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Sino-Soviet Relations: Past & Future



Life on the Sino-Soviet Border



A traditional soft drinks stall on a Wuzhou street in Guangxi.

Photo by Wang Wenlan

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COVER: Deng Xiaoping and Mikhail Gorbachev.

New Chapter in Sino-Soviet Relations

□ China and the Soviet Union will bid farewell to the past as Deng Xiaoping meets Gorbachev May 15. Yi Chu, an expert on Sino-Soviet relations, comments that saying good-bye doesn't mean forgetting. Only by drawing lessons from the past can a new relationship be built between the two countries (p. 4).

Sino-Soviet Border Thaw

□ Twenty years ago, the Sino-Soviet border was a scene of military confrontation. Today, as tourists and merchandise travel back and forth, an atmosphere of peace and friendship prevails. BR staff reporter Wu Naitao discovers how the re-establishment of normal ties has boosted business in Heihe City (p. 17). Deputy Governor of Heilongjiang Province also talks about the achievements and problems in Sino-Soviet border trade (p. 15).

Students Return to Classes

□ Following a two-week class boycott and three mass demonstrations, student strike organizers called on all striking students in Beijing to resume classes from May 5. Meanwhile, Party leader Zhao Ziyang made a speech on campus unrest which was well received by both students and the general public (p. 6).

ADB Governors Meet

The Asian Development Bank (ADB) meets for the first time in China May 4-6. While 1988 saw achievements in the ADB's works, ever greater intra-Asia trade and investment is anticipated for the next few years (p. 9).

Civilization and Ignorance

Extracts from an article written by Wang Meng, minister of culture and one of the country's best-known writers, for a theoretical biweekly. Wang argues that ignorance now constitutes the primary cultural contradiction in China (p. 27).

Unless written by Beijing Review staff, the opinions expressed in signed articles do not necessarily reflect the view of the Beijing Review editorial board.

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Sino-Soviet Relations: Review and Prospect

by Our Special Commentator Yi Chu

The Sino-Soviet summit meeting, which is drawing worldwide attention, is to take place on May 15 in Beijing. The summit, the first in three decades, is to accomplish the historical mission of ending the past and opening a new page in Sino-Soviet relations.

As is well known, China and the Soviet Union had a very friendly period in the 1950s. Following that, a serious setback occurred, putting bilateral ties in an abnormal state, characterized by a two-decade-long confrontation in political, military and psychological fields. During this confrontation period, even bloodshed occurred between the two countries in 1969.

This abnormality did no good to the two great neighbours, China and the Soviet Union, which share a common border of more than 7,000 kilometres, nor to peace and stability in Asia and the rest of the world.

Precisely because of this, the Chinese side has all along insisted that Sino-Soviet ties be normalized on the basis of the Five Principles of Peaceful Coexistence (mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence). The Chinese side has made steadfast efforts in this regard.

Positive changes have emerged in the current international situation and a worldwide trend of turning confrontation to dialogue and tension to relaxation is looming. A new period is likely to emerge favouring world peace and development. Under such circumstances, China and the Soviet Union, two permanent members of the United Nations Security Council, have no reason to reject improving their relations.

The Sino-Soviet political consultations at vice-foreign ministerial level, which began in October 1982 with a view to realizing normalization, has played a very active role in relaxing the tension in mutual relations, promoting mutual understanding as well as trade and economic ties. All these have, to some extent, enhanced the improvement of Sino-Soviet relations. But political relations still remain at a stalemate.

The past year or two have seen some positive changes in Sino-Soviet relations which have led to a breakthrough in eliminating the three obstacles in the way of improved relations. The three obstacles are the Soviet support of Hanoi's invasion of Kampuchea, the Soviet invasion of Afghanistan and the heavy deployment of Soviet troops along the Sino-Soviet and Sino-Mongolian borders. It was after this breakthrough that Chinese Foreign Minister Qian Qichen visited Moscow in early December last year, starting the process of normalization. During this visit, both sides strengthened their mutual understanding and common grounds and narrowed differences on the major topic—the Kampuchean issue—and reached agreement in principle on a Sino-Soviet summit in the first half of 1989.

The author is an expert on Sino-Soviet relations.

In February, Soviet Foreign Minister Eduard Shevardnadze paid a return visit to China. Both sides further expanded the scope of their understanding on the Kampuchean issue and, on the basis of this, issued a nine-point statement on a solution. The statement said that both sides agreed that an early political solution had to be worked out to resolve the Kampuchean question in a fair and reasonable way and they were willing to contribute to the realization of such a goal.

During the visit, both sides also agreed upon the date of Mikhail Gorbachev's visit to China at the invitation of Chinese President Yang Shangkun and the topics of the discussions. In regard to future Sino-Soviet relations, both sides agreed that a new relationship should be set up on the basis of the Five Principles of Peaceful Coexistence.

The mutual visits of the foreign ministers of China and the Soviet Union paved the way for the upcoming summit, which will be highlighted by Chairman Deng Xiaoping's talks with Gorbachev. This will mark the official beginning of the normalization of Sino-Soviet relations and turn a new page in their bilateral relations.

Meanwhile, it must be noted that the barriers existing between the two countries have not yet been completely eliminated and that there will be still some work to do after relations are normalized. The old differences and contradictions cannot be completely eliminated at once, and there might emerge some new ones.

The conditions today are finally ripe for both China and the Soviet Union to bid farewell to the past. However, saying goodbye is not the same as forgetting. It is those who are capable of learning from yesterday who are capable of building today and tomorrow. The history of Sino-Soviet relations provides us with much precious experience and lessons, the most important of which is that the Five Principles of Peaceful Coexistence are the most durable ones in handling international relations, including those among socialist countries. Violation of these principles can lead to disputes and even clashes.

It therefore can be hoped that in the future a new, healthy and mature Sino-Soviet relationship that conforms with the needs of the time can be set up as long as both sides strictly adhere to the five principles. The new relationship should be one of peaceful coexistence and good neighbourliness. This is the tomorrow that both the Soviet Union and China should work for together. Such a relationship will benefit not only the two peoples but also the peace and stability of Asia and the whole world.

We warmly welcome Gorbachev's visit and genuinely wish his tour success. May the historic summit live up to the high expectations of both the Chinese and Soviet peoples and the whole international community.

□



On the morning of May 4, 10,000 young people in Beijing in front of the Monument to the People's Heroes in Tiananmen Square took the oath admitting them to membership in the Communist Youth League.

ZHANG RUIQI

70th Anniversary of May 4th Movement Commemorated

The leader of the Communist Party of China (CPC) called on the entire nation to firmly oppose social unrest and maintain stability and unity, which he says is essential to reform and modernization.

Addressing youth at a May 3 meeting to commemorate the 70th anniversary of the May 4th Movement, Zhao Ziyang, general secretary of the CPC Central Committee, asked the Chinese people to appreciate the hard-won stable situation that has been in place since the Communist Party's Third Plenary Session of the 11th Central Committee in 1978.

"We have lived 10 good years since then," Zhao said. But if social unrest returns with large-scale social conflict and disruption of production, study and work, a country of promise will be turned into a country of hope-

lessness and turbulence, he added.

Zhao's speech came in the midst of two weeks of campus unrest in Beijing, which culminated on April 27 in a massive student demonstration that demanded democracy, freedom of the press and the elimination of corruption following an 11-day boycott of classes at many universities and colleges.

"When we have stability we sometime aren't aware of its value," Zhao told more than 3,000 young people, including university students, who attended the meeting held at the Great Hall of the People, "But once we lose it we feel deep regret."

Recalling modern Chinese history since 1840 when China was first defeated by the Western powers in the Opium War, the Party leader asked: "Haven't we had enough of social turmoil?"

Since that time China has had only about 20 years of stability.

Zhao said stability does not mean the elimination of democracy, but democracy should be channeled into order and legality.

The May 4th Movement of 1919 was anti-imperialist and anti-feudal; it was a new cultural movement that strongly urged that democracy and science be introduced to traditional China.

Zhao said the Party has made "great historical contributions" to the Chinese people since it was founded 68 years ago. It has made some errors, but history has proved and will continue to prove that the Party is vigorous and full of the spirit of self-criticism.

Zhao said China's construction and reform, as well as its democratic and scientific progress, cannot be separated from the leadership of the Party.

In commemorating the May 4th Movement, he added, the Party and the people place high hopes on the younger generation. He hoped that young people will bring into full play their pioneering and industrious spirit.

He said efforts should be made to encourage young people to demonstrate their potential, to appreciate their own value, and to develop their character.

The meeting was also attended by some veterans who took part in the May 4th Movement 70 years ago.

At the meeting, 70 young people were commended by the Communist Youth League Central Committee and the All-China Youth Federation for their outstanding contributions to socialist construction and reform.

Different activities over the past few days were held throughout China to mark the 70th anniversary of the May 4th Movement.

In Beijing, about 200,000

young people gathered on May 4 in major parks to celebrate the occasion. The entertainment included martial music, flower festivals and dancing.

At Beijing University, birthplace of the movement, 1,000 intellectuals of all ages gathered to celebrate the anniversary. They expressed a wish to carry forward the spirit of the movement and repay the motherland with their service.

In front of the Monument to the People's Heroes in Tianan-

men Square, 10,000 young people took the oath at the ceremony admitting them to membership in the Communist Youth League.

In Shanghai a grand meeting was held on May 3 to celebrate the anniversary and 251 young people were awarded the Shanghai May 4th Medals for their outstanding contributions.

Colleges and universities there jointly organized a campus cultural and art festival for the occasion. □



Striking students on their way to Tiananmen Square on May 4. YANG LIMING

Students Return to Classes

Student organizers have declared an end to their two week class boycott and have called upon all striking students in Beijing to return to classes from May 5.

Their announcement was made May 4 in a massive student demonstration in Beijing's Tiananmen Square while they repeated their demands for talks with state leaders. This was the third demonstration since mid-April in which tens of thousands of students took part.

On the same day, Zhao Ziyang, general secretary of the

CPC said that students who had staged demonstrations by no means opposed the fundamental system of China, but rather wanted to have the errors of the Party and government corrected.

The students came from dozens of Beijing's universities and colleges, including Beijing University, Qinghua University, People's University and Beijing Normal University, to demand democracy, press freedom and dialogue with government.

Flags and banners fluttered over a sea of students that blanketed Tiananmen Square. Some

of the banners proclaimed "Support the Communist Party, support socialism," "Long live the May 4th spirit," "Dialogues should be sincere," "Give us human rights," "Rule by law, yes, rule by man, no," "The news media should be able to tell the truth," and "Oppose embezzlement and corruption."

Although the number of striking students was smaller than that of April 27, the demonstrators last week came from a much more diverse grouping.

The students from the start had refused to apply for advance permission from Beijing's Municipal Public Security Bureau for the demonstration.

May Fourth's demonstration has involved at least 70 universities and colleges, with many students coming from schools around the country that had never before joined such actions.

The marchers included those who came from Nanjing University, Nankai University in Tianjin, Fudan University in Shanghai, Wuhan University and Dalian Engineering Institute.

A banner reading "Chinese University of Hong Kong" was also seen in the procession.

Much attention during the demonstration turned to a journalist contingent that appeared in the afternoon.

A few hundred journalists from the Beijing-based press, most of them young, joined the students, and put forth "Freedom of the press" as the key slogan in their unprecedented action.

The journalist's banners also read "People have the right to know," "The press should be objective and fair-minded," "Strengthen press supervision to promote political reform," "Support the *World Economic Herald*," and "Support Qin Benli."

Qin was the chief editor at the Shanghai-based weekly, who was

removed from office April 27 by the Shanghai Municipal Party Committee after he published materials the committee deemed "improper."

On May 4, student demonstrations also shook other big cities such as Shanghai, Wuhan, Changsha, Hangzhou, Nanjing, Xian, Taiyuan, Chengdu, Chongqing, Lanzhou and Xining.

Students in Favour of Zhao's Words

While meeting with the Asian Development Bank governors, Zhao Ziyang said that the student demonstrations were not indicators of political instability.

He said that the slogans of the demonstrators reflected their mixed feelings of satisfaction and discontent toward China's Communist Party and government.

"Though demonstrations are still under way in Beijing and some other big cities in the country, I still believe there will be no big riots and the demonstrations will gradually calm down," he said. "I'm very confident about this."

The students' reasonable demands should be met through reforms and various other democratic and legal means, said Zhao. But, he said, the most important needs at present are calm, reason, restraint and order.

Zhao's speech on the situation has won favourable public and student praise. During their informal discussions, many students at the Beijing Science and Technology University agreed that Zhao's words were suitable, practical and realistic.

They were pleased to hear that the Party leader considered them patriotic and that they were not believed to be manipulated by anyone although a handful of people might make use of them.

Some postgraduates from

Qinghua University said if the government had held such an attitude from the very beginning the whole matter would have been handled much better.

Other postgraduates from China University of Political Science and Law said Zhao's speech conformed to the spirit of legality since he stressed solu-

tions through a democratic and legal process, that was in accordance with the students' demands. At the same time, they pointed out that compliance with the law was still a major problem in present-day China. They cited the handling of the *World Economic Herald* affair as an example and questioned its legality. □

Stalin's Image Fades in China

Had this May Day not been its 100th anniversary, it might have gone down around the world as just another May 1st.

But, May Day in Beijing was different. Unlike past decades, those giant portraits of Marx, Engels, Lenin and Stalin that annually, May Day after May Day, decorated the sides of Beijing's Tiananmen Square at nation's heart, were missing.

It had long been a routine that the four *laozuzong* (meaning the old ancestors, or the originators of communism) show up in the square twice a year, once on May Day, then again on the National Day of October 1.

With more freedom, people are demanding that Joseph Stalin's portrait not appear, because of both his errors and crimes that are increasingly being disclosed and outraging socialists. With these revelations, Stalin's cult along with his non-Marxist and non-socialist theories and practices is coming under harsh attack.

One student denounced Stalin, saying he was a dictator and anything but a revolutionary teacher. He is not a man whom the Chinese should respect, trust and commemorate.

Although some Sovietologists haven't quite yet arrived at the same conclusion over Stalin, they generally agree with the basic arguments found in the student's suggestion.

"I think that Stalin's portrait should have been taken down. His status is different from that of Marx, Engels and Lenin," said Wu

Renzhang, a leading researcher in the Institute of Soviet and East European Studies under the Chinese Academy of Social Sciences.

"Stalin is not on the same level as the other three are, he's lower, he shouldn't be mixed up with the other three. I think this is obvious," He said.

Now, however, all four portraits of the *laozuzong* are gone, despite the fact that there is little doubt about China's political faith in other three.

Some Western journalists have seen this as a move away from internationalism towards the establishment of the national political heroes such as Mao Zedong and Sun Yat-sen.

But some people here believe that the policy-makers didn't want the absence of Stalin's picture to be too conspicuous, so the portraits of the other three had been taken down at the same time.

It is noticed that the change took place two weeks before Mikhail Gorbachev's official visit, the first visit made by the Kremlin's supreme leader in 30 years, and this has also been linked with the fallen portraits.

But does Chinese etiquette in pleasing guests go to the extent of ripping down portraits of revolutionary saints?

The fact is that the Stalin cult and Stalinism are as faded in China as in the USSR.

A quick look through a few bookstores will easily turn up several works that show Stalin's arrogance, brutality, monocacy. Other books, best sellers in China, tell of

his dictatorial politics as well as his veiled private life.

Both foreign and Chinese writers have written works that have blasted Stalin's image to a new low. There's *Children of the Arbat* by Anatoli Rybakov, for example, that has reached the Chinese in translation. The book created a furore in the USSR just as it did in the West with its quasi-autobiographical trilogy with Stalin's Great Terror as its background.

Other books and articles relating to Stalin include the *Secret History of the Kremlin — Memoirs of Stalin's Mistress, Doctor Zhivago, the Soviet Movement of the Elimination of Counterrevolutionaries and Unjust, False and Wrong Verdicts, Stalin's Strange Image and Stalin and Bukharin*.

These publications are the outcome of the reassessment of Stalin in the Soviet Union and China, also the cause of the further reassessment.

The Chinese authorities haven't officially reappraised Stalin. The last assessment came out of *On The Stalin Issue*, jointly written by *Renmin Ribao* (People's Daily) and *Hongqi* (Red Flag) magazine, on behalf of the Chinese Communist Party, in 1963, when both sides were locked in polemics.

In the article Stalin was regarded as a great proletarian revolutionary whose achievements were primary and whose mistakes were secondary. For a long time Stalin was described by some Chinese leaders as a man who was 70 percent right and 30 percent wrong. This once-prevailing assessment, however, is now being challenged by many Sovietologists.

"I don't think the 70-30 assessment for Stalin can hold water. His mistakes are very serious," said Wang Zhengquan, an associate professor and Sovietologist at the Chinese People's University. Stalin, he said, had discredited world socialism by committing so many crimes and mistakes.

"In my opinion, Stalin's good and bad sides are 50-50," said

Wang.

According to Wu Renzhang, most Soviet researchers disagree on the 70-30 assessment and he himself doesn't think it proper to evaluate one's merits and demerits by mathematical expression. Wu added that people should study Stalin's achievements and mistakes before they reach a conclusion.

For researchers and common people alike, there seem no more achievements that can be listed, because, as Wang pointed out, people have already spoken out all the good words for Stalin. While criticism appears to just start.

Last month a symposium on the Stalin-issue in Nanning, Guangxi, the first meeting of its kind in China, concluded with most of its participants taking a negative view towards Stalin. Nobody tried to defend him, added Wang.

Some condemned Stalin for his dishonesty, his political treachery of using certain leaders to attack others, then jumping on those he just used. Such actions continued until Stalin had destroyed almost all the old Bolshevik leaders.

In economics, the Stalin pattern featured high centralization that robbed socialism of its democratic dynamism. It is a disease that China's current reforms are still wrestling to rid the nation of.

Though China's Sovietologists have different views on whether the pattern was necessary and right during the Stalin time, they all consider that the pattern is useless for China's development.

"Stalinism's only role today is to be the negative example of what not to do," said Wu.

Stalin had been treated as the official interpreter of Marxism-Leninism. Few now believe that.

It's hard to put an equal-sign between Marxism and Stalinism, one school of the former, said Wang. He said some old Bolsheviks persecuted by Stalin, such as Nikolai Bukharin, were nearer to Marxism than Stalin. "Bukharin's line was obviously more correct than Stalin's," stated Wang.

Meanwhile, Nikita Khrushchev,

who was labelled as "a ringleader of modern revisionism" by the Chinese in 1960s and 1970s, is now enjoying a modest boost in popularity in the country. Khrushchev's negative view on Stalin is echoed here, but his foreign policy of great-nation chauvinism to China still makes Chinese uncomfortable.

by Li Haibo

Who's Coming to The Bank Meeting

Top financial leaders from 47 countries and regions met in Beijing on May 4 at the Asian Development Bank's (ADB) 22nd annual conference of the board of governors.

But Shirley W. Y. Kuo, the Taiwan governor in the ADB, was the real focus of media attention at the meeting.

About 3,000 international financiers and government officials and 47 ADB governors were at the Great Hall of the People for the opening session of the highest-scale international meeting ever held in Beijing.

Chinese President Yang Shangkun, in his address at the opening of the three-day ADB annual meeting, said that as the largest international financial institution in the region, the ADB has actively promoted both the economic development of its individual members and the region's prosperity as a whole.

Yang attributed China's recent rapid economic development to its policies of reform and opening to the outside world, and to its stable political economic and social environment.

On Yang's arrival, Kuo, wearing a VIP's pass with the words "Taipei, China" on her dark-green business suit, stood with the other delegates in salute to both the president and the national anthem.

The ADB's president Masao Fujioka said that foreign investment in the region is likely to accelerate and have a favourable impact on

the economic performance of Asian countries.

"Asia is at the leading edge of development," Fujioka said. "Further co-operation in trade and investment, combined with domestic policy reforms and judicious investment decisions, will propel Asia to even greater heights of achievement," said Fujioka.

During his address to the bank, Li Guixian, a chairman of ADB's board of governors, said that during the 1990s, the bank must decide how to play a greater role in promoting the economic development of the region and must serve as a bridge for economic co-operation between the Asian region and other areas.

According to ADB's "Annual Report, 1988," ADB's technical assistance operations and loan disbursements were considerably increased.

ADB lent a total of \$US3.1 billion in 1988 to developing member countries, 29 percent more than in the previous year.

Of the bank's total loans, two-thirds carried commercial interest rates while the remainders were soft loans that carried service charges of only 1 percent.

Both China and India started borrowing from ADB in 1986 with statistics showing that China's borrowing has doubled each year.

The bank has so far provided \$US416 million in loans to China, according to Bhanuphol Horsyangu, head of the ADB's China projects. China is also expected to receive about \$US500 million in loans from ADB this year, he added.

It was suggested that ADB's emphasis of lending to government projects be continued. Great effort and the creation of special incentives were also called for fighting poverty in Asia and for attracting donations to the Asian Development Fund (ADF), ADB's soft-loan lending window.

Issues arose at the meeting that will continue to preoccupy the bank included how to balance the dual roles of fighting poverty while

helping industrializing members modernize.

The establishment of the Asian Finance & Investment Corporation was suggested to finance investments in the private sector. This initiative is aimed at helping the region's more prosperous developing countries.

China is among those suggesting further study on the initiative before taking a final stand.

The meeting was very successful, according to Fujioka speaking at its conclusion April 6. □

Ad Expansion Sees Problems

Although *Renmin Ribao* (People's Daily), the Chinese Communist Party's official paper, devotes more than one-eighth of its space to advertising, Ogilvy & Mather, a Madison Avenue ad giant, faced getting its full page advertisement chopped to half a page.

The controversy was over a question mark. In fact the whole page's copy consisted only of that single question mark—a typical adman's tactic to grab attention. But *Renmin Ribao* took one look at the sea of white space and said it wasted their paper.

In response, Ogilvy had to dispatch their people to the paper to explain the whole process of how "nothing" could be "something" in advertising.

"The Chinese just don't understand how specialized and extensive the process of advertising is," complained Shirley Mok, manager at the Beijing office of Ogilvy & Mather China Ltd., to *Beijing Review*.

Things have though improved since 1979 when a big character poster was pasted over a Beijing Department Store window that had a display of Japanese washers, fridges and TV's.

The poster charged the Beijing Advertising Corporation (BAC) with treason for providing the win-

dow display to sell foreign goods, said Cheng Chun, deputy manager at BAC.

The Beijing public security department even denounced advertising, saying it had been a major cause in the increase of crime among young people, said Cheng.

During that time, Cheng adds, the fledgling advertising industry was thwarted by society because of the "ultra-left" influence that took a simplistic black and white approach.

With China's opening to the outside world and further reforms in 1978, China's advertising industry took great strides and is booming today with around 8,000 ad agencies employing about 100,000 workers. The business volume came to about 1.6 billion yuan last year, with an annual growth rate of 30 percent since 1981.

"Modern ads in China only began in 1979 when the Shanghai Advertising Corporation first resumed its business," said Cheng. "The industry's restoration is in debt to the late Hu Yaobang who was then the Party's general secretary," he added.

The public have a liking for Western made ads. Domestic ones usually prove a turnoff, many of which are produced in an ad hoc shabby manner, said Cheng.

The reason is that an ad that might take eight months to produce in the West is made from scratch in 24 hours in China, said Shirley Mok. "There isn't even a director," she said.

Even BAC's manager Cheng agreed that Chinese ads have a long way to go. Ads should be artistic as well as informative, said he.

In some cases, TV viewers have become nauseous when ads for medical equipment have shown blotches of blood and flesh in an operating theatre.

Meanwhile, Mok sees most Chinese advertising agents as being simple booking agents that sell space or time in the nation's media, and not being real advertisers.

In addition, China only has a few pages of regulations that are sup-

posed to govern the entire advertising world.

"There's nothing specific on what we can and cannot do," complained Mok. "That means we sometimes waste a month here getting an ad approved while in Hong Kong we fill in a form and have it processed in three days."

At the same time, China lacks a centralized advertising control board that brings ad enforcement under a single roof.

Loopholes in ad regulations are easily found, said Jin Zihong, an official with the China International Advertising Corporation. Some false ads still run rampant today with the media companies having interests in sales promotion.

A typical case of false ads being used for a fast buck was in promotions for the "Body Height Promoter Device" which was "invented" by a young farmer from Shijiazhuang, Hebei Province.

Thousands of consumers were cheated after 54 advertising agencies promoted the myth that the device would make one grow taller. After the hoax was called and with 250 letters of complaint, the China Consumers' Society brought charges of false advertising.

Although cigarette advertising is prohibited in the media, tobacco companies still use other means such as supporting social events and sports to link smoking with health and culture. Also, with many actors and politicians smoking on TV, there's hardly a need to pay for ads.

The concept of subliminal advertising — ads with implanted symbols, words or sounds that are undetectable to the consciousness but remain for years in the subconscious — is still unheard of in China although such psycho-warfare has already been outlawed in much of the West. Ogilvy's Hong Kong manager repeatedly sidestepped all questions over the subliminals.

China's advertising body, the Ad Office of the State Administration for Industry and Commerce, might face up to some of these problems after a press conference expected to be held in the coming weeks.

by Li Xingjian and Curtis Smith

Weekly Chronicle

(April 30-May 6)

POLITICAL

May 1

□ Beijingers see a relaxed and peaceful May Day celebration — minus the student demonstrations that had brought tensions to a climax in the capital only a few days before.

Tens of thousands of Beijingers come to Tiananmen Square to enjoy their holiday.

May 2

□ China's objective is to build a socialist political democracy, but the process needs to be gradual, says Hu Qili, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee at a meeting with delegates from Bulgarian Communist Party headed by Milko Balev.

The creation of political democracy should be advanced simultaneously with economic development. One should not precede the other, Hu says.

May 5

□ At a press conference, when asked about the name "Taipei, China," Qiu Qing, vice-governor of the People's Bank of China and alternate governor of the Asian Development Bank (ADB) says that a memorandum of understanding between the People's Republic of China and the ADB determines that the People's Republic of China is the single legitimate representative of China. Taiwan can stay in the ADB under the name of "Taipei, China." The memorandum has been formally approved by the ADB.

ECONOMIC

May 1

□ The first Beijing International Fair co-sponsored by the China Council for the Promotion of In-

ternational Trade and the China International Exhibition Centre will open July 14-23 this year, the *Jingji Ribao* (Economic Daily) reports.

During the fair, products of over 1,000 firms from 26 countries in the mechanical and electrical area, communications equipment and computers as well as hi-tech breakthroughs will be on display.

May 4

□ The central government has decided to boost the supply of coal by 10 million tons to China's power industry that often faces fuel shortage.

The additional supply of coal that comes from increased supply, will eventually alleviate power shortage in north, east, northeast and central China.

CULTURAL

May 3

□ Stronger state protection of cultural and historical relics is called for by the Minister of Culture, Wang Meng.

Such artifacts, he says, are not commodities. Protection and preservation of such relics will help improve both the people's tastes and their scientific and cultural understanding.

SOCIAL

May 4

□ Another two earthquakes hit southwest Sichuan Province this morning near Batang County.

These are the fourth and fifth earthquakes to strike Batang this year. The largest was the April 16 quake that measured 6.7 on the Richter scale and killed seven people.

No casualties or damage have been reported yet on the latest quakes measuring at 6.2 and 5 on the Richter scale since communications have been cut off from the quake-stricken area. □

Moscow Opens Its Economic Doors

Since the 27th Congress of the Soviet Communist Party, the Soviet Union, while advancing the strategy of accelerated socio-economic development and all-out reform in the economic and political sectors, has adopted a series of policies to open its economy to the outside world. Some results have been achieved, yet difficulties and problems still persist.

by Chen Huijun

A review of Soviet foreign economic history reveals that the Soviet Union has for a long time been pursuing a market theory of "two parallel worlds," which limits Soviet economic activities to Eastern Europe.

As a result, the Soviet Union occupies a very small position in the world economy. In light of the new world technological revolution, the Soviet Union falls behind the fast pace of the world, failing to introduce advanced technologies or to conduct exchanges with developed countries. New industries in the Soviet Union lag behind the West.

The Soviet foreign economic mechanism is still far from meeting the demand of the new tasks facing the economy with its monotonous structure of exports and inadequate ability to earn foreign currency.

Above all, the closed economy has weakened Soviet economic, trade, financial and technological ties with the outside world, widening the gap between it and the developed industrial nations and threatening to weaken its economic might if no *perestroika* is carried out in the foreign economic sector.

Since coming to power in 1985, Mikhail Gorbachev has reassessed international economic relations and advanced his concept of opening the Soviet economy to

the outside world along with the strategy of fundamental economic reform at home.

Major Policies and Measures

The Soviet Union aims to reform its foreign trade system by transforming the export structure, strengthening the competitiveness of Soviet commodities and stopping irrational imports.

Another part of the opening campaign is to deepen the economic and technological integration between the Soviet Union and the Council for Mutual Economic Assistance nations, strengthen economic links with Western countries and participate in international economic organizations.

The establishment of joint ventures is another major move under way. Other proposals under consideration include the internationalization of the Soviet rouble and prices. To ensure the implementation of the above plans, the Soviet Union established a national commission on foreign economic activities and added an international economic relations section to the Foreign Ministry.

Western Europe is the focus. Since 1980, the Soviet Union has been conducting its economic relations with Western Europe by introducing advanced equipment, patents, technologies and

management skills, borrowing money and expanding exports.

Today, Western Europe has become an independent political force. Economically, there are acute conflicts between Western Europe and the United States, which will turn Western Europe to the Soviet Union for economic reasons.

Taking advantage of the trend, Gorbachev has visited major industrial countries in Western Europe and invited their heads of state and financial tycoons to visit Moscow. Two years of frequent mutual visits have established Western Europe's confidence and understanding—and even support—for Gorbachev.

Since 1988, the Soviet wooing of Western Europe has begun to yield results. Following Federal Germany's offer of some US\$1.6 billion as a loan for the Soviet Union to buy West German machinery to modernize the Soviet food industry, banks in France, Italy and Britain have also announced a US\$4.5 billion loan to meet Moscow's lack of foreign currency.

Actively participating in the international division of labour in the Asian-Pacific region and promoting the development of the Far East.

In his speech delivered at Krasnoyarsk, Siberia, in mid-September in 1988, Gorbachev put forward a 7-point proposal



Gorbachev (right front) talks to co-operative representatives at a meeting.

on relaxation of the tension in Asia and the Pacific region. He stressed in his speech that the Soviet Union wanted economic co-operation with foreign countries in the exploitation of Siberia.

In March 1988, the Soviet Union set up a national committee for co-operation with Asian and Pacific nations to promote its economic exchanges with them. Its attitude towards the Asian-Pacific Economic Co-operation Committee has also been changed. It has expressed its willingness to join in the Asian Development Bank and begun taking an initiative in sharing the international division of labour in Asia and the Pacific region. Already, it has discussed ways and measures with Japan, China, South Korea, Thailand, the Philippines, Singapore, Malaysia and Indonesia on the improvement of its foreign trade and strengthening technological and personnel exchanges as well as the establishment of joint ventures and mutual trade offices.

Since 1988, its economic relations with Japan and China have developed rapidly. It has reached agreements with Japan on the establishment of some joint ventures in fisheries and on building up a petrochemical base and a luxury hotel. In 1988, the vol-

ume of trade between the Soviet Union and Japan hit a historical record of US\$5.9 billion. Along with improved Sino-Soviet relations, the trade volume between the two countries has increased greatly and will continue to increase after the summit meeting between the two countries' top leaders this month.

The economic co-operation between the Soviet Union and South Korea in 1989 has attracted world attention. The two countries have agreed on the mutual establishment of trade offices and co-operatively building a trade exhibition center which will cost US\$40 million. They have also decided to open up direct ocean shipping from Pusan to Haishenwai. A large-scale South Korean trade exhibition will be held in Moscow in July this year.

Active development of joint ventures. The Soviet Union previously established joint ventures abroad. On January 13, 1987, the Soviet Council of Ministers passed a decision on the establishment of joint ventures within the country. It is one of the important measures adopted by the Soviets in their economic reforms which aims at introducing advanced technology and learning and mastering advanced technologies and managerial experience from foreign countries.

Since the law on the establishment of joint ventures became effective, the number of such joint ventures in the Soviet Union has increased from 7 in 1987 to 192 in 1989. The money involved is estimated at US\$1 billion. Among foreign investors, Federal Germany is the biggest. Now there are still about 500 projects which are under negotiation. The completion of some large-scale projects will help improve the country's export structure and play a role

in replacing some products needed to be imported in the past. For example, an international consortium of four big firms from the United States, Italy and Japan has reached an agreement on jointly setting up a petrochemical complex off the Caspian Sea. About US\$6 billion will be invested in the project, of which 49 percent is from foreign countries. The project in scale ranks first in the world. Half of its products, the polyacrylonitriles and polystyrenes, will be exported. Meanwhile, the Soviet Union is trying to enhance the number of joint ventures in foreign countries so as to become a world investor.

Setting up special economic regions. The Soviet attitude towards China's establishment of special economic zones has successively been that of opposition, suspicion, wait-and-see and approval. Now the Soviet Union is preparing to set up its first economic free zone along its border with Finland.

The task of this special economic zone is to import Western companies' technology and business experience, produce high-technological products together with Finnish and other companies and supply them to the Soviet Union, Finland and other countries. At present, companies from Sweden, Federal Germany and Ireland have shown interest in

taking places in the zone.

Moreover, the Soviet Union is also preparing to set up a special economic zone in Nachodka in the Far East and is establishing a special organ responsible for coordinating foreign economic activities in its Far East region.

Reforming the foreign trade structure. Shortly after taking office, Gorbachev set up two special committees to study foreign trade structural reform. He has taken many measures to reform the management system and perfect the foreign trade structure. As for reform of the structure, the Soviet Union has established

new external management organs so as to ensure the implementation of foreign economic strategy and the full development of foreign economic relations and put the power at lower levels, thus changing the practice of the state monopoly in trade.

Since January 2, 1987, besides having entrusted the power of direct foreign trade to 21 sectors and 76 large-scale enterprises, the Soviet Union has also set up more than 100 new foreign trade organizations and organs to participate in foreign trade. In 1988, the volume of their imports and exports accounted for 24 and 42 percent respectively of the Soviet totals.

Since April 1, 1989, enterprises, joint companies, producers' cooperatives and other organizations with products and services which are competitive on the international market can handle im-

ports and exports directly. The foreign trade plan will also be changed from a mandatory system into a contractual one. In order to encourage enterprises to manufacture products of an advanced level in the world and to lift their initiative in exporting and earning foreign currency, the Soviet Union allows them to retain a part of foreign earnings in different proportions according to their respective export products and conditions of trade. The average is 33 percent. The enterprises can use the money to import machines and equipment they need.

Warm smiles: Gorbachev and Mrs. Thatcher.



On aspects of improving the import-export structure and strengthening the competitive power of export goods, the Soviet Union has decided to make efforts to change its traditional practice which took energy resources and raw and processed materials as the main exports, to increase exports of machines, equipment and other high-level processed products, and carry out strict import control and checks.

As a result, the proportion of machine and equipment exports in Soviet total exports went up to 16 percent in 1988, and the volume of foreign trade reached 132 billion roubles. The Soviet Union proposes to increase the proportion of machine and equipment exports to 50 percent before 2000.

Positively joining international economic and financial organizations.

The Soviet Union has changed its attitude from not recognizing the European Community (EC) to expressing willingness to approach it. It has finally decided to develop relations between the Council for Mutual Economic Assistance (CMEA) and the EC with this new attitude, recognized the EC as a single economic entity, and asked to establish formal relations between the two organizations.

With the efforts of the Soviet Union and East European countries, the CMEA and EC reached agreement in principle in May 1988, agreeing to recognize each other and es-

establishing formal relations. In June, they again signed a joint statement. This action will promote the Soviet Union and East European countries' opening towards Western Europe and lay a foundation for the Soviet Union to set foot in the "single market of Europe" after 1992.

In the Asian-Pacific region the Soviet Union stopped its attacks on the Pacific Economic Co-operative Conference in 1987 and asked to be a formal member of this organization and to join the activities of its permanent organ. In May of 1988 Chairman of the National Committee for Soviet and Asia-Pacific Economic Cooperation Pulimakov attended the sixth session of the conference held in Osaka, Japan, as a guest. At this session the Soviet representative suggested that this year the conference's seminar on mineral materials and energy be held in his country. The Soviet Union also plans to hold a conference to be attended by state or government heads to discuss the economic problems of the region so as to further strengthen economic co-operation.

Since 1986 the Soviet Union made formal application for membership of the General Agreement on Tariffs and Trade (GATT), International Monetary Fund and World Bank in order to break the tariff barriers and gain more foreign capital. Though its applications were refused, it has still not given up its efforts. Besides, it has also made preparations for extensive international scientific co-operation, proposing to set up a world space organization and international co-operation to develop and use outer space.

While actively seeking to join international economic organizations, the Soviet Union has speeded up raising money on the international financial markets. In January of 1988 it for the first time issued Swiss franc bond

worth US\$65.3 million. It is reported that next it plans to issue bonds in Japanese yen.

Meanwhile the Soviet Union will simplify the system of currency settlements to prepare to make the rouble convertible. As of January 1, 1991, the Soviet government has decided to use a new exchange rate in settling foreign economic accounts and allow enterprises to have their own free foreign exchanges. Through a series of reform measures the Soviet plan is for rouble to be freely exchanged with CMEA members in 1989 and gradually exchanged on the international market in the first half of the 1990s.

Difficulties and Issues

The open-door policy of the Soviet Union will certainly promote the development of its relations with Western countries. The United States, however, is anxious about the warm development of the relationship between the Soviet Union and Western countries. It will check the scope and depth of the economic relationship between its allied countries and the Soviet Union in order to prevent the Soviet Union from catching up with or even surpassing the United States. Besides, there are various unfavourable factors in the world economic situation. For example, advanced Western industrialized countries are still facing many economic difficulties and a new tendency towards trade protectionism will probably grow. These factors, along with the falling of the oil price and the US dollar exchange rate, will restrict the extent of the Soviet Union's open-door policy.

Although the ossified economic system formed over several decades has been shaken up over the past two years, it will for a fairly long period continue to exert an adverse influence on the

Soviet Union's domestic economy and its economic relations with other countries. Bureaucracy will be hard to overcome in a short time. And the backwardness in science and technology will prevent the Soviet Union from rapidly absorbing, applying and transforming Western techniques. In agriculture, there can hardly be any change in importing grain with the expenditure of large sums of foreign currencies. In foreign trade, although reforming and opening will make positive contributions, it is impossible to increase trade volume greatly in a short period. The unitary export structure is also hard to change in a short time.

The West still hesitates to run joint ventures in the Soviet Union because the law on joint ventures still has some problems. For example, within the economic system there are many interactions with bureaucracy being an obstacle. The Western corporations fear bureaucracy and prolonged negotiations. The law for running joint ventures has strict limitations upon capital proportions, taxation and taking profits out of the Soviet Union. Western investors are dissatisfied with the limitations because they worry that they will gain little. There is no complete law system, therefore, the basis for normal investment is lacking. Without corporation law or investment law, the foreign corporations fear that their capital would be socialized and their profits swallowed. Furthermore, the aims of the two sides are different. The Soviet Union is interested in enlarging the export of products through joint ventures while foreigners hope to enter the Soviet market.

However, as with the domestic reform, it is impossible for the Soviet Union to withdraw after it has started its open-door policy. □

Burst in Bilateral Trade

Following is our staff reporter Wu Naitao's recent interview with Du Xianzhong, deputy governor of Heilongjiang Province in charge of foreign trade.—Ed.

Sino-Soviet economic co-operation, often affected by their political relations, has been on the ebb three times, the latest instance occurring in the 1960s, said Du Xianzhong, deputy governor of Heilongjiang Province in charge of foreign trade. In recent years, he added, "the remarkable improvement in their bilateral relations has paved the way for the development of economic co-operation and trade between the two countries."

Co-operation

Last summer, Du led an economic delegation to the Soviet Union. During his two-week stay, he visited three regions and ended up with more than 50 contracts on economic co-operation. He said his visit had given him the impression that any economic delegation that was sent would not come back empty-handed, for Soviet businessmen were very eager to do business with China and both sides had a strong desire to strengthen co-operation.

Both Heilongjiang Province and the Soviet Far East are priority development areas of their respective countries and windows to the outside world. In 1983, both governments endorsed the restoration of partnership between

Heilongjiang's Foreign Trade Co. and the Soviet Far East Foreign Trade Corp. Four years later, in May 1987, the two countries' trade committees met in Moscow and agreed to pairing four border cities for opening to economic co-operation. Also in March last year, the Chinese government agreed to open the border areas of Heilongjiang Province to the Soviet Union for economic co-operation and trade. In response, the Soviet government drew up some new measures to invest its Far East with more decision-making powers in dealing with China. Because the two regions conduct economic co-operation and trade by way of exchanging what the other needs, and both are short of foreign currency reserves, they prefer barter trade. Even in settling accounts in labour export and technical co-operation, they adopt a form acceptable to both sides, that is, to use Swiss francs as a medium and repay in kind. The kind of

eagerness of both sides to establish business links, Du said, has almost reached a craze.

In his report on economic work currently released to the people's congress of Heilongjiang Province, Du suggested the earliest possible formulation of laws and regulations pertaining to border trade. By last December, he said, the provincial people's congress had already okeyed five laws and regulations in respect to border trading, project contracting, processing of imported materials, compensatory trade, labour export and the establishment of joint ventures and co-operatively managed projects. All these rules have provided the legal basis for the restoration and steady growth of bilateral trade after two decades' suspension.

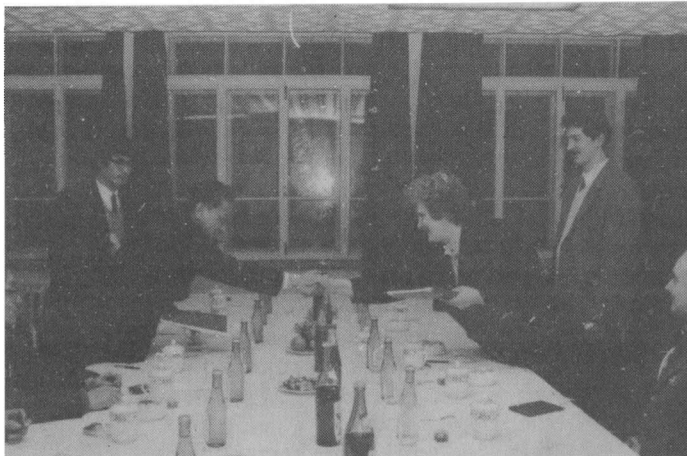
Border Trade

Since 1988, Du said, breakthroughs have been made in bilateral economic relations and trade.

First of all, the conducting of trade with the Soviet Union by more than 100 Chinese foreign trade companies rather than by the one and only provincial foreign trade company has resulted in the rapid growth in both imports and exports, as seen in the following table.

At the contract-signing ceremony: officials of the Heihe Prefecture Border Trading Co. (left) with their Soviet counterparts.

ZHAO GONGMIN



Year	Imports & Exports (million Swiss francs)
1983	17.45
1984	31.66
1985	30.00
1986	29.85
1987	34.22
1988	196.00

Last year, as noted above, the province's trade with the Soviet Union was 5.7 times that in 1987, or the total of the previous two periods (1957-66 and 1983-87) put together. In addition, it has established trade links with other Soviet regions. Some of the province's companies have gone beyond the Soviet Far East to form trade partnership with their Soviet counterparts in Leningrad, the Ukraine, Moscow and other western Soviet areas. Du said with a smile, "We trade with the Soviets wherever they open to us."

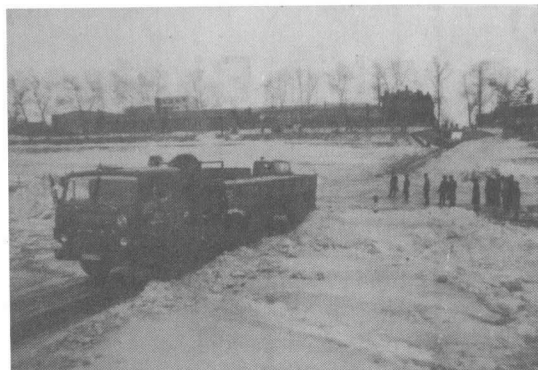
Second, bilateral economic relations have expanded from simple barter trade to include extensive economic and technical co-operation. So far, the two sides have signed 157 contracts and agreements on economic and technical co-operation in the fields of vegetable cultivation, project contracting, lumbering, railway freight loading and unloading, and ship repair and maintenance. Last year, the province sent 1,300 workers to the Soviet Union on labour export contracts. This year the figure is expected to exceed 5,000. Du said that economic and technical co-operation between the two sides would continue to be stressed in the future. In some cas-

es, he noted, the co-operation is unprecedented in the history of Sino-Soviet relations, and even including the period when relations of friendship were at their best.

Third, more varieties of commodities are being exported to the Soviet Union. In 1987, the province sold the Soviet Union some 50 kinds of commodities, notably unprocessed farm produce and local specialities. This figure has increased to more than 3,000 with the addition of light industrial products, machines, electric equipment, instruments and meters and building materials.

Cool Breezes

The heat wave of border trade between China and the Soviet Union, however, is moderated by cool breezes. For example, the provincial authorities in a short time invested more than 100 companies with the authority to conduct trade directly with the Soviet Union; this created some confusion. Du made light of the problem. In a newly opened area, he said, it is not at all surprising



Soviet truck taking goods across the border.

ZHAO GONGMIN

to witness a stampede into a mass action like that of trading with the Soviet Union. It can be easily turned back on the right track through readjustment and co-ordination. The same phenomenon occurred when Zhuhai, Shenzhen and other special economic zones were established in the south. To strengthen administration over these companies, Du said, the provincial authorities more realistically plan to form no more than 20 groups from among the existing 188 companies, in light with their administrative location and the type of trade they engage in, to trade directly with the Soviet Union.

The United States and Japan, Du said, are still the largest trading partners of Heilongjiang Province. Last year the province's trade with the Soviet Union, as compared with its US trade, amounted to only 10 percent. And barter trade at that. However, Du said, both sides are eager to expand bilateral economic co-operation and trade. He welcomes more preferential treatment to help further expand their growing economic co-operation and trade. □

A Soviet woman (third, left) visits the home of an Oroqen nationality farmer.

YU ZONGREN





Heihe and Blagoveshchensk facing each other across the Heilong River.

QIU XIANGLIN

Ice Melting on the Sino-Soviet Border

Twenty years ago, the boom of guns burst the silence of Zhenbao Island as strained Sino-Soviet relations reached a breaking-point. Along the closed boundary, troops of the two countries patrolled in full battle array. But now all this has been superseded by an atmosphere of peace, friendship and brisk trade transactions.

by Our Staff Reporter Wu Naitao

In March this year, I visited Heilongjiang's Heihe City, which is just opposite Blagoveshchensk, capital of the Soviet Amur Region. Near China's 355-kilometre boundary line with the Soviet Union in the Heihe region, there are three cities. Heihe is the only city at prefectural level where Party and government organizations are located, as well as the only Chinese city just opposite the capital city of the Soviet Union at the regional level.

To the Boundary Line

Geographically speaking, Heilongjiang is the northern-most province in China with the longest boundary line (3,200 kilometres) with the Soviet Union. Heihe City is over 500 kilometres from Harbin, the capital of Hei-

longjiang Province, and cannot be reached by train. The railway line ends 300 kilometres from Heihe at Beian City. From there I took a long-distance bus to Heihe. Section after section of the railway extending to the north swept past the window of the bus. They are part of the Beian-Heihe Railway which is now under construction and will soon be completed, and, hopefully, open to traffic this autumn. Then people can leave Harbin and travel to Heihe by train.

Signs of mutual exchanges and influence between China and the Soviet Union are everywhere in evidence in Heihe. Soviet-style round loaves of bread about the size of a football can be seen in bakery shop windows. Russian light music of the 1950s such as *Night in the Suburbs of Moscow* and other songs are beamed

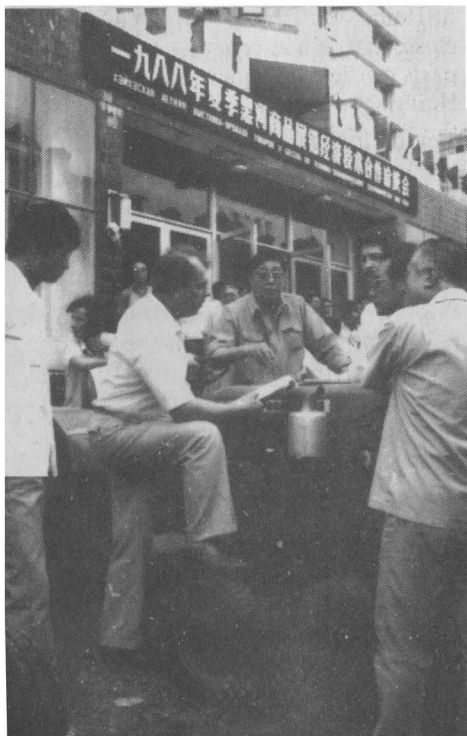
in the shops. In the hotel where I stayed, I met many business people from various Chinese provinces and cities. The Soviet people who come from the other side of the river on business and sightseeing no longer arouse the curiosity of Heihe citizens. The local people can choose a television programme from four channels—the Central TV stations, the Heilongjiang TV Station, Moscow and Amur TV stations. It is reported that audiences on the other side of the river can also tune in on any of the four main TV channels. Turning on the television one evening, I caught the local news programme broadcasting a contract-signing ceremony between the Harbin Steam Turbine Plant and the Soviet Steam Turbine Plant. As reported, the Harbin Steam Turbine Plant is a

project built in the 50s with the assistance of the Soviet Steam Turbine Plant; the two plants now plan to update and upgrade the equipment of the Harbin plant.

Heihe and Blagoveshchensk are divided by the 1.5-kilometre-wide Heilong River. In the distance on the opposite bank of the river, the Soviet red-roofed buildings, the TV launching stand and hoists come clearly into view. At night, both banks are brilliantly lit. Occasionally, searchlight beams flash across the sky, said to come from Soviet patrol cars.

In March, Heihe was still a world of ice and snow. Broad routes were opened up across the river over the ice, and motor vehicles passed back and forth between the banks. The joint inspection station composed of the frontier inspection, customs, commodity inspection, health and animal and plant inspection stations conducted entry and exit formalities for each motor vehicle. According to Liu Xingquan, manager of the Heihe Frontier Trading Co., 40 to 50 trucks go to Blago-

Soviet business representative at a trade fair in Heihe. ZHAO GONGMIN



veshchensk every day. One-third of the employees in his company carry long-term passports. Beginning in August last year, those going to the northern bank on official business were not obliged to apply for visas but could get a letter of introduction from the foreign affairs office of the government with their passports and pass the inspection station in a few minutes.

Heihe has a population of 130,000. Its clean and well-laid out streets are too narrow for the development of public transport. Local people told me that when Sino-Soviet relations were strained, Heihe residents moved south on two occasions. This adversely affected urban planning and construction although later they did settle down for good. Evidently, no long-term plan for the development and prosperity of the city was drawn up by the local government at that time.

In recent years, more and more people from other parts of the country have come to Heihe and a number of hotels have been built. One attendant said that during the sales exhibition of export commodities to the Soviet Union last year, so many Chinese business people thronged into the city that all the hotels were filled to capacity, and many had to stay in the school classrooms.

Small Trade on the Border

Most of the people who come to Heihe are engaged in frontier trade, as it is one of China's earliest trade ports opening to the Soviet Union. "Barter trade on an equal value" is the name given to the only method for carrying on the small frontier trade between Heihe and Blagoveshchensk. It is conducted according to principles of "equality and mutual benefit, barter trade, no payments in foreign exchange, restricting expenditures within the limits of income, and balancing imports and

exports." The Swiss franc has been used for settling accounts.

The local people well remember that the first deal between Heihe and Blagoveshchensk after the suspension of their trade in 1966 was for 208 tons of water melons. That was in September 1987. Zhao Gongming, a photographer from the local archives, recalls that when the first cargo arrived at the Chinese dock, people unexpectedly found that the vice-president of the Amur regional executive committee was also on the ship. The vice-president expressed a sincere desire for co-operation. The Chinese personnel were both happy and keyed up, but no reporters were allowed to have interviews or to take pictures. With the special permission of the department concerned and using the excuse of taking pictures for the archives, Zhao took only one colour picture. But people now are not oversensitive and China's trade with the Soviet Union has become a matter of routine local economic life.

Manager Liu said that in 1988, the two cities signed a trade contract with a total import and export volume valued at 120 million Swiss francs, or twice as big as the total volume with the Soviet Union in the ten years before 1966. At Heihe the Chinese side imported 26 kinds of products from the Soviet Union, including chemical fertilizer, timber, iron and steel, and cement. On China's export list are over 400 varieties of goods, from hoists to children's toys. The bulk of China's exports are light industrial products and textiles, and electronic, agricultural and sideline products. Liu noted that because both sides are enthusiastic for trade, the volume has doubled and redoubled. In the first two months of this year, contracts valued at 40 million Swiss francs were clinched.

Our staff reporter visited the export commodities sample rooms at the Heihe frontier trade

negotiation building. On display in the three sample rooms are garments, shoes, mechanical and electric products, medical apparatus and articles of daily use. People from the Soviet side can come to look over the displays and place orders at any time. At present, orders for 70 percent of the varieties have been placed.

In addition, the Chinese side held two export commodity exhibitions last year, one at Heihe in July and one at Blagoveshchensk in August. Altogether, 495 Chinese factories from 18 provinces, municipalities and autonomous regions participated, and placed 8,500 varieties of products on display. Contracts both for imports and exports valued at 48 million Swiss francs were inked at these exhibitions. When they closed, the Industrial Products Trade Bureau of Blagoveshchensk bought up all the samples shown, to exhibit in other parts of the Soviet Union.

In Heihe, one hears many stories about how fond the Soviet people are of Chinese products. A leading member of Blagoveshchensk told a visiting Chinese guest that all the light industrial products in his home were made in China. The woman manager of a large shop in Blagoveshchensk told a staff member of the Heihe foreign trade department that "we can easily sell out our whole stock of Chinese textiles and light industrial products. On the eve of International Women's Day this year, the commercial department in Blagoveshchensk purchased 35,000 handkerchiefs from Heihe and sold them all in less than two days.

As a comprehensive trade port, Heihe has made a good beginning. Manager Liu is optimistic about the prospects of Sino-Soviet frontier trade in the region. He analysed some favourable conditions: First, the geographical location is excellent. Heihe Harbour is just a few hundred metres from the Soviet dock. The ice



Soviet tourists on a trip to Heihe.

CHEN ZONGLIE

over the river is two metres thick in winter. The period of freezing weather lasts five months. Lorries can be driven across the river freely and it takes just a little over ten minutes to reach the other bank. There is navigation between the two cities ten months a year, with Heihe functioning as the land and river port. Second, both China and the Soviet Union can supply each other's needs. In the Amur Region where the Soviet Union has developed heavy industry, there is an abundance of chemical fertilizer, timber and power resources. These products are precisely what Heihe wants to import. In turn, it can supply nonstaple foods and light industrial products needed by the Soviet side. For example, at a business meeting last year, the Soviet side bought 100,000 thermos bottles at one stroke. This mutual complementary pattern will not change in the predictable future.

Heihe's equivalent trade with the Soviet Union has a history of more than 100 years. With the improvement of relations, the desire for friendly co-operation has become increasingly urgent. Since

last September, the Heihe government has enacted eight preferential policies on trade with the Soviet Union. This has induced business people from the province and other parts of the country to enlarge trade and economic cooperation with the Soviet Union. Currently, the number of the permanent offices of other provinces in Heihe totals more than 50, and close to 500 factories in various parts of the country are supplying Heihe with products for export to the Soviet Union.

As Manager Liu sees it, there are still problems in communications and transport in Heihe which have handicapped its trade activities. For instance, the shipping and foreign trade departments are under the jurisdiction of two different administrative systems and they are not often in tune with each other. These structural problems cannot be solved in the immediate future.

According to the department concerned, railway construction from Beian to Heihe proceeds apace, and expansion of the Heihe Airport has been completed. There is now regular air ser-

vice with three flights a week between Harbin and Heihe. Renovation of the Heihe Dock to give it an annual handling capacity of 800,000 tons has been completed. According to reports, the Chinese and Soviet governments are considering a joint bridge construction project over the Heilong River. The undertaking is now under discussion by experts.

Economic Co-operation

The development of trade has put economic and technological co-operation on the order of the day. In 1988, Heihe signed 42 co-operative agreements and contracts with the Amur Region. Labour co-operation in construction and lumbering is already under way. Some projects involving processing with supplied materials and samples have entered the production stage. For instance, the Amur Region has offered to supply 800,000 to 1 million square metres of cattle hides and sheepskins to Heihe annually to be processed into leather products to be sold in the Soviet Union. Preliminaries have been completed and long-term contracts are being signed. Of course, this does

not imply that both sides have co-operated satisfactorily in all aspects. The Amur Region, for example, which is rich in power resources, is also interested in supplying China, but agreement on price has not been reached. However, Manager Liu is optimistic. "People from here keep going across the river to hold business talks with them," he said, "and people from the other side keep coming here to talk with us every day. As long as talks continue, problems will be solved!"

Last September the Heihe region signed three contracts on labour service with the construction department of the Amur region. The Chinese construction teams contracted to work on a regional outpatient hospital, a "Travelers" hotel and the interior fittings and decoration of a drama theatre to be built by the Amur Regional Joint Construction Co. These projects cover a total area of 60,000 square metres. Labour service charges for interior fittings and decoration would be calculated according to the amount of work actually done and the Soviet quotas, and would be paid in kind.

In October 1988, 400 Chinese construction workers making up three teams crossed the river. The workers had volunteered to sign up for the work, but they had to be approved and had to measure up to standards of "technical proficiency and good health." I interviewed some of them who had just come back on holiday. They said that while working in the Soviet Union, they received no special treatment but could find friendship everywhere. After they arrived in Blagoveshchensk, the local newspapers often published some simple Russian-Chinese bilingual sentences for local people to learn some Chinese. The Chinese workers receive temporary residence permits in the locality and can go anywhere they like in Blagoveshchensk. Speaking of their impressions of their Soviet counterparts, carpenter Ni Zhifa said mechanization is fairly advanced in the city, management is business-like, and discipline is strict. But their planning is too inflexible, the division of work too rigid, and this lowers efficiency. Generally speaking, both sides have strong and weak points. Zhao Liyan,

leader of the construction team, said that during the construction period, the delivery of materials by the Soviet side was not always prompt. This meant a loss in working time and cut into the income of the Chinese workers. At first both sides blamed each other. Now that we have been together for some time, both sides can exchange views frankly, and an understanding can be reached. Zhao Liyan said that in the beginning, it was simply because we did not understand each other, and we were too anxious for quick results that these

Shared celebrations for International Women's Day on March 8.

QIU XIANGLIN



problems cropped up. We had to pay a price for our initial try, but it was successful in the main. He showed me a copy of the *Heihe Daily* which carried an article reprinted from *Pravda* entitled "Partners From the Other Side of the River." One paragraph dealt specially with Chinese construction teams and spoke highly of their working attitude and the quality of the work. Reportedly the Amur construction department has expressed its intention to co-operate with China in four new construction projects.

One-Day Tours

The proposal to run one-day tours of Chinese and Soviet border towns was first put forward by the Soviet tourist department. Manager Liu Xingquan once asked, "What would you come here to see? Heihe City has no scenic spots, historical sites, or entertainment centres." The reply was, "We have over 200,000 people living on our side of the river, but they know nothing about Heihe City on the other bank. Their expectations are moderate—they'll be satisfied with taking a walk along a Chinese road, visiting a few shops and having a Chinese meal."

Chinese tourists probably have the same psychology. Both Chinese and Soviet tourist departments worked busily from September last year to March this year. On September 9, 1988, the two sides signed an agreement at Blagoveshchensk on the method of accounting, the time for exit and entry, and purchasing commodities. In line with the desire to promote friendly relations and mutual understanding between the two countries, the Heihe Branch of China International Travel Service and the Amur regional tourist corporation of the Soviet Union jointly decided to exchange excursion groups. They agreed to the use of local currency and to supplying recipro-



Three young Russians from Blagoveshchensk pose for the camera with Beijing Review reporter.
CHEN ZONGLIE

cal services.

Each side could send three groups a week. Each group was to consist of 39 members and an interpreter. Up to date, more than 40 groups have been exchanged and around 4,000 local Chinese and Soviet people have taken part in this significant form of interaction.

A photo album promoting friendly relations between China and the Soviet Union, published by the Harbin Publishing House, will come out soon. It is entitled *A One-Day Tour in China and the Soviet Union*. Other books on Sino-Soviet relations will also be put out by the publishing house. Some photos in the album were contributed by the Soviet tourist company.

After filling in some forms and paying the necessary fees, I had the opportunity to join an excursion group. Early in the morning we got past the combined inspection station at the boundary and brushed pass 40 Soviet tourists going the other way. We smiled and waved to each other.

Our bus rolled slowly over the

ice and then picked up speed. Looking out of the window, I caught sight of several Soviet soldiers on duty. They were the only Soviet soldiers I saw during my week-long stay in Heihe. The local people told me that formerly, when the river was frozen, many Soviet guards had been posted there, half hidden, but now, there are only a few standing in the open.

Fifteen minutes later, reaching the other side, our bus stopped before a wooden structure, which housed the Soviet Frontier Inspection Station. Eye-catching words of welcome decorated the door. From here we set out to see the city and the shops and to visit a sanatorium.

Blagoveshchensk has broad streets, but there were few people to be seen and only an occasional bus. Small traditional wooden houses are mixed in with modern buildings. There are many commodities in the shops, but they are limited in variety. Commodities which interested Chinese tourists were mainly stainless steel articles and electric irons.

Everywhere we went, Soviet people walked up to us, spoke to us and gesticulated, as if to ask us about something, but none of us could understand a thing.

Soviet tourists are more active, said Lu Guiju, the only woman of the three Russian language interpreters in the Heihe Tourist Service and tour leader for the first Soviet group last September. She told us Soviet guests were interested in just about everything including interior decoration, horticulture, people's incomes, the policy of family planning, the divorce rate and the reasons why there were so many people riding bicycles in the streets. They are happy and excited in the shops and usually purchase fabrics. Chinese-made handkerchiefs are cheap and of excellent workmanship. Each group of Soviet tourists purchased around 1,000. Soviet women like to stop before the cosmetics counter for a long time. They want to buy everything. As a result, the money they exchanged gets used up in first shop they visit.

The guides of China's Heihe City and Blagoveshchensk City of the Soviet Union are now good friends, Lu Guiju said. The Soviet guides are good talkers and like to quote Mikhail Gorbachev. What's more, they are enthusiastic about learning Chinese.

For excursion groups of both sides, departure time is seven o'clock in the evening. On leaving, each visitor receives a seven-inch colour photograph taken on the trip for a souvenir.

During my stay in Heihe City, there was a celebration of International Women's Day (March 8). Both Chinese and Soviet sides specially organized a women's tourist group to cross over for a get-together. The Soviet group was led by the vice-chairwoman of the Amur regional association of culture and art. It was a very lively and friendly occasion. Women of the two countries

warmly embraced and exchanged souvenirs when they separated. According to local newspapers, it was the first time in 30 years for Chinese and Soviet women jointly celebrating International Women's Day.

I was told that the Amur regional tourist department has suggested starting two-day and five-day tours. If the plan is adopted, Chinese tourists can go directly through to Chabarosk from Heihe via Blagoveshchensk, while Soviet tourists can visit Harbin, go rowing on the Songhua River or participate in Harbin's famous ice-and-snow sculptures festival. In addition, according to officials of the Heilongjiang Provincial Administration Bureau for Tourism, the Harbin-Chabarosk air line will soon open. The control tower is now under construction. The opening of the line will contribute a favourable condition for the development of good relations between China and the Soviet Union.

Friendly Exchanges

In a big building not far from my hotel, there was an exhibit of architectural designs of the Amur Region. The exhibition covered a floor space of 50 square metres. Hanging on the walls were large-sized black-and-white photos of different styles of buildings, each of them marked with the date of design and the name of the designer. The person in charge said that an exhibit of China's architectural designs would be held in the Amur Region soon.

Not long ago, a painting exhibition was also held in Heihe City. Fifty-five works of 28 artists from the Amur Region of the Soviet Union were on display. They were mainly oil paintings, in addition to some prints, watercolour paintings and pen-and-ink drawings. On the opening day, several hundred people from various fields came to visit. Jiang Ron-

ghui, chairman of the Heihe Prefectural Association of Art, published his impressions in a local newspaper, "Although this exhibition is not big, it signals the beginning of local cultural exchanges between China and the Soviet Union. Both Soviet oil painting and traditional Chinese painting occupy a dominant position in each country's paintings and both Chinese and Soviet artists wish to make further direct exchanges."

Last autumn, discussions on the comprehensive exploitation of the Heilong River valley were held at Heihe and Blagoveshchensk successively. Chinese and Soviet experts took up more than 20 theoretical problems including how to do comprehensive exploitation of the Heilong River valley, how to protect water resources and how to maintain ecological balance. The discussions will continue this year.

There are frequent friendly contacts between Chinese and Soviet army-men. According to an agreement signed last year between the departments concerned, China's Heihe prefectural frontier inspection station may independently meet with the Soviet Amur regional military subarea on the border. Also the frontier inspection department of Heihe City has established business relations with the frontier inspection department of Blagoveshchensk City. During the Spring Festival, the Heihe Military Subarea invited Soviet army-men to take part in a get-together. Soviet officers and soldiers freely expressed their views and the atmosphere was lively and harmonious throughout.

When I left Heihe City, the ice on the Heilong River was beginning to melt. Sprays of water flew in all directions as the bus passed. Within several days, the local people had told me, they would be hearing thunderous cracking sounds as enormous blocks of splitting ice dashed against each other. □

CHINA HEWLETT-PACKARD

Computing to Success

Hewlett Packard is already a well-established name in Chinese advanced science and technology circles. The company's computers can be found in many scientific research institutions across the country, where they have earned a strong reputation for quality and performance.

This equipment has come from the China Hewlett-Packard Co. Ltd., the first Sino-US electronics joint venture set up in China. Since its establishment in June 1985, US\$10 million has been invested in the company—57.5 percent from Hewlett-Packard in America, and 42.5 percent from the three shareholders on the Chinese side: the China Electronics Import and Export Corp., the Beijing Computer Industrial Corp. and the China Computer Development Corp.

The company now has more than 300 employees, most of whom have bachelor, master or doctorate degrees. In addition to its general office in Beijing, it has a subsidiary branch in Shanghai, and representative offices in Chengdu, Guangzhou, Shenyang and Hong Kong. Recently, the company built a factory in Shenzhen to produce Hewlett-Packard's HP3396A integrators. These are mostly sold abroad through Hewlett-Packard's global sales network.

Annual turnover is expected to reach US\$20 million by 1990. For the last three years, the company has operated in the black and its foreign exchange earnings and expenditure have balanced.

Sincere Co-operation

Why has China HP been so

successful? According to General Manager Yu Xinchang, the main reason is the spirit of sincere co-operation and team effort the two sides have built up. He likens the company to a harmonious family, and contrasts its way of operating with practices common in other Sino-foreign joint ventures: "Often when companies hold meetings, the Chinese representatives sit on one side with the foreigners on the other. In discussing problems, the two sides come up with separate solutions, and then try to tie them together afterwards. As the managing director at China HP, I don't let this happen. I solicit opinions from everyone on the board of directors, and make sure we don't divide into two separate camps."

The joint venture also has strong backing from Hewlett-Packard's American headquarters. HP has spent considerable effort studying China, and is confident in the country's long-term investment prospects. Their aim is not simply to turn out goods and generate revenue, but includes a genuine desire to contribute to China's modernization.

Many foreign businesses know little about China, and view investment in a shortsighted, short-term way. Changes in government policy, such as the introduction of foreign exchange control, have made them slightly apprehensive. But not Hewlett-Packard. Recently, for example, their American division decided to invest US\$15 to 20 million in an office building in Beijing (up to now the company has been occupying two floors in the Beijing Wristwatch Factory). And its overall aim is to establish a series of manufacturing bases ac-

ross China within five years. Their products will then be sold by HP's worldwide sales network. By then, China HP's total workforce should number around 1,000 people.

As an indication of its long-term outlook, all Hewlett-Packard contracts stipulate that profits earned within the first five years must be used to expand production.

Yu Xinchang, China HP's general manager, expresses satisfaction with China's regulations covering joint ventures. He says that employees are recruited through a combination of examinations and interviews. After joining the company, all employees are assessed for salary rises, promotion and transfers using standard Hewlett-Packard scales. Once hired, they have to take further examinations every six months. Anyone who fails will have difficulties securing a pay rise, and anyone discovered to be unqualified will be dismissed.

Larry A. Amsden, general director of the company's business section, said housing remained one of the attractions for new employees. To overcome the problem, the company has decided to buy residential accommodation, and have signed a contract to buy 200 flats for their staff.

He said expatriot employees accounted for less than 15 percent of the workforce. Although most of them live with their families in hotels and cannot cook for themselves, they are generally satisfied with both their working and living conditions in China.

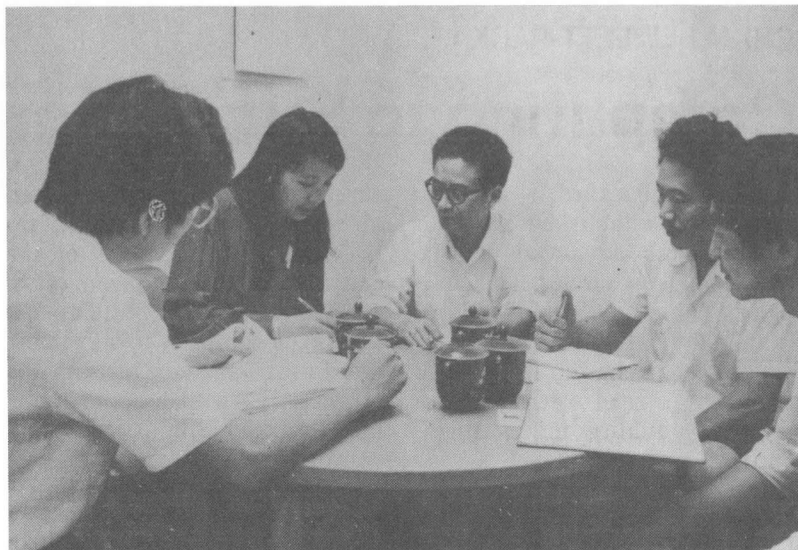
Because Hewlett-Packard's success is based in the fast-

changing world of high technology, it attaches great importance to staff training. In 1987, for example, the company sent 150 people to be trained in the United States, the Federal Republic of Germany, Singapore and Hong Kong. And in the first eight months of last year, another 116 people were sent abroad—an extremely large number for a company with just 300 employees. When abroad, these people not only study science and technology, but also managerial techniques. Yu believes that if China could raise its managerial standards to US or Japanese levels, productivity could be raised two or three times within three years even without importing any equipment.

Management Features

Management is the key to enterprise prosperity. From the start, China HP has been run according to principles formed over the years by Hewlett-Packard in the United States, now modified to suit Chinese conditions. These aim at combining R&D, production, and marketing into an organic whole.

Working from the principle of mutual benefit, the two sides have the combined goals of opening China's markets to Hewlett-



Staff at the Changhong Television Factory in Sichuan Province hold business talks with HP representatives.

Packard's products while securing Hewlett-Packard technology for China. Hewlett-Packard's American parent company has system of technology transfer known as the "comprehensive dynamic transfer pattern." Products will be supplied according to the changing needs of both China's internal market and what can be manufactured within China for sale on external markets. As China HP grows, it in turn is expected to transfer technology developed by itself back to the United States.

The outcome of this dynamic and flexible system will be the

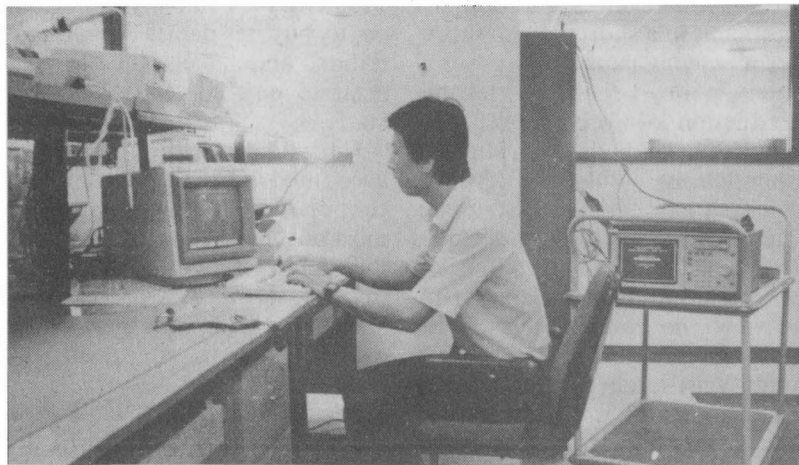
introduction of advanced technology and managerial methods from overseas so as to raise continually the quality of both China HP's products and operational procedures. Already it has started to prove its worth: within just three years, China HP has developed the capacity to handle Hewlett-Packard's HP 3000-170 series computers, its HP 1651A Logical Analyser, and several other advanced products.

At the same time, the company has established co-operative links with key enterprises, work units, colleges, universities, research institutes and medical units, aiding the development and spread of applied computer systems across the country. These results have brought about obvious increases in technical and economic efficiency for the user units.

In its second five years of operation (1991-95), China Hewlett-Packard aims to build on its achievements of its first five years and develop its own special products and technology independently. The eventual goal is for China HP to establish its own identity, to make it a modern electronics and computing enterprise with the power to be a major force in both Chinese and international markets. □

At work on an HP ultrasound image system.

Photos by XUE CHAO



ACFIC Fosters Overseas Links

by Our Staff Reporter Lu Yun

Last year, the All-China Federation of Industry and Commerce celebrated its 35th anniversary. However, it is the last four years that has witnessed its most rapid period of growth; since 1984 the federation has added 38,522 enterprises, 37,013 individuals and 2,742 groups to its membership roll. At the same time, it has established many links with industrial and commercial circles overseas and has helped negotiate 1,048 agreements on importing funds, technology and equipment. In this report, the work of local federations of industry and commerce is examined.

Rong Yiren, the federation's chairman, recently called on his members to make still greater efforts to expand contacts and friendship with compatriots in Taiwan, Hong Kong, and Macao, overseas Chinese, and representatives from international industry and commerce. He said pioneering efforts were needed to promote and consolidate the reform and open policy. In Fujian Province, many steps have already been taken in his direction.

Ties With Taiwan

Xiamen lies about 200 nautical miles from Taiwan, and the two regions share a long history of industrial and commercial bonds. On September 5, 1988, the Xiamen Municipal Federation of Industry and Commerce was renamed the Xiamen Chamber of Commerce. Its chairman is Xie Fumei, general manager of the China Porcelain Co. Ltd., a Sino-foreign joint venture. His father-in-law was the chief of general

staff of Kuomintang Xiamen garrison headquarters before 1949. The Chamber's vice-chairman in charge of day-to-day business is Guo Yongyi. Born in Taiwan during the 1920s, he returned to his hometown in Fujian to establish a casting factory. In the late 1940s, he often travelled between Xiamen and Taiwan.

The Xiamen General Chamber of Commerce was established in 1905. Its first president, Lin Erjia (Lin Shuzhuang), the top rich person in Taiwan, returned to the mainland and contributed 2 million silver taels to help re-establish the Chinese navy, after Taiwan was occupied by Japan following the Sino-Japanese War of 1894-95. He also contributed funds to set up Shuzhuang Garden, a famous scenic spot in Xiamen's Gulangyu.

The Xiamen Federation of Industry and Commerce, established after 1949, has played a major role in promoting domestic prosperity and foreign trade. Since the implementation of the open policy, it has hosted commercial delegations from more than 30 countries and regions including the United States, Thailand, Singapore, Peru, Hong Kong and Macao. It has also met more than 5,700 businessmen from foreign countries and Taiwan who have come to Xiamen to visit relatives and friends for tourism or business, and in return has sent members on visits to the United States, Western Europe, Japan and Southeast Asia to attract overseas investment and promote commercial intercourse. Over the past three years, the federation has recruit-

ed 265 new enterprises, 52 percent of which are Sino-foreign joint ventures or exclusively foreign-funded companies.

Separated from the mainland for 38 years, the Taiwan authorities started to allow compatriots in Taiwan to visit relatives in the mainland in 1987. The Xiamen Chamber of Commerce has speedily drawn up and put into practice eight measures to serve Taiwan business people. These include: meeting all people with Taiwan passports who have contacted the chamber beforehand when they land, providing help with entrance formalities and tracing relatives in the mainland; and supplying information on commercial prospects.

In addition, the chamber has set up an economic consultancy department for Taiwan compatriots where businessmen can establish contact with representatives from government departments and China's other provinces, autonomous regions and municipalities.

Vice-Chairman Guo Yongyi considers that the present investment environment in Xiamen offers many advantages to Taiwan businessmen, especially as many people in the city have relatives and friends on the island and the two places share similar customs. Moreover, Xiamen has low production costs, a good quality workforce and offers a wide range of preferential measures for overseas companies in its special economic zone.

He said that more than 30,000 Taiwan compatriots had come to Xiamen from January to October 1988 on visits to their relatives or tourist trips. The Xiamen

Chamber of Commerce has also received more than 300 people from Taiwan industrial and commercial circles. Moreover, a dozen industrial and commercial enterprises with Taiwanese investment are doing sound business. Guo voiced the hope that the municipal government and all quarters of society would offer more support to his chamber.

Foreign Bonds

The Fuzhou Federation of Foreign-Funded Enterprises was founded in January 1987 to build international economic links around the world. At present, its membership totals 150 enterprises and 264 Chinese and foreign businessmen.

Since its establishment, the federation has held 16 meetings and conducted 500 investigatory visits to enterprises or interviews with businessmen. It has also frequently passed information about the opinions, situation and needs of its members to relevant government departments and got government officials to explain policy decisions and help enterprises overcome their difficulties, thus helping to construct a bridge between the government and foreign-funded firms.

Ou Yunyuan, who combines chairmanship of the federation with being general secretary of the Fuzhou Federation of Foreign-Funded Enterprises, considers that the special status of his organization helps maintain good relations with the local government and high efficiency. For example, some areas of Fuzhou suffer from electricity shortages. The frequent power cuts greatly irritated the general manager of the Sino-Japanese Fujian Hejian Electric Equipment Co. However, when the director of the Power Supply Bureau heard about the problem at one of the federation's meetings, he arranged for the com-

pany to have its power supplied from another network, and the company now expresses full satisfaction with its electricity supply.

The federation has also helped more than 100 foreign-funded enterprises train staff, and often dispatches experts on investigatory or consultancy visits to enterprises to raise management standards. It makes full use of its knowledge of the local and national economy to open channels for supplies of raw materials and products for foreign-funded enterprises. In 1987, the federation helped its members participate in various trade fairs which resulted in new orders of around 2.5 million yuan.

Since its establishment, the federation has actively developed international links. To date, it has received more than 1,000 businessmen and commercial delegations from countries and regions around the world, including Japan and the United States, as well as Hong Kong and Macao. It has also sent members on overseas visits and has established relations with the Chinese General Chamber of Commerce in Hong Kong.

The work of the federation has been praised on many occasions. Cheng Xu, chairman of the Standing Committee of Fujian Provincial People's Congress, said it had "played a role that other departments could not," and Hong Yongshi, the mayor of Fuzhou, said, "The federation has won prestige for its realistic approach and high efficiency."

Lai Ching-huei, general manager of Hong Kong's Wing Sang Development Co. and concurrently vice-chairman of the Fuzhou Federation of Foreign-Funded Enterprises' board of directors, expresses satisfaction with Fuzhou's investment environment. He already has three well-established companies there, and is optimistic about

the future of his latest venture, the Rongsheng Real Estate Development Co.

International Inroads

Following Fuzhou's lead, Quanzhou established its Federation of Foreign-Funded Enterprises in July 1987, electing Xue Tianxi, chairman of the Quanzhou Chamber of Commerce, as the chairman of its board of directors. His family has been engaged in the traditional Chinese medicine business for three generations, long being known in Fujian Province as the "King of Medicinal Herbs."

With a favourable geographical location and a long history of commerce, the coastal city of Quanzhou has ready access to international economic information. It is also the ancestral home for many overseas Chinese. Taiwan compatriots in particular can claim many relatives and friends in Quanzhou, making it one of the favoured places for Taiwanese investment. In recent years, more than 300 foreign-funded enterprises, several thousand export-oriented processing businesses and 20,000 township and private enterprises have started business in Quanzhou. Twelve of the 18 directors on federation's board are foreign businessmen.

Xue Tianxi said the federation will turn itself into a home of foreign businessmen, by passing their true opinions on to the local government and protecting their legitimate rights and interests.

Visiting foreign businessmen have expressed satisfaction with the fact that both the Quanzhou Federation of Foreign-Funded Enterprises and the Quanzhou Chamber of Commerce are non-governmental organs, while the refusal of Xue Tianxi and the two federations to accept gifts or bribes has won widespread acclaim.

Among the federation's tasks are providing market information for members and helping them overcome difficulties with raw materials and funds. Over the past few years, they have established co-operative relations with more than 20 industrial and commercial organizations from the United States, Singapore, the Philippines, Taiwan, Hong Kong and Macao. Monterey Park in the United States recently expressed a desire to build close ties with Quanzhou through their

respective chamber of commerce.

The Quanzhou Chamber of Commerce and the Federation of Foreign-Funded Enterprises have helped some 100 businessmen from Taiwan select investment projects and partners. Many of them said that through the contacts with their colleagues and representatives from non-governmental organizations they have seen the open policy in action and the sincerity of the mainland's desire for reunification. □

nants of feudalism and the decadent ideas of capitalism without raising the cultural quality of the Chinese people and without abolishing ignorance. To fight capitalism and feudalism from the foundations of ignorance will only lead to the replacement of one form of ignorance with another.

Enlightenment. In order to realize cultural enlightenment during the primary stage of socialism, it is necessary to launch a mass programme aimed at eradicating illiteracy, popularizing scientific and cultural knowledge, educating people in democracy and law, instilling the values of social morality, raising awareness of the rights and duties of citizens, and promoting civilized behaviour and courtesy.

Constructiveness. The realization of this calls for a prolonged period of patient and foundation-laying work. We have to advance step by step, accumulate experience gradually, cherish all the fruits we gain, and concentrate on fostering a constructive not destructive ideology.

This constructive approach embodies the foundations of stability. Cultural accumulation and advance demand that we build first and destroy later—creating the new while *not* destroying the old. When we build a new building, it is not necessary to tear down an old one; so it is with our cultural legacy.

We have to break with the approach and psychology that have long ruled with its call to eliminate all trace of old culture, to form new cultural concepts and to save the country through criticism, abuse and destruction. This was done in the belief that the old and the new were irreconcilable.

Of course, this does not mean we should forego struggle—in the construction of a socialist culture we will have to retain our spears. □

CIVILIZATION AND IGNORANCE

The Principal Contradiction in Culture

The 1989 No. 1 issue of "Qiushi" (Seeking Truth), a theoretical biweekly, carried an article by Wang Meng, minister of culture and one of China's best-known novelists. Written in a form of literary notes, he analysed the issues facing culture in China at the primary stage of socialism. Below we publish extracts from the article.—Ed.

by Wang Meng

What is the principal contradiction in culture at the primary stage of socialism? What are our cultural aims right now? How we answer these questions will decide the orientation of our cultural work.

Some people say anti-feudalism is the principal contradiction. Others say anti-capitalism. Some even say it is both feudalism and capitalism, and then point to some remnants of feudal thought and decadent capitalism present in society.

These answers are reasonable; and they may become the major locus of contradiction for certain particular issues. But from the general and long-term point of view, they are probably not the principal contradictions. If we

agreed that they were, then the subject of our cultural work would be nothing but an endless struggle.

In fact, the principal contradiction facing us at present lies between civilization and ignorance. What we need to eliminate is ignorance and barbarism. Feudalism and capitalism both make use of our ignorance. All of the phenomena of ignorance are damaging our country, and construction and reform, and impairing the achievements of revolution and socialism.

One of the major barriers to the realization of China's modernization programme are the 20 percent of the population who are illiterate or semi-illiterate. It is impossible to remove the rem-

Brotherly Love Needed Across the Straits

RENMIN RIBAO,
(People's Daily, Overseas Edition)

Taiwan's *Zhonghua Zazhi* (China Magazine), issue No.307 published an article by Zhong Yu, titled Message of a Chinese Redbud Tree. Here is an excerpt.

An ancient Chinese folk tale tells a story of three brothers who wanted to share out a Chinese redbud tree. Distressed by the dispute of the three brothers, the tree withered to death overnight. Moved by the tree's feelings, the three brothers restored their love and the tree, magically, became alive again. Today's China is just like that redbud tree.

Some Chinese living in Taiwan, with their pockets full of money, take a scornful view toward their brothers across the straits and proclaim, "Look, how poor they are: No flush toilet. No car. No flat. They are not my brothers." Is Taiwan that rich? Why do so many girls become prostitutes? Why do so many people survive under the bridges in Taipei living a miserable life? Why do so many retired soldiers over the age of sixty struggle to make a living as coolies? Besides, why do so many people in the eastern mountainous areas live lives of three or four decades ago? No flush toilets, no cars and no flats. What has the government done for them? And what have you done, the so-called rich people?

In Taiwan, whenever the leaders, politicians and scholars touch upon the issue of unification, they all unanimously say that since there exists too big a gap between the people in Taiwan and in the mainland in terms of income, there is no con-

dition for unification.

However, they have ignored one important phenomenon. With one US dollar, in Taiwan, one can not even buy a bowl of beef noodle while in the mainland one can buy several bowls and even pay the rent of a house for one month.

Hence we hope that economists will make a reasonable study on the real differential of income and whether that differential constitutes a real barrier to unification.

No matter how big the differential is, we belong to one country. If we want to forever rid ourselves of the humiliation we had suffered for a hundred of years, all the Chinese people in all parts of the world should give up their limited interest in one party or one group and make contributions to the commonwealth of our motherland, to make it a truly strong nation.

What we are doing now, however, is not combining strength but counteracting it. Taiwan has

great sum of foreign currency, but we would rather have it used by the Americans than to allow people to invest it in the mainland.

Besides, we set up unreasonable obstacles for the communication of people across the straits, which has the least of significance.

Mr Hu Qiuyuan said after his mainland visit, "The mainland can make China strong while Taiwan can make China rich. The co-operation of the two will make China both strong and rich." However, if the two sides continue to act against each other, China will remain poor and weak.

If we can treat the people on the mainland with the love of brothers and if the people on the mainland can do the same towards us, national unity can be achieved through negotiation.

We can then act unanimously against any suppression and humiliation in external affairs; in internal affairs, we will cherish a mood of peaceful competition. As a result of the unity, the prosperity of China would soon be attained.

(April 6, 1989)

Governor Plugs Beef at NPC

JINGJI RIBAO
(Economic Daily)

In the Great Hall of the People in Beijing, the service counter sells a kind of dried beef slices which wins special favour from customers. The beef slices are produced by an individual producer named Guo Xinghua from Huangping County in Guizhou Province. It is largely due to the help of the province's governor, Wang Chaowen, that his products can be sold here.

Wang Chaowen, born a native Miao, was very outspoken as he

told how and why he promoted the selling of dried beef slices.

Huangping is a rather poor county, Wang said, but with good grasses that provides a favourable condition for cattle grazing. Over the last few years, cattle were so difficult to sell that the local people were reluctant to raise cattle.

But raising cattle is one of the most important means for the economic development of the county. From then on, Wang has been thinking of a way to solve the problem.

In 1986, Wang was told that a young farmer from Huangping County had set up a beef processing factory and the business was good. He then paid a visit there and felt that the young man had taken the right path. The development of a beef processing factory would certainly enhance cattle production in the county. After that Wang began to develop the idea of how to help the young man promote the sale of his product.

In the early summer of 1987, Guo's dried beef slices were among the best products of the province, which assured him of its quality.

Then Wang wrote two letters of recommendation for Guo

Xinghua: one to the Beijing Civil Aviation Administration and the other to the Guangzhou Civil Aviation Administration.

They accepted Wang's recommendations and the beef slices from Huangping County began to be served in the food boxes on passenger planes.

In March last year, Wang went to Beijing to attend the People's Congress, and recommended the dried beef slices to the service department in the Great Hall of the People. Soon after, the beef slices appeared on their counter.

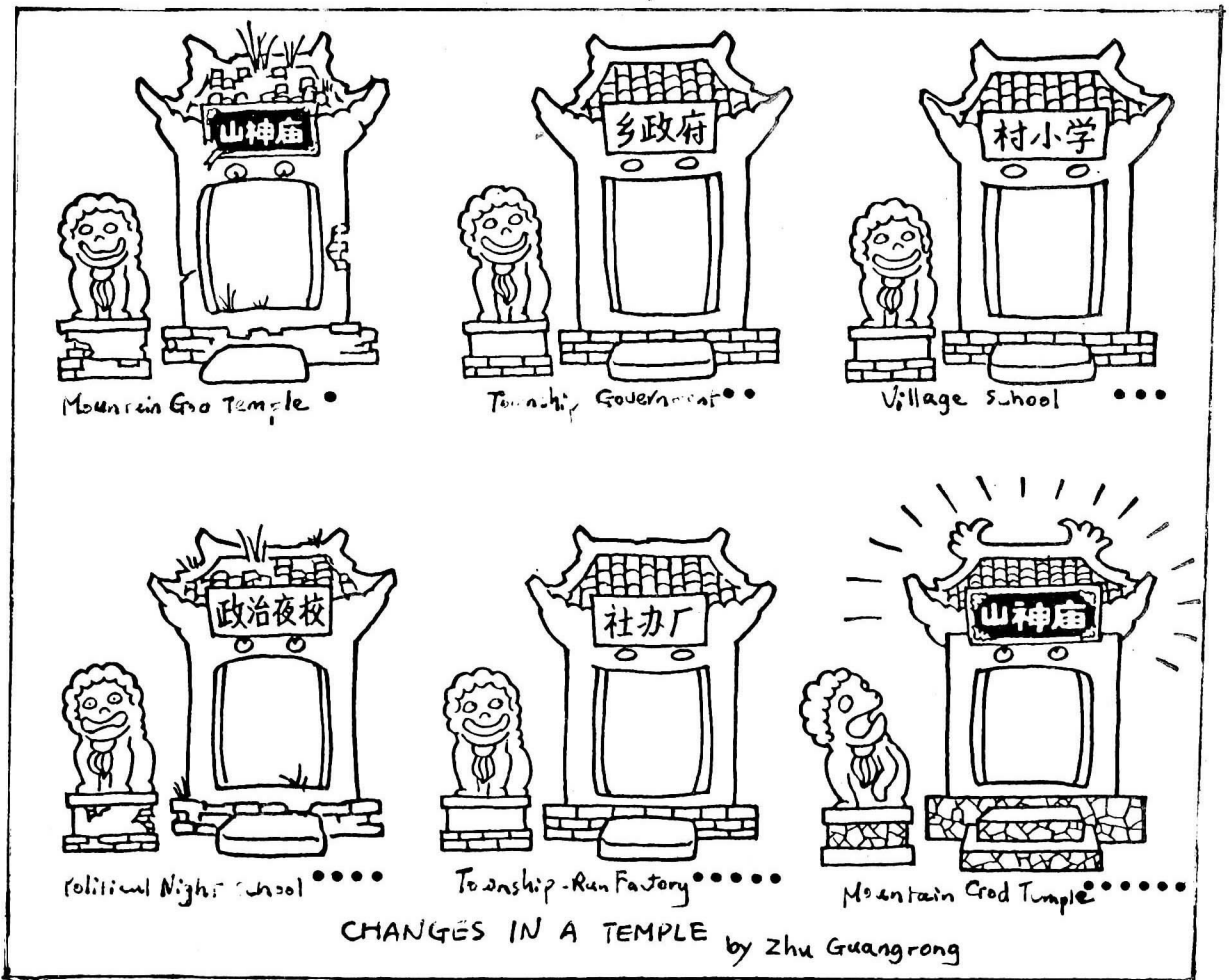
Being a Guizhou native, Wang said he understands the farmers have very little understanding about what a commodity economy is and are doubtful about

individual enterprises. By helping to promote individual products, Wang wants to encourage them to follow suit.

"What I have done proved to be very useful," Wang said. "In the past two years, great achievements have been made in cattle raising in the county."

Last January, the chairman of the provincial economic commission and Wang went to Huang-ping to give spring festival greetings to Guo Xinghua and his employees. Guo said, "All the people here are in high spirit when they heard that governor Wang helped them to sell dried beef slices at the Great Hall of the People and on the airplanes."

(April 1, 1989)



Call to Expand Use of Foreign Funds

Vice-Premier Tian Jiyun has called for a freer and more efficient use of foreign investment as part of China's strategy to control overheated economic growth, supply-demand imbalance and inflation.

Speaking on April 20 at a national conference on foreign investment in Beijing, the vice-premier said that despite the favourable international climate, the excessive scale of capital construction combined with shortages of funds, energy, raw materials and transport facilities had restricted the implementation of the open policy and the development of the coastal areas.

Proper regulation of the national economy would help the situation, said Tian. He called on the provinces to draw up overall plans for absorbing foreign funds and acquiring advanced technology. This would help to increase output, make enterprises more competitive and help relax the pressure on domestic funds, he said.

At the same meeting, Vice-Minister Shen Jueren from the Ministry of Foreign Economic Relations and Trade said that the People's Bank of China and the State Planning Commission had decided to provide loans of 400 million yuan to help fund Chinese investment in major foreign-funded enterprises.

China's use of foreign funds during 1989 and 1990 would be strictly supervised and managed by the government, Shen said. Items would be selected carefully with the limited amount of domestic auxiliary funds going on items urgently needed for national development. These included:

- Helping enterprises that produced goods for export using imported raw materials or materials available in abundant supply in China.
- The modernization of textile,

machine, electronics and other enterprises which required advanced technology and managerial techniques. Thus the quality of goods could be improved and new products developed.

- Other high-tech projects.
- Basic facilities in energy, communications and primary raw materials such as iron and steel, chemicals and building materials.

Local governments should start to draw up and publish information on projects in which foreign investment would be encouraged or restricted in the areas under their jurisdiction.

by Li Ning

Japan-Funded Hotel Opens

The first joint-venture hotel in China funded and managed by Japan, the Wuxi Grand Hotel, opened in Wuxi, Jiangsu Province in April.

With a triangle prism, the hotel with 24 storeys, two of them underground, is the highest building in Wuxi. It has 327 standard double rooms, 12 ordinary suites, three luxury suites and comprehensive service facilities.

Under the agreement, the hotel will be managed by Japan for the first nine years. In trial operation over five months, it served more than 7,000 guests from the Wuxi International Tourist Film Festival, and was well received.

Located in East China, Wuxi is one of China's top ten tourist cities and rich in tourist resources. In 1988 it served 167,000 overseas guests. It is said that the hotel's establishment has relieved tense accommodation situation in the city.

The partners have invested 90 million yuan in the hotel, with 49 percent from the Tokyu Corp. of Japan, 35 percent from the Wuxi Tourist Corp. and 16 percent

from the China International Trust and Investment Corp. They have signed a 15-year co-operation agreement.

by Yao Jianguo

Selling Traditional Medicine Abroad

The Beijing Traditional Chinese Medical Science and Health Co. Ltd. and the Medicated Foodstuffs Research Institute, jointly managed by the China All Professions Research Centre and the Japanese Joho System Institute, were formally set up on April 9 in Beijing.

The company chairman, Wang Xianmin said it would mainly engage in the research and development of medicated foodstuffs, body-building and health food as well as the development, production and sale of health instruments and equipment. The company will provide various services on food therapy, *qigong*, acupuncture and massage and act as a consultant as required.

Mr. Wang said that the company would set up an enterprise, Quampo Land, in Tokyo as a joint China-Japan venture. Its main task is to open traditional Chinese medicinal centres in Japan, the United States and Europe. Apart from *qigong*, acupuncture, massage and body-building, services will include medicinal baths and beauty treatment.

Mr. Wang also said that traditional Chinese medical science was attracting world attention. The purpose of setting up the company and institute was to promote the combination of traditional Chinese technology with modern science of Japan, getting world-wide recognition of traditional Chinese medicine and making a contribution to the health of all human beings.

by Li Ping

Conciliation

The forthcoming Sino-Soviet summit should prove to be of great historical significance. We will see the world's two largest socialist countries once again shaking hands and consulting together on international relations on the basis of mutual prosperity.

I believe that progress can be realized not through resorting to force but through dialogue and consultation and a recognition that the opposite side may hold differing points of view. Therefore this effort to achieve a new global order should be highly praised.

I hope you publish more articles on this subject and on future prospects for international relations.

Masahiro Goto
Hokkaido, Japan

I have read and reread your articles on improving Sino-Soviet relations and think they should

be acclaimed. For a long time, China and the Soviet Union held different views, and many people feared that this could have been a source of war. But now, all that is in the past, and people can look forward to the talks between the Chinese and Soviet leaders with confidence. Normal Sino-Soviet relations are surely desired by people in all countries.

Peter Romen
Austria

Force for Peace

The article "Sino-Soviet Summit in Sight" in your double issue Nos. 7-8 made me realize that China is a major force in the struggle for world peace.

In the same way as with the United States at present China is offering its friendship to the Soviet Union.

Gorbachev's policy of "relaxation" resembles many of China's diplomatic moves in the past —such as when Mao Zedong met

Richard Nixon and Deng Xiaoping met Margaret Thatcher.

The article "Tibetan Independence"— Fact or Fiction?" in the same issue also impressed me. As the author pointed out, arguments for independence are utterly groundless, and those who propose them are ignorant of China's history or have ulterior motives.

Throughout history, the Dalai Lamas have been appointed by Chinese emperors. Ironclad proof of this is supplied by the fact that Pagba wrote the official law in 1255 in accordance with the orders of the then Yuan Dynasty emperor. The close relations between Tibet and China were further evidenced when a Qing emperor gave a gold seal to a Dalai Lama.

Tibet has always been one of China's provinces, and all countries have always formally recognized China's sovereignty over the region.

Jacques A. Meyer
USA

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The Expressive World of Cao Qiongde

In 1969, Cao Qiongde was a 15-year-old fitter in a Guiyang transformer factory. Twenty years later, at the beginning of April 1989, he held his first one-person show in China's premier exhibition space—the China Art Gallery. This was a remarkable achievement because Cao made it without the benefit of any formal academic training.

Cao was born in 1955 into an ordinary worker's family in Guiyang, the capital of Guizhou Province. When he was 15, he graduated from middle school. Like other young people at that time, he was faced with one of two choices—working in a factory or going to the countryside. Fortunately for him, he was sent to the transformer factory.

China at that time was immersed in the turmoil of the "cultural revolution." Yet Cao tried to detach himself from this catastrophic event which had brought untold misery and suffering to China and millions of Chinese. He indulged himself in drawing which he had liked ever since his childhood. But it was only in 1972 that he seriously started to study art by himself. His father had constantly disliked his painting—he regarded it as a costly waste of money that would never become a source of income. But his mother supported him, and even now he remembers her encouragement fondly.

The many taboos that were placed on art in the "cultural revolution" only served to stimulate his thirst for knowledge. He read as many books as he could lay his hands on. "I often borrowed books from an older worker who was pretty knowledgeable and had quite a library of works about Western literature and art," says Cao.

His work is a synthesis of his immediate environment—he still lives in Guizhou—refracted through his own beliefs, experience and feelings. The countryside of Guizhou is his major subject. The region has a moist climate with little sunshine. Its mountains, home to minority nationalities such as the Miao, Zhuang and Dong, are constantly shrouded in mist and fog. It's an area of primitive mystery.

This Cao captures in his paintings. In almost all of them there are flowing clouds, slow-rising mists, primeval forest and small wooden bridges and stone cottages. Only one thing appears to be missing—people. Does Cao remove them deliberately?

"My work is accomplished simply under the control of intuition. I've never thought I deliberately removed people, but it's true there's few of them. Maybe it's because I was born taciturn and bashful. Whenever I paint people I become nervous—it's quite the contrary when I paint nature."

Cao maintains that all art is closely connected with the individual who creates it. In fact, he says, the quality of art is totally dependent on the quality of life of the artist. He sees himself as primarily a painter of nature who stands astride Chinese and Western art, and suggests his goal beingis channelling nature into an abstract language of magnanimity. The clouds on the plateau, the sunflowers standing between stone houses, the wooden buildings of the Miao, the trees



Oxen in Basha.

on the hillsides—for Cao, they are all expressions of life.

What makes Cao's work unique in his own mind is his borrowings from the West. "I'm especially fond of Paul Cezanne (1839-1906), Giotto di Bondone (1267-1337) and El Greco (c. 1541-1614). Although they all lived in different ages, they share various characteristics," says Cao. "For instance, their works are all more or less close to nature, and they regarded art as something similar to religion. They also emphasized colours, tones and space, much like I do. I also consider painting as a kind of religion, it helps me to hold myself aloof from the world."

Cao paints directly on to *xuan* paper, a high quality paper made in Xuancheng, Anhui Province, which is especially suited to traditional Chinese painting and calligraphy. Using oil paints and organic pigments, he creates his works through a combination of woodcuts, oil painting and traditional Chinese brushwork. As a result, they mix the flowing rhythms of Oriental culture with structural forms drawn from the West.

"My technique involves a striving for freedom through the

use of an intense structure," says Cao. "For example, in 'Oxen in Basha,' the Miao cottage forms the skeleton of the picture, giving it stability, but then the oxen, plants and clouds give it flow and freedom."

Cao's achievements have already drawn the attention of major art critics. Yan Han, an old and well-known artist who is also the vice-president of the Chinese Woodcut Artists' Association, praises Cao in his foreword to the exhibition: "He is an outstanding young painter in the

new tide of art with his out-of-the-ordinary technique, talent and thought."

Pu Weiqing, an associate professor at the Central Institute of Applied Arts also appreciates Cao's work: "Cao Qiongde's paintings are among the best in China. Their content is extremely contemporary, coinciding in many respects with the West's current post-modern school. They are modern paintings with Chinese characteristics."

by Deng Tianmei

First Time Mawangdui Show

For the first time people will be able to see the famous Hunnan "Mawangdui relics," taken from the tombs of a classical Chinese official's family.

Visitors to the Beijing exhibit will be able to see 72 relics taken from three tombs where Dai Marquis Lichang, prime minister of the classic Changsha State during the initial Western Han period (206BC to 24AD), Xinzhu, his wife, and their son were buried.

"In the past, 90 percent of the Mawangdui cultural relics exhibited either in China or foreign

countries were replicas. But this time, the reverse is true since over 90 percent of the display consists of originals," says Fu Juyou, deputy curator of the Hunan Provincial Museum.

Between 1972 to 1974, the excavation of the two-millennium-old tombs caused a worldwide sensation. The corpse of the Lady of Dai Marquis shocked the world for its lifelike form and colour despite being buried for more than 2,000 years.

Almost lifelike when found her corpse was still complete with its skin colour intact. Her entire body was still soft with

flexible muscles and was also perfectly preserved inside.

People say the greatest let-down to the exhibition is that it only has the lady's replica and giant enlargements of her.

"It's hard to move the lady for such a long distance due to the complicated techniques," Fu says.

Fu also confirms that Xinzhu's corpse is well preserved in a coffin full of formalin solution in Hunan Provincial Museum.

"There is no visible changes except some slight skin shrinkage," says Fu.

Besides the Mawangdui lady's relics, lacquerware finds, bright and shiny, as though it were new and silk embroidery of Han styles will be on show.

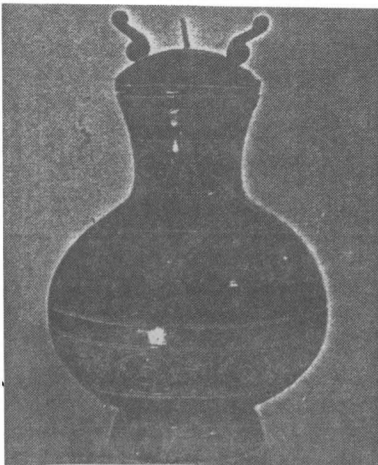
Well preserved ancient musical instruments, foods, wine vessels, bamboo slips, silk pictures and figures cut out of wood that sat beside the noble family can be seen.

A plain silk robe among all the exhibits is the most surprising. It weighs only 49 grams although it is 128 centimetres long, with the two sleeves measuring 190 centimetres and grand cuffs of 30 centimetres. Its lightness can rival the most exquisite modern silk artifacts.

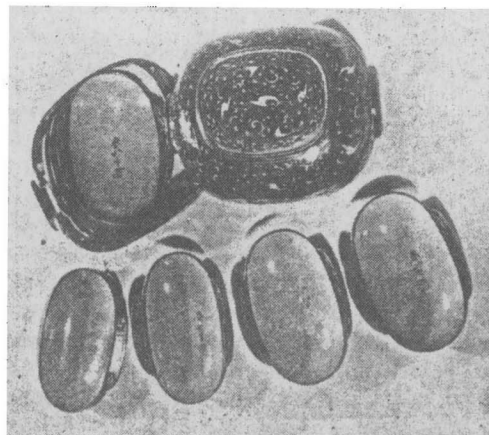
There is also a selection of Shang and Zhou (16 century BC-221BC) bronzes discovered in Hunan, which reflect the brilliant civilization of the ancient nationalities that once existed there.

Compared with the big bronzes taken mainly from the Huanghe (Yellow) River valley with their majestic-looking beasts of prey, Hunan bronzes chiefly carry designs of small animals, especially aquatic animals, which were rare on the central

One of the unearthed pieces from the Mawangdui site was this lacquer jar that stands 57 centimetres tall.



Lacquer cups and a casket unearthed from Mawangdui site.



plains.

The incomparable pig-shaped *zun*, a kind of pig-shaped wine vessel of ancient times, has already been on an exhibition solo tour throughout Japan.

But nobles drank their wine in style. The 72-centimetre-long, 40-centimetre-high pig-shaped container has a standing cock on the lid of the back where the wine could be added. The pig teams up with the small cock to vividly depict majestic strength and the beauty of the Chinese imagination.

For those who love designs of

glass and mirrors there's an added treat. Several well preserved copper mirrors and ancient samples of primary glass are in the exhibition.

Although most scholars have previously agreed that glass came to China from the West; the hundreds of glass artifacts that have repeatedly been unearthed from the Chu (740BC-330BC) tombs in Huanan have forced experts to begin rethinking their assumptions.

Care for the Hunan relics is a study in itself. All relics are preserved in modern storerooms kept

at a constant temperature and humidity.

During their Beijing journey, special personnel go with the relics to make sure Beijing's natural conditions won't affect them. To prevent Beijing's dry climate from affecting the artifacts glasses full of water are placed in the displaying cabinets to ensure adequate moisture.

From the Beijing exhibition the relics will be divided with one half of the selection travelling onto the Louvre in Paris, while the other half will tour the United States.

by Wei Liming

Disabled Artists Get Together in Beijing

The music of an Italian classic song *O Sole Mio* lingered in the auditorium air, immediately followed with prolonged applause. On the stage was Wu Fengxiang, the singer, sitting in his wheelchair. His eyes filling with tears of joy but he couldn't raise himself up to bow to his audience in acknowledgement. He was handicapped.

Thirteen years ago, after being left legless and sterile from the infamous Tangshan earthquake, that shocked the world, he wanted nothing more but death. At this moment, however, he saw a new beauty to the meaning of life which brought him a sense of self-worth, a drive to carry on.

He was part of the over 300 blind, deaf-mute or limbless actors and actresses drawn from more than ten of China's nationalities who had their heartfelt wishes manifested in last March when they performed in Beijing's Cultural Palace of Nationalities. The audience was both moved and impressed by the performers' stamina towards life and their superb artistic skill.

The well-trained blind orchestra of the Beijing Disabled Art Troupe played their regular programme, a melody from a Peking opera *Dark and Deep Night*. Its deep and wind-

ing melody best expressed the mental state of those struggling in a boundless darkness.

The highly accomplished Beijing Handicapped Art Troupe has competed throughout China, sometimes working along with the non-disabled to perfect their performances.

Their fame grew after winning international praise on touring Japan and Hong Kong.

Always remembered will be their chance to make music with a former British prime minister. That was in 1987 when Edward Heath, who outside of his Parliamentary activities was also a conductor,

came to Beijing at the invitation of China Welfare Fund for the Handicapped to play a piano recital along with the orchestra. At the end of the performance, Heath, visibly moved, shook hands with his fellow musicians and declared them remarkable artists.

Two young farmer amputee from Shandong Province, Sun Jishu and Chen Yiqian, best displayed the enthusiasm and drive of the disabled when performing the modern *Eagle Disco*. Like that soaring eagle, the disabled have to overcome difficulties beyond the imagination of common people.

The dancers performed with a

single leg—but their jumping and twisting was still graceful and controlled. Every flight of the eagles moves audiences to a new high who both cheer and join in clap along with the rhythm of the music.

The March performance of the disabled signals the highest standards yet achieved along with the largest scale ever held since New China's founding in 1949. Over 20 important Party and state leaders including Zhao Ziyang and Li Xiannian watched and praised the performance. With its conclusion part of the best programmes will continue onto the Second National Art Festival this September.

With more than 50 million disabled, China in recent years has developed art and cultural activities for their needs. Some of these include the National Competition of Blind Musicians and the National Video Recording Competition for Deaf-Mute Performers.

One recital that reflected spirit of the disabled was a moving recital in sign language of the poem titled *Slanting but Beautiful World*. Six deaf-mute girls used their mystical hands to powerfully ask.

"Who says we're disabled? Only those with disabled souls are really disabled."

by Feng Jing

ART PAGE



Woman Beating a Drum (oil painting).

by Zhang Ying



Back View of Three Tibetan Women (woodcut).

by Zhou Yiping

Paintings by Artists of Various Nationalities in Tibet

Here are some paintings by artists of different nationalities in Tibet who depict a new Tibet in diverse styles and from different perspectives that give people beautiful impressions of distinctive Tibetan tastes.



Spring in Tibet (fresco).

by Zhu Youtao

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