggest tasks are to look after the children. According to the survey, more than 70 percent of these women arrange their children's eating, clothing and articles for use, while only 10 percent of the husbands do; the number of mothers who instruct their children in studies accounts for 60 percent, while that of fathers only accounts for 15 percent.

The survey also indicates that 64 percent of married women read books and newspapers or watch television during their spare time. In regard to family expenditures, 80 percent of the wives decide together with their husbands, while 15 percent of the women and 5 percent of the men have the final say.

The survey indicates that the proportion of women with a desire to "work well" make up 95 percent; that of women seeking to "eat, drink and be merry" accounts for only 5 percent. Women hoping to join the Party, be promoted and become advanced workers are 60 percent. Women wishing to be strong willed and ambitious are 30 percent and 16 percent of the women try to be understanding wives and loving mothers. The proportion of women with the desire for "participating in and discussing government and political affairs" is the same as those who are much concerned about prices and their children.

In addition, all women surveyed hope to enjoy true equality between the sexes and between husband and wife. They consider the equality between the sexes the ideal marriage relationship and 70 percent of the women wish to be treated equally, without discrimination, when entering schools, obtaining employment, joining the Party and seeking promotion.

(September 13, 1988)

Sino-Austrian Trade On the Rise

Following the visit of Austria's largest ever trade delegation at the beginning of November, Austria plans to sign a whole series of export contracts with China, according to Alfred Mayer, the Austrian commercial counsellor in China.

The delegation, composed of experts and technicians from more than 40 companies, will give 154 reports on Austria's scientific and technological developments in Tianjin, Shanghai and Guangzhou during its visit from October 31 to November 11. It is the fourth time such a delegation has visited China since October 1986.

Austria plans to export metallurgical and paper-making, foodstuffs, textiles and various other industrial goods to China, while importing various light industrial products, sports goods, chemicals raw materials and machinery in return.

According to official Austrian statistics, despite fluctuations in the balance of imports and

exports, trade between the two countries has expanded almost continuously since 1981 (see table below).

Austrian economic circles also focus on long-term investment in China. As an experiment, in 1983 it signed a contract with China for the joint production of heavy-duty trucks. The equipment, technology and components were supplied by Austria, and five factories in Jiangsu Province and the three cities of Xian, Jinan and Qingdao have operated smoothly. Many of the trucks are now exported.

Some other Sino-Austrian joint ventures, including a shoe factory and artificial gem enterprise in Guizhou Province have also been put into production.

by Yue Haitao

Taian City Seeks Overseas Investors

Taian City in Shandong Province stands at the heart of an area rich in mineral resources. Already reserves of 51 varieties

have been verified, 18 of which have a potential value of 772.6 billion yuan stored in their 50.5 billion tons.

To develop mining and processing of these minerals, which account for 60.8 percent of Shandong's total reserves, the provincial government is seeking overseas investment.

Many minerals are already being exploited. The area's proven reserves of 30.8 billion tons of gypsum and 319 million tons of natural sulphur are the largest in China. Its 2.274 billion tons of coal and 216,000 tons of copper are the second largest in the province, and its 8 billion tons of limestone are the third largest. In addition, 9.44 million tons of sylvite and 7.52 billion tons of rock salt have been unearthed.

Taishan Mountain, which directly overlooks Taian, has easily exploitable reserves of good quality granite, totalling 1.12 billion cubic metres.

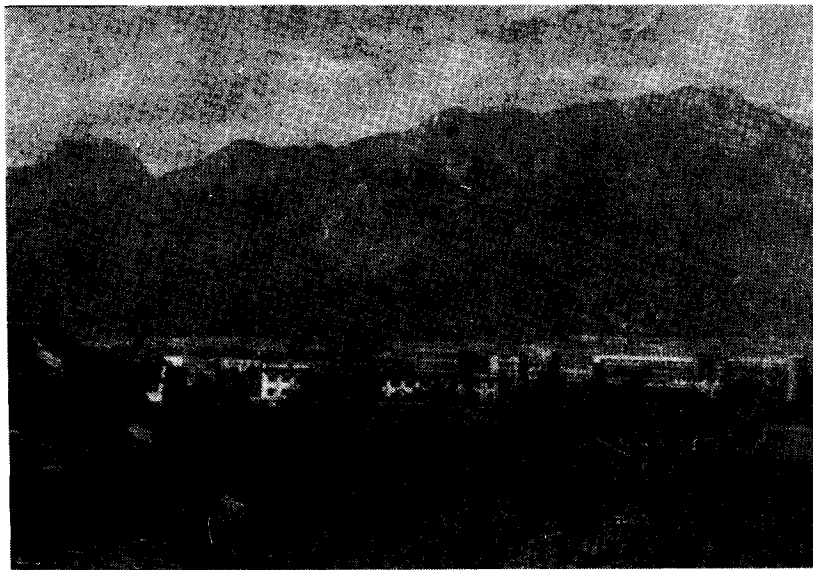
The city has outlined three major areas for foreign investment:

Salt and chemicals. With easy access to local salt reserves, Taian

Austrian Trade With China (excluding indirect trade)

Unit: US\$100 million

Year	Exports to China	Growth rate (percent)	Import from China	Growth rate (percent)	Total trade	Growth rate (percent)
1981	46.0	-46	42.7	30	88.7	-25
1982	55.7	1	29.2	-32	85.0	-4
1983	40.7	-27	31.7		72.4	-15
1984	87.8	116	37.8	19	125.6	73
1985	151.7	3	52.8	39	204.4	63
1986	186.8	3	59.3	12	246.2	20
1987	162.8	-13	108.8	83	271.7	10
1988 (Jan.-June)	73.4	-10	69.2	27	142.5	



LIAN HAISHENG

Left: Taian City lies huddled beneath the Taishan, one of China's five holy mountains. Right: Taian's foreign trade building.

has drawn up a preliminary plan to produce 200,000 tons of table salt annually, which can be readily transported to the nearby ports of Qingdong and Shijiu.

The city also aims to produce 30,000 tons of soda ash annually and use its plentiful limestone and salt reserves to produce 40,000 tons of polyvinyl chloride and calcium carbide products.

Investment of US\$280 million is required to develop these projects.

Granite slate processing. Since importing granite processing equipment from Italy in 1984, Taian has begun to export its granite products. Now it is looking for US\$3.5 million to establish a quarry and a thin slate processing enterprise.

Coal, gypsum and limestone. Around 17 million tons of coal can be mined each year in the area around Taian. To attract further investment in the gypsum and limestone industries as well as coal mining, Taian has drawn up a series of preferential measures for foreign-funded enterprises.

For example, if exports account for more than 60 percent of total

output, they will be exempt from site rent for between five and seven years.

Taian has already successfully attracted some foreign businesses to the area. From 1980 to June of this year, 67 overseas funded enterprises were approved by the city authorities. Of these, 29 have exchanged contracts, with investment so far totalling US\$31.54 million, of which US\$15.42 million has come from abroad.

Operation has commenced at 18 of these projects, and another seven should be running by the end of June 1989.

If all 69 projects go ahead, investment will total US\$118.62 million, with US\$80.84 million coming from abroad.

by Zhang Zeyu

Meijiao Liquor Wins German Prize

Guizhou Province in southwest China has long been known as the home of the world-famous

Maotai Liquor. Now it has a second international prize-winner on its hands following the award of the only gold prize for liquor to Meijiao liquor at the Leipzig Autumn International Fair held this September.

The liquor was praised by people from around the world for its unique taste and high quality, and the judges were unanimous in selecting the 38°, 48° and 55° varieties as the best of the 1,000 brands on display.

This year, the Guizhou Meitan Brewery plans to export 1,000 tons of Meijiao liquor. In the past it has been sold to the United States, Japan, Singapore and Malaysia.

With this gold medal winning performance in Leipzig, global demand for Meijiao liquor is expected to increase, so the brewery aims to produce 500-1,000 extra tons for export next year.

Already the UN energy conference has selected Meijiao for its meetings. And now the German Democratic Republic is discussing an agreement to import the liquor.

by Jing Wei

National Music: Tradition and Renovation

The wailing of *xuns* (oval clay ocarinas) joins the growling bass sounds in a Bouyei folk song from Guizhou Province. This leads into a set of whimsical folk *pipa* (a fretted 4-stringed guitar-like instrument) tunes from Xinjiang, an autonomous region in northwestern China. Together the two different musical images intermingle and create a flavourful new piece entitled *Bright Dream*, a *pipa* concerto by Wang Lin. This is one of the concert presentations of the China Central Ensemble of National Music at a national music seminar held in Beijing last September. It was part of an effort to explore the achievements of national music and ensure the future of traditional Chinese music.

In the 1980s, China's music world has seen new styles being introduced. Apart from Western classical music and Chinese traditional music, the Chinese musical stage has reluctantly accepted some Western music, including disco, rock, jazz and American country music, as well as electronic tunes. As a result, traditional Chinese music meets

challenges from these "outsiders." Can traditional Chinese music keep its artistic appeal? Can it meet the aesthetic and psychological demands of the modern audience? Are traditional musical instruments such as *sheng* (a small bamboo wind instrument with a number of pipes), *xun* and *zheng* (string-plucked instruments) doomed to become "antiques" in museums?

These questions recently drew the concern of a Chinese national music seminar, co-sponsored by the China Central Ensemble of National Music and the China Music Research Institute. Its participants included dozens of the best Chinese vocalists, musicians, conductors, composers, musical critics and music teachers.

During the seminar, the participants attended five national music concerts featuring more than 70 musical pieces presented by instrumental ensembles, soloists, concerto players and vocalists. They summed up the major achievements of national music and exchanged experiences regarding the development of

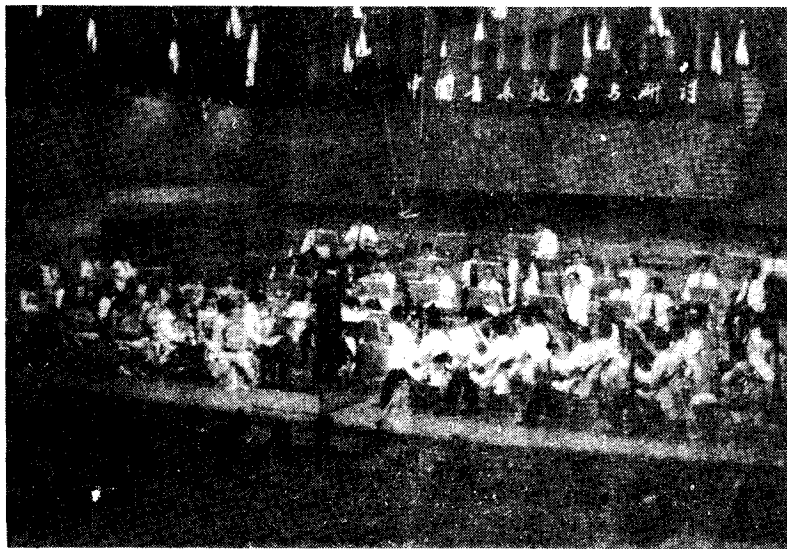
national music in the following areas:

National Orchestral Music: Some people said that at present, most of the national musical ensembles are formed by combining traditional Chinese instruments with Western instruments. They viewed this simple combination as creatively weak and lacking imagination. Most, however, thought that the ensembles could be improved. An editor at the magazine *Chinese Music*, Yu Zhangxin, said that combining the instruments created better ensembles. He suggested that apart from the cello, traditional Chinese musical ensembles should also enlist brass and wood wind instruments in order to strengthen the wind section. He further stated that traditional Chinese instruments such as *sona* (wooden trumpet with a brass mouthpiece and brass open end) and *dizi* (bamboo flute) were good for solos but seem a bit peculiar in an ensemble. Some people at the seminar even cherished the idea of introducing a synthesizer into the national music ensemble.

National Musical Instruments: China's mainland can make the best traditional Chinese musical instruments in the Asian and Pacific region, the seminar agreed. Its products have been exported to Taiwan, Singapore and Hong Kong. China has made much progress in improving traditional instruments. However, the work is far from satisfactory. A young conductor at the Central Ensemble of National Music, Yan Huichang, pointed out: "The renovation of Chinese instruments has developed unevenly. In regard to ensembles, the tenor sections are okay, but the bass and alto sections still remain incomplete." Some suggested that the pitch of Chinese musical instruments be fixed through scientific method to make it more convenient for later changes.

Composer Li Huanzhi (third from left) and Liu Wenjin (second from left) at the seminar.





Yan Huichang conducts at the Central Ensemble of National Music. Photos by SHI JIE

National Vocal Music: In the fifties, Chinese national vocal music paid little attention to techniques concerning the method of voice production. The sole emphasis was on emotion. In recent years, new attempts have been made to improve it, the seminar concluded. For instance, bel canto is now used to sing the Chinese classic song *18 Ballads*.

A young composer at the China Central Ensemble of National Music, Liu Lin, said, "Chinese vocal music has formed its own

system by absorbing Western techniques. Under such a system, many schools have been formed, although it still needs improvements. Different schools should learn from each other for the prosperity of Chinese vocal art."

National Music Composition: Many of the participants at the seminar agreed that there are too few pieces of good national vocal music and instrumental music. How to strengthen the composer's contingent is imminent.

by Lou Xinyue

Bookplates and Miniature Engravings

Bookplates and small engravings are fast becoming popular art forms in China. The growing number of national, provincial

and municipal exhibitions of these creations indicates this new interest. Many organizations have now been set up to study these

skills which are now sought by many professional artists and amateur engravers, workers, peasants and even primary school students.

The art of making bookplates, the labels plastered to the inside cover of a book bearing the owners' name or other identification, originated from Europe in the 15th century and was adopted by China in the 1930s. At that time, some famous writers and young engravers had started using and creating bookplates but it is only in recent years that making bookplates has become a popular hobby of the masses.

Many different materials and techniques of expression are used to make the bookplates. Imagination adds interests to the bookplates: some are kept very simple and some are intricately designed. Using various artistic techniques, artists often draw from traditional Chinese themes and blend them with a sense of the times to attract the attention of readers.

Miniature engravings, another art form which is now receiving a great deal of attention, use themes from real life and offer a glimpse of the inner world of the creators. In contrast to larger engravings, the miniature pieces require very fine craftsmanship and careful detail to the artistic conception and expression.

Here are some works selected from the Second National Bookplates Exhibition and the National Miniature Engravings Exhibition recently held in Dalian. ■

Bookplates done by four woodcut artists: (from left to right) Li Hua, Liang Dong, Yang Keyang and Wang Donghai.



Coastal Triangle Tourism Develops

According to the State Tourism Administration, the plan to develop tourism in the Zhujiang River Delta and to expand the Guangdong-Hong Kong-Macao triangle tourist area is being implemented.

This plan put forth by Guangdong Province in May last year, has attracted attention from domestic departments concerned. After the July 1988 symposium on the development of the Guangdong-Hong Kong-Macao tourist area, China decided to put this plan into practice.

According to Guangdong's statistics, of the tourists visiting China last year, 60 percent entered the mainland via Hong Kong. Many funds, technology and personnel have flowed from Hong Kong and Macao into the tourism industry in Guangdong, which has in turn set up its branch tourism offices in Hong Kong and Macao. Now there is a two-way exchange of tourists.

Experts said that this triangle tourist area which integrates Chinese national culture, the local culture in south China and the combined Chinese and Western culture in Hong Kong and Macao is unique and is expected to have a long-lasting appeal to international tourists. The Guangdong-Hong Kong-Macao tourist area is likely to become a new important area in the Asia-Pacific region.

It was reported that hotels in Guangdong Province have been able to meet present demands, and expressways from Guangzhou to Shenzhen and Zhuhai are under construction. Tourist departments in Guangdong are taking the following measures to step up the construction of this area.

—Setting up a few short-haul travel lines, and strengthening co-operation between cities involved;

—Developing special tourist

programmes according to national living conditions and customs. At present, fine cooking, gourmet, diving, hunting, golfing, motor touring, motorcycling, biking and *qigong* (deep breathing exercises) study tours have been provided;

—Opening scenic spots in the Miao, Li, Yao and Tujia minority regions;

—Establishing overseas representative offices of hotels for foreign tourists coming to visit China.

by Han Guojian

Qing Dynasty Home Open for Tours

In May this year a large residence in Qixian County, Shanxi Province, was opened to foreign visitors. It has been visited by more than 1,800 tourists from Japan, the United States, Singapore, France, Italy, Spain, Hong Kong, Macao and Taiwan.

This Qing Dynasty (1644-1911) residence used to be the home of wealthy businessman Qiao Zhiyong. The Qiao family started business in 1736 and became very prosperous till Qiao Zhiyong's generation (1818-1907). The Qiaos had grain, tea, money exchange and pawn shops all over north China, northeast China and large trading ports along the Changjiang (Yangtze) River, but business declined in the 1940s.

The residence covers an area of 8,724 square metres, of which 3,870 square metres are buildings. Surrounded by streets on three sides, the castle-style residence is encircled with over 10-metre-high walls.

Inside the gate is an 80-metre-long and 7-metre-wide stone-paved path flanked by three courtyards. Each courtyard consists of three or four smaller

courtyards. Altogether there are 313 rooms in the residence. The large courtyard has four main buildings, a gate tower, a watch tower and six viewing towers. The roofs of all the buildings are connected by corridors, convenient for night patrolling.

The buildings in the courtyards are exquisite with various uniquely styled windows and doors and decorated with many brick-and wood-carved patterns of flowers, birds and figures. Each comprises a story, poem or verse depicting the temperaments and hobbies of the owner. Many of the carvings are of very high historical and cultural value.

The residence itself reflects the lifestyle of China's large, rich, feudal families and the outstanding architectural level of the labouring people in ancient China.

—Han Guojian

News in Brief

■ Since the Genghis Khan Restaurant, located in Beijing's eastern suburbs, opened two years ago, it has hosted several thousand foreign diplomats, business people and tourists from more than one hundred countries and regions by serving its unique Inner-Mongolian style dishes. This restaurant is composed of eight Mongolian yurts. When the guests dine, the waiter sings toast songs and plays the *matouqin* (bowed-stringed, horse-headed Mongolian instrument). The choice beef and mutton served are specially brought from the Inner Mongolian pastureland, and the cooking is done by famous Mongolian chefs.

■ The Beijing branch of the China International Travel Service hosted the 2,300-member Japan-China People's Friendship Delegation when it visited China in mid-September of this year. It was the largest tourist group hosted by the travel service since it was established 30 years ago. ■



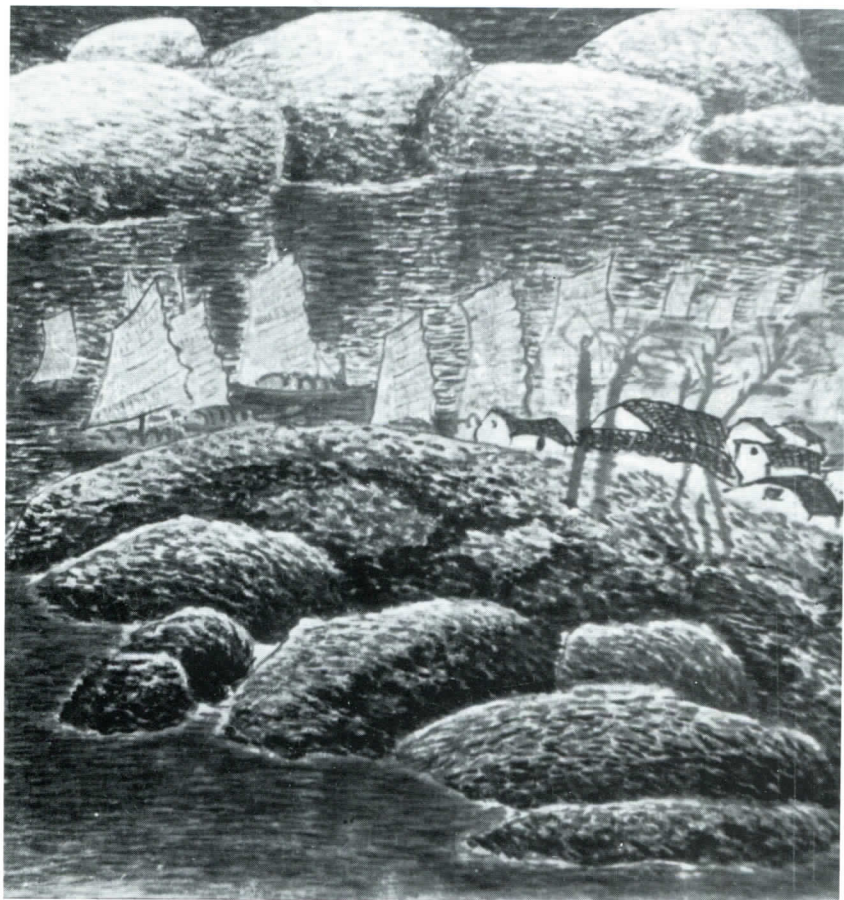
Bright Moon.

ART PAGE



Mountain and River Landscape.

Fishing Village.



Liu Dechao's Paintings

Liu Dechao, born into a peasant's family in Xiaoxian County of Anhui Province in 1940, is now a director of an agricultural processing factory. He has loved painting since he was a child. Liu Dechao was a self-financed student at the Chinese Painting Research Institute. His works are very rustic and contemporary.

BEIJING REVIEW

A Window on China



Beijing Review, China's only weekly foreign language current affairs magazine, was first launched in English in March 1958. It is now available in English, French, Spanish, German and Japanese. As well as the regular English edition, a North American edition is printed and distributed in the USA.

In January 1988, *Chinafrique*, a monthly in French, was published by *Beijing Review* for distribution in African countries.

The six editions are essentially similar in content but vary to cater for the readership in different regions of the world. The magazine aims to

- provide information on political, economic, cultural and social developments and trends in China;
- offer insight into the theories, lines, principles and policies of the Chinese Communist Party;
- acquaint readers with Chinese views on major international issues.

Beijing Review is an important source of information for overseas government officials, experts, scholars and business people interested in recent developments in China. It is often quoted by foreign media and is used by professors as a source of reference for students of overseas universities.

The back cover of *Beijing Review* carries colour advertisements.

Beijing Review is airmailed to over 150 countries and regions. It is distributed by the China International Book Trading Corporation (Guoji Shudian), P.O.Box 399, Beijing, China.