

A CHINESE WEEKLY OF NEWS AND VIEWS

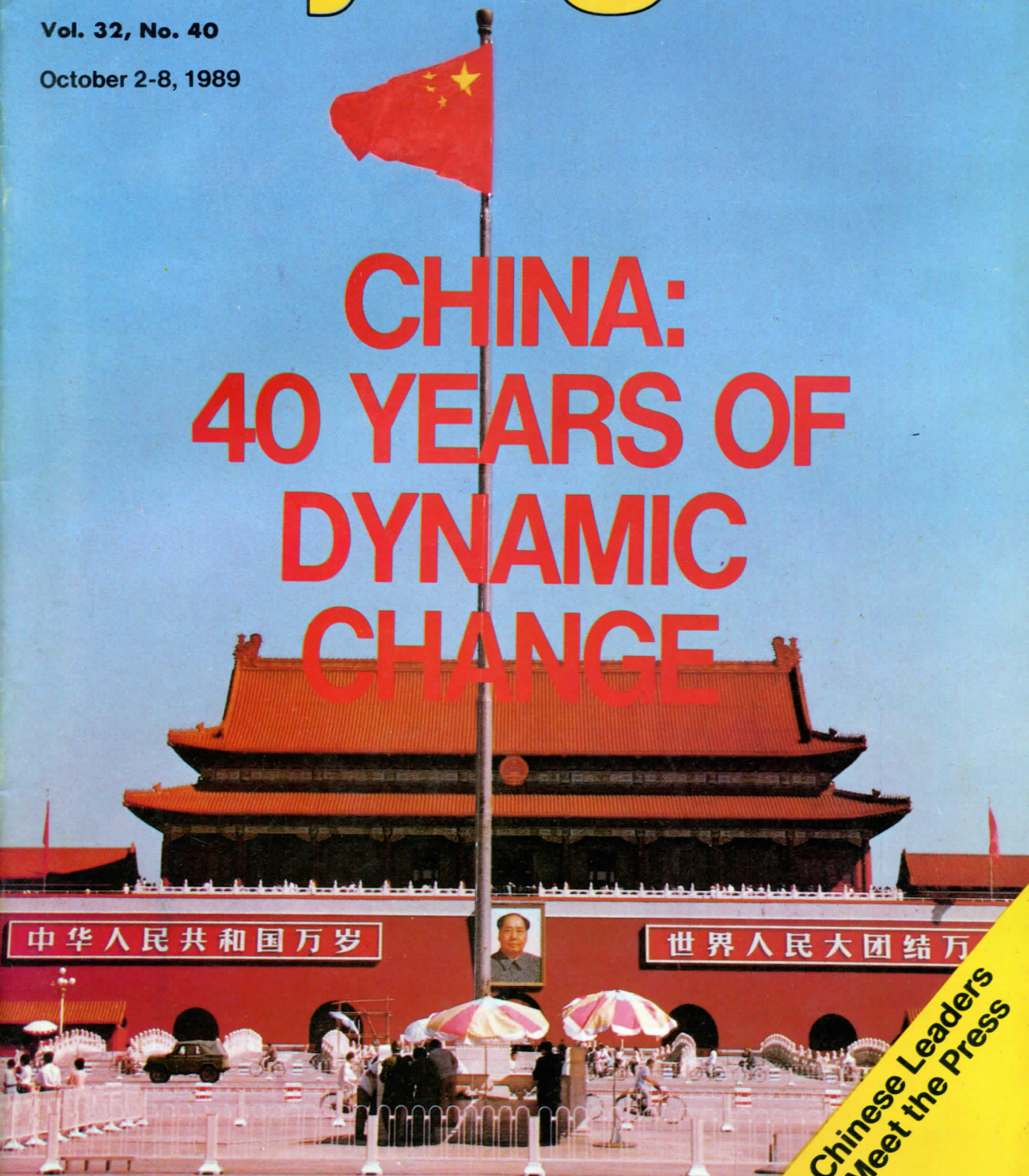
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CHINA: 40 YEARS OF DYNAMIC CHANGE



中华人民共和国万岁



世界人民大团结万

Chinese Leaders
Meet the Press



A recent photograph of General Secretary Jiang Zemin (right) with Deng Xiaoping.
Photo by Wu Jiguo

Jiang Zemin inspecting one of the Asian Games projects in Beijing in August this year.

Photo by Wang Zhenmin



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by Wang Chao

Chinese Leaders on Domestic and Foreign Affairs

□ At a press conference held on September 26 in Beijing and attended by all members of the Standing Committee of the CPC Political Bureau, Party General Secretary Jiang Zemin and Premier Li Peng met Chinese and foreign journalists. Full text of the conference (p. 15).

Deng on Handling International Relations

□ While meeting Masayoshi Ito in Beijing, senior Chinese leader Deng Xiaoping said the Five Principles of Peaceful Coexistence should be the guideline for settling international political and economic problems. He told Ito that no matter what happens in the world, the friendship between China and Japan must not change and will not change (p. 5).

Only Socialism Can Develop China

□ China has attained notable achievements of economic development and improvement in the standard of living over the past four decades. These successes are impossible for China without the leadership of the Chinese Communist Party, the socialist system, the political power at the service of the people and the public ownership of the means of production. The remark "only socialism can develop China" is the reality proved by China's 40 years of history (p. 19).

China's Foreign Trade in Past 40 Years

□ Zheng Tuobin, China's Minister of Foreign Economic Relations and Trade, in an interview with *Beijing Review*, discussed the progress China has made in his work field over the past 40 years. For the future, he said, the introduction of new technology, the establishment of projects in foreign countries and the development of labour exchanges will continue to be pursued and conducted according to China's set policies (p. 10).

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

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China Protests France's Support for Fugitives

The Chinese government has lodged a strong protest with the French government for granting permission to the so-called Front for Democracy in China (FDC) to hold its "founding congress" in Paris.

According to a press release issued in Beijing by the Foreign Ministry, an official with the ministry's Department of West European Affairs met on September 25 with the French ambassador to China, Charles Malo.

Xinhua News Agency reported on September 24 that "a three-day inaugural farce" of the FDC ended on that day. And the organization chaired by Yan Jiaqi, Wu'er Kaixi and Wan Rennan, adopted a "constitution," which aims at overthrowing the Chinese government.

The official pointed out that the French government, disregarding the solemn representations made by China, had gone so far as to allow the FDC to hold its "founding congress" in Paris.

Such action by Paris constitutes serious encroachment upon China's sovereignty and gross interference in its internal affairs, the official said, expressing China's "profound indignation" at France's action.

Yan, Wu'er, Wan and others have violated Chinese Criminal Law, the official told Malo, and are wanted by Chinese public security organs for instigating and organizing counter-revolutionary activities aimed at overthrowing the Chinese government by violence.

He said that it is indeed a rare case in international relations that the government of one country brazenly supports activ-

ities on its territory by a handful of foreigners aimed at opposing and subverting the government of a foreign country with which it has normal diplomatic relations.

The French government's action tramples on the principles of mutual respect for each other's sovereignty and mutual non-interference in each other's internal affairs as established in international law, as well as the purposes and principles of the Charter of the United Nations, he added.

Study of Marxist Philosophy Urged

Some Beijing theoreticians told a recent forum that the entire Communist Party of China (CPC) should study Marxist philosophy, according to the *People's Daily* in its September 17 edition.

Organized by the theory bureau under the Propaganda Department of the CPC Central Committee, the participants agreed that to study Marxist philosophy is helpful for clarifying theoretical contradictions, unifying people's thinking and raising the theoretical standard of cadres.

It is an important political task of the whole Party, they said.

The forum discussed the importance of studying Marxist philosophy and the better ways to study it. It also talked about eliminating bourgeois liberalization influences and strengthening theoretical knowledge among Party officials.

The participants pointed out that a major reason for the turmoil and anti-government riots

in Beijing and other cities between April and June was serious confusion in ideology and theory caused by bourgeois liberalization.

It is a serious move that will cause the deterioration of relations between China and France, the official said. He concluded that as a sovereign state, China will never tolerate such interference in its internal affairs by any foreign country. As well, he told the French ambassador that China strongly demands that the French government truly abide by the norms governing state-to-state relations, stop its interference in China's internal affairs, and immediately prevent further FDC activities on French territory against the Chinese government.

Otherwise, the official told Malo, the French government should assume full responsibility for any further damage to Sino-French relations. □

in Beijing and other cities between April and June was serious confusion in ideology and theory caused by bourgeois liberalization.

To study Marxist philosophy is a key element in the current struggle against bourgeois liberalization, they said.

The basic theory and standpoints of Marxist philosophy have been lashed by trends of bourgeois liberalization, the participants added.

In fact, they said, those who stuck to spreading bourgeois liberalization viewpoints were trying to negate Marxist philosophy under the slogan of "development."

The participants stressed that to study the Marxist philosophy is to first of all study the basic viewpoints of the dialectical and historical materialism and grasp the true essence of Marxist world outlook and methodology in a way of combining theory with practice. □



Chinese leader Deng Xiaoping meets Masayoshi Ito on September 19.

LIU SHAOSHAN

Deng on Handling International Relations

The Five Principles of Peaceful Coexistence should be the guideline for settling international political and economic problems, said senior Chinese leader Deng Xiaoping in Beijing on September 19.

At a meeting in the Great Hall of the People with Masayoshi Ito, leader of the Parliamentarians League for Japan-China Friendship, Deng also expressed the belief that no matter what happens, "Sino-Japanese friendly ties must not change and will not change."

Ito arrived in Beijing on September 17 for a three-day visit. This is the highest-level Japanese group to visit China since the crackdown on the anti-government riots in Beijing in June.

Speaking of the world situation and international relations, Deng said it has been proved that hegemonism and bloc politics do

not work. At present, not only a new world economic order should be established but also a new world political order, he added.

Deng criticized the summit of seven Western nations held in Paris during the summer. The meeting's resolution concerning China was based on "lies and distortions" and was "too shallow" in dealing with matters, he said.

The resolution represents interference in China's internal affairs which China finds unacceptable, he said.

Deng told the Japanese delegation that the Chinese government noticed "some differences" in attitude between Japan and other nations at the Paris meeting.

"China is not afraid of sanctions, which in the long run will backfire at those imposing them," Deng said.

"Sino-Japanese friendship, im-

portant to both sides, is conducive to the interests of both peoples, and to world peace and development.

"It is their common aspiration to pass on the bilateral friendship from generation to generation," Deng said during the meeting, which lasted more than an hour.

Ito expressed his full agreement.

Japan and China should base their relations on the 1972 declaration, that is, the principle of one China, and repudiating the unfortunate past relations between Japan and China, Ito said.

"You are still in very good health since we met a year ago," Ito told Deng. "Rumours are rife in the Japanese newspapers that you are ill. But we see that you are very healthy."

"Some people said I died or was seriously ill," Deng replied. "That caused fluctuations on the financial markets in Hong Kong. A few days ago I met Professor T.D. Lee, and when the news reached Hong Kong, the stock market there picked up. Actually, I've been very well the whole time."

On September 18, Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), met with Ito. Jiang said that China will surely achieve its economic development targets.

After briefing the Japanese delegation on China's current policies and economic situation, Jiang said: "Along with the development of the economy, science and technology, all the nations in the world need to cooperate more with each other. Therefore, China must persist in carrying on the policies of economic reform and opening to the outside world and it will never change from that course."

Jiang reiterated that China will continue to increase economic and technological exchanges

and co-operation with other countries on the basis of equality and mutual benefit. China is currently having some difficulties in its economic development, but "we will overcome them by improving the economic environment, rectifying economic order and pursuing our policy of reform," Jiang said.

Ito said that the Japanese people are willing to develop friendly Sino-Japanese relations. "Japan and China should maintain their friendship from generation to generation," he said.

China's investment environment, he added, is still spoken of highly in Japanese business circles.

On September 17, Chinese Premier Li Peng met with Ito in

Shenyang, capital of northeastern Liaoning Province.

"The gates of China are open to all countries of the world, including Western countries," Li told Ito.

"But now the problem is that some of the Western countries are interfering in China's internal affairs and putting pressure on China," he said.

However, he stressed, the Chinese people treasure the socialist system practised in China under the CPC leadership and "they will never barter away the system."

The premier noted that the friendly relations between China and Japan are hard earned. "We are reluctant to see any harm to the relations. We hope the relations will be pushed forward." □

to develop people's democracy. The CPPCC holds its annual session almost the same time when NPC holds its session.

Taking part in the celebrations were Li Xiannian, Chairman of the CPPCC National Committee, Jiang Zemin, general secretary of the Chinese Communist Party's Central Committee, President Yang Shangkun, Premier Li Peng and other Party and state leaders.

The Party and state leaders met with all the chairpersons and vice-chairpersons of the first to the seventh national committees of the CPPCC. They exchanged congratulation remarks and had their pictures taken. The leaders also conveyed their greetings and paid respect to members of the CPPCC at all levels.

Jiang Zemin, Li Peng and others then visited an exhibition of more than 200 paintings and calligraphy by CPPCC members.

Certificates of honour were issued to all staff workers who had worked at the CPPCC for 30 years.

The celebration embodied the spirit of co-operation between the Communist Party of China, democratic parties and patriots in all circles and the spirit of unity of all nationalities in China. □

CPPCC Marked 40th Anniversary

Celebrations were held in Beijing September 21 to mark the 40th anniversary of the founding of the Chinese People's Political Consultative Conference (CPPCC).

It was at the first meeting of the CPPCC held 40 years ago that Chairman Mao Zedong declared the founding of the People's Re-

public of China.

The CPPCC exercised the functions and powers of the National People's Congress (NPC), China's supreme organ of state power, until the convening of the first NPC in 1954. Now, as an important organization of the patriotic united front, the CPPCC's purpose is to hold political consultations and

Leader Explains Policies to HK Journalists

In a meeting on September 19 with a delegation from two Hong Kong-based newspapers, Li Ruihuan, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, said China's policy on intellectuals will not change.

To deny the status and role of intellectuals means the negation of the orientation of the modernization drive, he said.

The delegation was led by Chen Bojian, deputy publisher of *Wen Wei Po* and Chao Tse Lung and Chen Bin, deputy editors-in-

chief of *Ta Kung Pao*.

Li briefed the visitors on the quelling of the anti-government riots in Beijing in June. He also answered questions raised by members of the delegation.

China will not change its policies of reform and opening to the outside world, Li said. "We are now criticizing bourgeois liberalization. Of course, we are also opposed to ossification."

Policies on the coexistence of diversified economic components and on allowing some people to be better off before others will also continue to be car-

ried out and improved.

Li pointed out that it is essential to develop the individual economy in the rural areas to stabilize the people's lives. Of course, he added, China's national economy is, as a whole, dominated by the state- and collectively-owned economic sectors, with the planned economy playing the major role.

History has shown that failure to allow some of the people to be better off before others will inevitably lead to poverty for all, he said. Poverty is not socialism.

He compared the on-going reform and open-door practices to flying a kite, rather than setting

a captive animal free. How wide the door is open depends on our own control capability for it, he said.

Li said that reform and opening to the outside world are a historical necessity, a general trend independent of man's will.

Without reform and opening, China would be hopeless and the people would not consent. "We are confident of that," he said.

Li added that he hoped journalists working in Hong Kong would visit China's mainland frequently. □

French Interference Protested

China protested on September 19 rude treatment by French border police of Chinese personnel who were travelling on official business.

The leading member of the Department for West European Affairs of the Chinese Foreign Ministry met with Charles Malo, the French ambassador to China, in Beijing by appointment and told him the incident occurred on September 8 at an airport in Paris.

The official said the incident took place when a Chinese medical team of seven men and six women were in transit to the Republic of Gabon. Eight trade personnel, who were going to Mauritania and Sierra Leone, were also involved.

All of them carried service passports with valid transit visas issued by the French Embassy in China and air tickets for the three African countries, the official said.

But French border police at the airport illegally held them in a luggage room for more than 14

hours without any food or drink, and subjected them to unwarranted body-searches, he said.

"We are indignant at the French side for continuing to seriously violate the norms of international law and international practice, and its gross violation of human rights in defiance of the solemn representation of the Chinese," he said.

"We hereby lodge a protest with the French side against this," the official said during the meeting.

He also pointed out that this was the latest in a series of similar incidents at the Paris airport, and occurred despite discussions about similar problems on June 29.

"We strongly request the French government to respect the norms of international law and relevant international conventions by putting an immediate stop to the erroneous practices of discrimination against, creating difficulties for and rude treatment of Chinese personnel in transit." □

between the two sides of the Taiwan Straits.

But, the official said, the Taiwan authorities stuck to their policy of "no contact, no compromise and no negotiations" and banned mail exchange. Due to public pressure, they allowed only the Red Cross Society to help exchange mail.

However, the Taiwan authorities suddenly opened indirect telephone services and exchange of mail with mainland China this June without making any contact with the mainland beforehand. Since June 15, mail has been continuously arriving directly from Taiwan, the official said.

With the interests of the people on both sides of the straits in mind, the letters directly posted from Taiwan have been delivered, and cables and telephone calls sent by indirect channels have been handled, the official said.

But the Taiwan authorities have taken advantage of the normal exchange of mail to conduct hostile propaganda against the mainland.

Mailed articles from Taiwan were often found to contain anti-Communist publications for "psychological warfare," declaring support for the anti-government riots in Beijing in early June, he said. Reactionary political slogans were printed on stamps, envelopes and postcards or put inside mailed articles.

They have also tried to get mainland telex numbers to transmit and spread rumours.

This has obstructed the good atmosphere in exchange of mail and cable, and strained the relations between the two sides of the Taiwan Straits. This situation has already aroused uneasiness among family members and relatives of Taiwan compatriots, and they have denounced such activities, he said.

He urged that the Taiwan authorities immediately stop using

Taiwan Denounced for Propaganda Trick

A leading official of the Ministry of Posts and Telecommunications warned September 17 in Beijing that any mail and material from Taiwan that contains anti-Communist propaganda will not be delivered.

The Taiwan authorities, he said, will be responsible for any

breach in the normal exchange of mail between the two sides of the Taiwan Straits if they continue their "unwise practice."

The posts and telecommunications department on the Chinese mainland unilaterally opened partial mail services with Taiwan in 1979 to facilitate the exchange

normal exchange of mail to conduct anti-Communist activities. Otherwise, mainland posts and telecommunications departments will not deliver those mailed articles containing anti-Communist materials.

"We hope both sides make contact as early as possible to discuss matters relating to a direct exchange of mail between the two sides of the straits."

At present, there are many difficulties in business resulting from Taiwan's policy of "no contact, no compromise and no negotiations," he said. □

Quality of Party Members to Be Improved

The Communist Party of China (CPC) must make great efforts to improve its members' quality and strengthen organizational work at the grassroots level, in the wake of the recent turmoil in Beijing and other parts of China.

Song Ping, member of the Political Bureau's Standing Committee and head of the Organization Department of the CPC Central Committee, made the remarks at a national meeting September 20. The three-day meeting was held to present awards to the advanced Party grassroots organizations and outstanding personnel in charge of Party affairs at various levels.

Hundreds of representatives from across the country attended the meeting, at which 389 Party organizations and 591 outstanding individuals were commended.

Song said that the majority of the Party's grassroots organizations took the correct stand during the recent turmoil and counter-revolutionary rebellion, but some people were misled or even participated in the unrest because their organizations failed

to function efficiently. And a small number of Party members had lost their confidence in communism and the Party, and even openly opposed the socialist system and the Party's leadership.

These members will be dealt with according to Party rules and regulations, he said.

Song noted that those who shed doubt on or propose abolishing the Four Cardinal Principles or condone others' actions negating those principles are not entitled to be Party members.

According to the Organization Department of the Party Central Committee, 260,000 unqualified Party members were expelled in recent years to consolidate the Party after the turmoil of the "cultural revolution" (1966-76). Over the past two years, another 60,000 unqualified Party members were expelled.

Song also pointed out at the meeting that no one is allowed to abuse the power entrusted to him by the Party and people to seek private gain. Party members should instead resist the corrosive influence of bourgeois ideology and serve the people heart and soul.

Song believes that it is an urgent and long-term task for the Party to strengthen the construction of its grassroots organizations.

He called on the local Party organizations to step up ideological education. All Party members should be firm in their political stand and steadfast in their principles.

Jiang Zemin, general secretary of the CPC Central Committee, told the meeting on September 22 that China will resolutely carry out reforms of both economic and political structures, but that these reforms should help enhance and improve the Party's leadership, and consolidate and perfect the socialist system.

Jiang said that the purpose of separating the Party from govern-

ment functions is to "establish a powerful government operation system," and also to enhance and improve the Party's leadership.

He noted that it would be a mistake to hold that "separation of Party from government" means "severing the connection between the Party and the government" or only strengthening the government function and weakening the Party's leadership.

According to a source from the department, the membership of CPC has grown to 48 million from 4.5 million in 1949 when New China was founded. Party members of worker origin now account for 17 percent of total Party membership.

The Party's grassroots organizations have increased to 3 million from 200,000.

The educational level of Party members has also been greatly raised. At the end of 1988, 14.8 million Party members, or 30.4 percent of the total, had received education above senior high school level. The figure is 363 times that in 1949. The proportion of illiterate Party members dropped to 7.27 percent from 69 percent, the source said. □

Publications Will Be Streamlined

The rectification and curtailing of newspapers, magazines and publishing houses must go hand in hand with the promotion of a flourishing publication industry and a better press, said Li Ruihuan, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC).

During a conference on propaganda and publications held recently in Beijing, Li told a forum attended by senior officials of provincial governments that the streamlining should be carried out resolutely and successfully as

an important part of the struggle against bourgeois liberalization.

He warned that the campaign was by no means to make the publication and press operations listless and dull but to make them operate in a healthier and flourishing manner.

The forum was sponsored by the Propaganda Department of the Party Central Committee and the Press and Publications Administration of China. Also attending the forum was Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor.

Song Muwen, head of the Press and Publications Administration of China, said the campaign was mainly aimed at solving two problems.

First, those publications advocating bourgeois liberalization or obscenity, violence and feudal superstition will be firmly rectified and eliminated. The publishers of these publications shall have their business licences revoked.

Second, the excessive increase in the number of newspapers, magazines and publishing houses and the lavish production of poor quality publications should be solved.

Li had some praise for the publication industry and the media, saying they also had scored great achievements over the past 10 years.

But at the same time, he said, many publications had been turned out as a result of the bourgeois liberalization advocacy running rampant and less attention was being paid to political and ideological education among the people. These publications, he said, overtly negated the Four Cardinal Principles (adherence to the socialist road, the people's democratic dictatorship, the leading role of the Communist Party, and Marxism-Leninism and Mao Zedong Thought) and were full of seductive and poisonous material especially harmful to young peo-

ple. It was high time to solve all these problems, Li added.

He stressed that the payment structure for writers must be regulated so as to encourage good quality publications. □

News in Brief

Plush Office Building Confiscated

A sumptuous, 116-million-yuan office building constructed for the Ministry of Light Industry has been confiscated by the State Council and the minister ordered to make a "thorough self-criticism," an official of the Ministry of Supervision said on September 22 in Beijing.

The six-storeyed, glass-sheathed building, located on western Changan Avenue, has marble walls and floors, balconies, central air conditioning and other luxurious appointments. It contains six spacious office suites for top ministry officials. Each office occupies more than 70 square metres and has attached sitting rooms and bathrooms.

Started in 1986 and finished last year, the building cost three-and-a-half times the amount budgeted, thus violating the state's regulations on construction standards for executive office buildings as well as the present austerity drive. □

China Makes 13,000 Airplanes

China-made Yun-7 airplanes now make up 20 percent of the domestic passenger flights in China. But five years ago all passenger airplanes were imported.

By August of this year China had manufactured more than 13,000 airplanes for different purposes. They include 25 types and 55 models such as fighter, bomber, attack, pilotless, transport planes, helicopters and trainers. □

Students Studying Worldwide

Under a government-funded programme China since 1978 has sent some 60,000 students to study in 76 countries and regions.

In addition, during the same period more than 20,000 students have gone abroad for advanced studies on their own.

Some 30,000 of them have returned in the past decade after finishing their studies. □

Cultivated Area Expands

The total cultivated area in China reached 146.2 million hectares this year, 1.3 million hectares or 0.9 percent more than last year.

The area sown under grain crops alone amounted to 112 million hectares, an increase of 1.6 percent. □

Response to Car Bombing

The Chinese Embassy to France has made a solemn representation to the French authorities regarding a bomb explosion that destroyed a car belonging to the Chinese diplomatic mission's commercial office in Paris.

The incident occurred on the morning of September 20 in front of the office. The explosion and the subsequent fire destroyed the car and damaged two others nearby. □

Wanbao Refrigerator Passes US Tests

China's Wanbao brand WB-50 refrigerator recently passed a safety inspection conducted by Underwriters Laboratories Inc. (UL) in the United States.

The refrigerator, produced by the Guangzhou Wanbao Electrical Appliance Corporation, is the country's first refrigerator to get UL listing. This paves the way for Chinese refrigerators to enter the American market, said an official from the Ministry of Light Industry on September 22. □

China's Foreign Trade in Past 40 Years

Forty years ago the People's Republic of China was founded. Now looking back on the course of China's foreign economic relations and trade, we marvel at the progress China has made but at the same time are concerned with what the future holds for the country. With questions about the past and the future, "Beijing Review" has conducted an interview with Zheng Tuobin, minister of Foreign Economic Relations and Trade. The following is the full text of the interview.--Ed.

Beijing Review: Minister Zheng, New China's foreign economic relations and trade have had a career of 40 years. Would you please comment on the achievements China has made in this field in the past 40 years?

Zheng: For 40 years, China has made remarkable progress in all fields of endeavour. Its foreign economic relations and trade have gone from being small part of the country's national economy to a large and flourishing sector. Especially since the Third Plenary Session of the Party's 11th Central Committee in 1978, foreign economic relations and trade, guided by the policy of reform and opening to the outside world, have expanded rapidly. There have been a number of great achievements.

The first achievement is the rapid increase in foreign trade and remarkably strong export sales.

In 1950, China's foreign trade volume was only US\$1.135 billion, but reached US\$80.489 billion in 1988, an increase of 70 times in 39 years. (Figures are according to the ministry's business statistics. The following figures are from the same source.)

Export volume in 1950 was US\$552 million and reached US\$40.639 billion in 1988, an increase of 72 times in 39 years. Foreign exchange revenues and international payments were therefore much stronger. Import volume also rose to US\$39.85 bil-

lion in 1988 from US\$583 million in 1950, an increase of more than 67 times.

With increases in imports and exports, the structure of foreign trade was also significantly improved. Finished industrial products, instead of farm and sideline products and mineral products, became the major exports. In 1953, primary products accounted for 79.4 percent of export goods, and industrial products only 20.6 percent. In 1988, the figures changed to 35.6 percent and 64.4 percent respectively. A majority of the imports were advanced technology and equipment and raw materials, as well as goods that domestic production and people's livelihood depended upon. This has played a significant role in promoting the development of the national economy. The number of countries and regions having trade relations with New China has risen from dozens during the initial period to more than 180 today. In 1978, China's exports ranked 32th in the world but rose to 16th in 1988.

The second achievement is that utilization of foreign investment has produced remarkable results.

From 1979, China began to employ funds from countries of different social systems. Foreign loans China has made use of in the past 10 years have reached US\$33.04 billion. Using the loans in the fields of energy,

transportation and communication, raw materials and other infrastructure has played an active role in adjusting the industrial structure and in co-ordinating the development of the national economy. Direct foreign investment and foreign projects increase annually with constant improvement of the foreign investment climate. By the end of 1988, a total of 15,948 enterprises with direct foreign investments were approved, of which joint ventures accounted for 8,539; co-management enterprises 6,815; foreign enterprises 594. Real foreign investment reached US\$12.058 billion. Forty-nine contracts for joint exploration of offshore oil have been signed. Among the projects with foreign investments, many are productive, export-oriented enterprises or enterprises with advanced technology. More than 7,000 foreign investment enterprises have gone into operation. A majority of them are well-managed and generally have reached a balance of payment and enjoy a surplus. The increase in foreign investment enterprises has resulted in technical innovation in the original enterprises and has played a role in stabilizing and increasing production of crude oil.

The third achievement is the expansion of import of technology, with China exporting its own technology.

Introduction of foreign technology started in the 1950s. For

more than 30 years, much industrial technology and equipment have been imported. And since 1979, technology has been introduced in a larger-scale and in a more flexible way. Pluralism of technological sources has been realized. In the past decade, contracts for new technology approved by the state totalled 3,530, involving US\$20.55 billion. Imported technology has significantly promoted China's technological progress.

In recent years, China began exporting technology through its trade channels. By the end of 1988, transactions of technology exports reached 306, about US\$500 million.

The fourth achievement is the rapid rise in contracted projects and service co-operation with foreign countries, and the initial success in overseas investment.

China began contracting foreign projects and service co-operation in 1979. In the past 10 years, China's companies, adhering to the management principle of "complying with agreement, guaranteeing quality, making small profits and paying attention to good faith," participated favorably in international competition. By 1988, China had signed 7,164 contracts for foreign projects and service co-operation with 117 countries and regions. The contracts were valued at US\$10.3 billion, the volume of business amounted to US\$5.89 billion, and more than 300,000 service personnel, engineers and technicians were sent abroad. Many companies possess great talent in design, building, consultation and scientific research, and they have become a new force in the international contract and service market.

Meanwhile, Chinese companies also set up 526 non-trade enterprises in other countries. The total investment is US\$1.898 billion, and our companies account for 37.6 percent of it. Most of

these enterprises have started business and won good economic benefits.

The fifth achievement is the further development of economic and technological assistance to foreign countries.

New China began to provide economic and technological assistance to other countries soon after its founding. By 1988, a total of 95 countries had received our assistance. China had helped 88 countries build 1,233 projects, sent out nearly 450,000 engineers and technicians and trained more than 50,000 foreign trainees. Since reform and opening to the outside world, the distribution, scale, structure and methods of China's foreign assistance have been rationally adjusted and reformed. From 1979 to 1988, China provided assistance to 24 more countries and helped 67 countries build up more than 330 projects, making contributions to the development of national economies of recipient countries.

The sixth achievement is the active participation in multilateral international economic and technological co-operation.

While contributing money to the United Nations development agencies, China has been receiving assistance from the world body since 1979. China also receives free technological assistance provided by developed countries. By 1988, China had received nearly US\$400 million in aid, which was used in more than 600 projects of technological co-operation. This multilateral or bilateral assistance capital, used in energy, communications, machinery, electronics, chemical industry, light industry, food, population, health care, family planning, immunization programmes for children and other fields, has played a positive role in promoting China's economic and social development and scientific and technological pro-

gress.

Beijing Review: What changes have taken place with China's foreign economic and trade policies, both general and specific, since carrying out reform and opening to the outside world?

Zheng: The guiding ideology of our foreign economy and trade has seen major changes since reform and opening to the outside world. We have established the strategic position of foreign economy and trade in the drive for our country's modernization. The development of the national economy needs to fully use domestic and external resources and open up both domestic and external markets. The ideology heightens the population's understanding, arouses the enthusiasm of various organizations and opens up a broad path for the development of foreign economy and trade.

According to this guiding ideology, we made major adjustments on some general and specific policies of our foreign economic and trade cause. First, China has widely developed trade relations with all kinds of countries. At the same time as continuing to develop trade relations with other socialist countries and developing countries, China has engaged in trade contacts with developed countries. Therefore, suitable markets have been found for our different kinds of goods, thus extending commercial trade and increasing opportunities for earning foreign currency. This practice has raised our trade level through the two-way exchange—exporting to developed countries while importing from them.

Second, the concept of markets has been established. Before reform and opening to the outside world, China exported what were available for export. But the number of transactions and the price were not ideal. In opening to the outside world, China's for-

foreign trade companies and enterprises have their eyes on the international market to produce according to demand and use trade methods commonly used throughout the world, thus effectively promoting our imports and exports.

Third, we have changed the concept that we cannot be in debt. We boldly utilize loans from foreign governments and international financial organizations, and the direct investment of foreign businessmen. In the past 10 years, this capital made up for our shortage of building capital, speeded up energy, traffic and communication construction and the technological renovation of existing enterprises. Foreign capital also enabled us to increase our export capability and absorb advanced foreign technology and management experience, therefore greatly promoting the development of our national economy.

Fourth, we no longer must import technology for all aspects of a plant as we did in the past. Importing manufacturing and production technology now involves licenced trades, cooperative production, advisory consultation and technological services to name a few. Imported

projects no longer consist of major building of new large-scale backbone enterprises but instead are technological renovations of old enterprises.

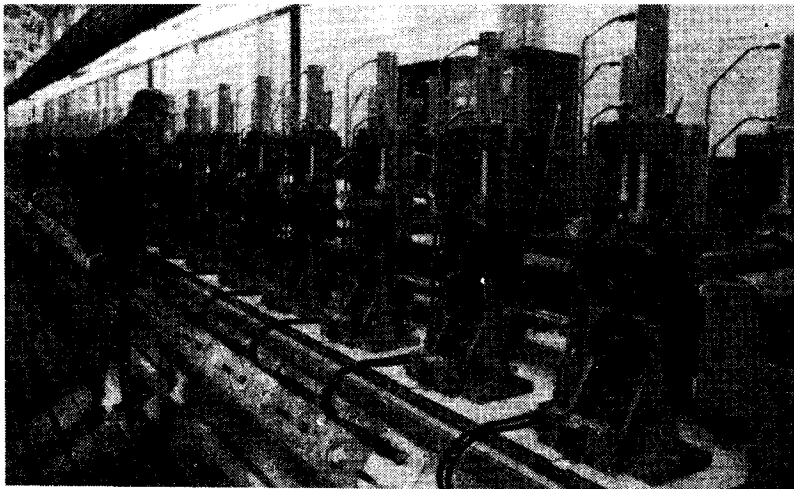
Fifth, international economic and technological co-operation in various forms has been conducted according to the principle of "equality and mutual benefit, striving for practical results, varied forms and joint development." Not only China benefits from such co-operation, so have those countries that receive our assistance.

Beijing Review: What impact did the turmoil and rebellion which took place in Beijing and other parts of China between mid-April and the first part of June have upon the foreign economic relations and trade of our country?

Zheng: Between mid-April and the first part of June turmoil took place in Beijing and other places and eventually developed into rebellion. The Central Committee of the Chinese Communist Party adopted resolute and decisive measures to stop and quell the rebellion. A majority of countries understood it and some countries expressed their support. However, some Western developed countries disregarded

the truth, taking economic sanctions against our country and rudely interfering in our country's internal affairs. This led to temporary international misunderstanding and affected China's foreign economic relations and trade in all fields to varying degrees. Affected greatly were loans from foreign governments and attracting technology and investment from foreign firms. There has been little or no effect on the import and export trade, aid to other countries and overseas contracted projects. During the turmoil and subsequent rebellion, roadblocks prevented goods from being loaded and transported. Because workers could not follow their normal routine and go to work, export production was also affected. Our business partners who did not understand the immediate situation had some misgivings. Some personnel in foreign trade agencies in China were withdrawn. All this had an impact on export transactions. Some countries cancelled, froze or delayed their loans and aid to the Chinese government. Dozens of projects totalling billions of US dollar were put on hold. A few countries restricted the export of technology to our country. Introduction of foreign technology was affected to a certain degree because a large part of the funds for importing technology came from foreign government loans. As a result of some governments' intervention and foreign businessmen's worries, direct investment by foreign companies was affected too. That the turmoil and rebellion caused difficulties to our foreign economic relations and trade cannot be underestimated by us. However, our principle is self-reliance. To win foreign aid is supplementary and our economic building is mainly dependent on our own strength. At present our country has gained certain economic strength

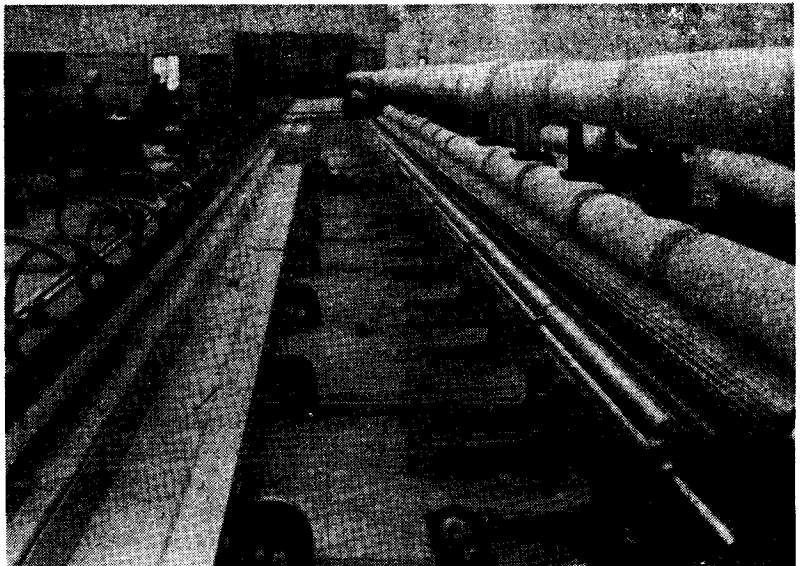
The production line for joint angle steel window introduced by the Beijing Door and Window Company from Italy has been installed and is in operation. The quality of the windows is equal to that of those produced abroad. SONG LIANFENG



and a comparatively good technological foundation. It has established trade relations with more than 180 countries and regions of the world. Therefore, sanctions adopted by a few countries cannot prevent China from modernizing. With technology having reached its present level, no country can monopolize all advanced technology. Because of a surplus of capital on the international market and stiff competition no country or company is willing to give up its original markets. The economic sanctions cannot slow down China. On the contrary, the sanctions will harm the interests of foreign countries and arouse dissatisfaction among their businesspeople. China's strategic position in the world cannot be neglected by Western countries. Therefore, I consider the effects of the turmoil and rebellion a limited, temporary setback and our foreign economic relations and trade will surely develop forward.

Beijing Review: What about the prospect of our foreign economic relations and trade? What measures will the Ministry of Foreign Economic Relations and Trade take to promote our economic relations and trade?

Zheng: I consider the development of our foreign economic relations and trade will inevitably face difficulties, but future prosperity is more than likely. First, continuing to pursue the policy of reform and opening to the outside world has provided a basic condition for the development of our foreign economic relations and trade. The Fourth Plenary Session of the 13th Central Committee of the Chinese Communist Party stressed the four cardinal principles as the foundation of our country. It also emphatically pointed out that the policy of reform and opening to the outside world as the road to lead the country to strength and prosperity must be implemented as



The rabbit wool products made by Jiangxi Province's Shangrao Woollen Mill which used foreign funds to introduce advanced technology are doing well on the markets of Southeast Asia, Europe and the United States. LIU JIWU

usual in a steadfast manner. The country must not return to the old, closed-door path. The Standing Committee of the Political Bureau of the CPC Central Committee elected by this session is a group which embodies the reform and opening to the outside world. Its presence guarantees the continuous implementation of the policy of reform and opening to the outside world of our country. The reform and opening continue to develop and this provides a vast field for the development of our foreign economic relations and trade.

Second, the quelling of the counter-revolutionary rebellion in Beijing has further strengthened China's stability and unity and provided a good internal environment for the development of our foreign economic relations and trade. This is a basic guarantee to the development of our foreign economic relations and trade.

Third, the continuous development of industrial and agricultural production has provided a material foundation for the development of our foreign economic relations and trade.

Fourth, more than 180 coun-

tries and regions have economic and trade ties with our country and this gives us a vast room for manoeuvre in developing foreign economic relations and trade in the world. Therefore, I have confidence that our foreign economic relations and trade will further develop in the future.

For the future we will energetically expand exports and increase foreign exchange earnings to lay down a solid foundation for the complete development of our foreign economic and trade businesses. In accordance with the needs of the international market and the superiority of our country we will develop the production of export commodities, speed up the readjustment of the structure of our exports, expand industries processing imported materials or materials supplied by the customers and the export of finished goods, and actively open up international markets. At present it is essential to look at two issues. One is the quality and speed of carrying out contracts. We must implement the principles of respecting contracts and keeping our word. This is necessary to keep the development of foreign trade and

export stable. Another is to take the opportunity to improve the economic climate for foreign trade and solve the problem of chaotic management. The main issue is to sort out foreign trade companies. Those companies that are unqualified to take part in foreign trade should be abolished or merged into others and their contracts with foreign countries should be fulfilled by qualified companies. The number of companies will be greatly reduced. At the same time measures will be adopted to strengthen the control of quotas and licences, and this is regulated by special appointees' offices. With reform of the entire economic structure, the reform of the foreign trade system will be more thorough, and a healthy apparatus of foreign trade management and control will be established.

With increased exports, imports must be better organized.

Imported goods must meet the people's needs and the requirements of agriculture and industry. It is necessary to order goods, sign permits, send ships and unload goods without delay.

It is encouraged to use foreign funds more boldly and more effectively. While retaining overall control on the scale of loans, we strive to raise and use more loans from some foreign governments and international monetary institutions. The main fields using foreign funds are energy, communications, telecommunications, raw materials and agriculture, the foundation of our national economy. Meanwhile, there are plans to begin projects to increase exports, introduce advanced technology and replace imports. To encourage foreign traders to invest in basic industries of our national economy, some effective measures will be adopted and new methods of

investment will be explored. We strive to help jointly-funded, jointly-operated and foreign funded enterprises to solve related issues, letting the facts show that to invest in our country can result in assured profits. We continue to strive to improve the investment climate and further perfect trading regulations with emphasis on legislation to protect the intellectual property rights. Furthermore, it is necessary to adopt practical measures to improve all kinds of services so that joint ventures can operate and manage according to worldwide standards.

Introducing new technology, contracting projects in foreign countries, developing labour exchanges, aiding other countries economically and technologically, accepting foreign aid and investing abroad will continue to be pursued and will be conducted according to our set policies. □

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Top Party Leaders Answer Questions At Press Conference

On the morning of September 26, Jiang Zemin, general secretary of the CPC Central Committee, and Li Peng, Qiao Shi, Yao Yilin, Song Ping and Li Ruihuan, members of the Standing Committee of the Political Bureau of the CPC Central Committee, answered questions on China's internal and external affairs at a press conference attended by more than 300 Chinese and foreign reporters, held in the Great Hall of the People in Beijing. Following we print the summaries of their answers. Subheads are ours.—Ed.

Counter-Revolutionary Rebellion

The counter-revolutionary rebellion which took place in Beijing early June was determined by the international and domestic climate and was unavoidable, said Jiang Zemin.

In response to an Italian correspondent who asked "whether the Tiananmen tragedy could have been avoided and how," Jiang said, "First I'd like to correct you in using the word 'tragedy.' We hold that it was a counter-revolutionary rebellion aimed at opposing the leadership of the Communist Party of China and overthrowing the socialist system."

Jiang quoted Chinese senior leader Deng Xiaoping as saying that the turmoil which later developed into a counter-revolutionary rebellion was determined by the international and domestic climate and was unavoidable. There have always been some international forces which attempt to bring about a 'peaceful evolution' in socialist China, Jiang said, adding that a handful of people in China who stick to their position of bourgeois liberalization, have been engaged in various conspiracies in an attempt to overthrow the existing Chinese government.

Particularly, Jiang stressed, former general secretary of the Party Central Committee Zhao Ziyang committed the mistakes of supporting the turmoil and splitting the Party from within the Party. This complicated the problem and deprived the Party of an opportunity to the disturbances at an early stage.

"Despite all this," Jiang said,

"facts have proved that the Chinese Communist Party is a great Party and we have the ability to check the turmoil and put down the counter-revolutionary rebellion, eventually winning a decisive victory."

No Change in Reform Policy

Answering a question at a press conference, Jiang Zemin said that the turmoil and counter-revolutionary rebellion will bring no change to the guidelines and policies formulated since the Third Plenary Session of the 11th CPC Central Committee, including political and economic restructuring and the overall strategic goals.

China's Legal System

Jiang Zemin said that the Chinese Communist Party is improving China's legal system through various channels.

He added, democracy must be protected by law.

Responding to a reporter from CCTV, Jiang said democracy has always been a goal of the Communist Party since its founding and he himself was personally engaged in student movements calling for democracy when he was a college student in Shanghai before the founding of the People's Republic.

Since the founding of New China, the Third Plenary Session of the 11th CPC Central Committee in particular, the Chinese Communist Party and the government have been working to strengthen China's democracy and legal system.

Now the people's congresses, the trade unions and Party organizations at all levels are working hard to establish close relations with the masses so that their opinions will reach the Party Central Committee.

After hearing their voices, he said, "we set out to resolve those problems we can resolve. As for those that cannot be resolved for the time being, we explain to the general public why that is so. Anyway, we are improving the channels," he added.

Young People: The Hope of China

Jiang Zemin called the young people China's hope, saying "we'll unite and educate them."

"The principle for us in tackle the turmoil and counter-revolutionary rebellion, we follow the principle of making a clear distinction between the two kinds of contradictions and correctly handle them," Jiang said in response to a question by a *New York Times* correspondent.

He said that the overwhelming majority of the students and other people got involved in the turmoil because of their dissatisfaction with corruption and other social problems.

"We understand their dissatisfaction. The young people are our hope and we will unite and educate them," he said.

But he pointed out that there are some people with evil purposes who conspired to overthrow the leadership of the Chinese Communist Party and the legitimate government.

They will be punished according to law, he said.

June 4th Disturbances

Premier Li Peng said that the June 4th political disturbances are unavoidable, but it does not necessarily mean that such events must grow to take such an acute form as the recent one.

Answering a question raised by NHK reporter whether the government should make a self-examination of the event, Li Peng said that in handling the disturbances, the former Party chief Zhao Ziyang made the mistake of supporting the turmoil and splitting the Party.

"That had further complicated the situation and resulted in a radical form of the contradiction," he added.

He defined self-examination on two levels. On the first level, it means the handling of the entire process of this event.

On the second level, he added, it means that while there is an international background to this event, there is also domestic micro-climate within China. With regard to this domestic micro-climate within China, "we had not made enough efforts to counter and combat the bourgeois liberalization."

The Party and the government, he admitted, also made some mistakes in the recent past, thus arousing complaints from the general public, and this is why many people were involved in the turmoil.

Therefore, he said, after the quelling of the counter-revolutionary rebellion, the new Party leadership headed by general secretary Jiang Zemin has done much work to reduce people's complaints.

"Our work (in this field) has just begun. We are determined to push it to the end."

Reform and Opening-up —China's Basic Policy

Yao Yilin described reform and opening to the outside world as China's basic state policy.

All the policies concerning reform and opening formulated by the CPC Central Committee and regulations and laws approved either by the

State Council or the National People's Congress before the fourth Plenary Session of the 13th CPC Central Committee will continue to be implemented, Bureau of said Yao Yilin in response to a question at the press conference.

He said China's current efforts to improve the economic environment and straighten out its economic order are designed to create a better environment and better conditions for China's reform and openness.

In the process of this economic overhaul, Yao noted, measures concerning reform and opening will continue to be improved and deepened.

Naturally, China will make necessary adjustments to some specific policies and methods so as to put the reform and open policy on a steadier and better basis and even to allow it to proceed in a faster way.

To ensure continued economic development in the coastal regions, Yao said, China will make greater efforts to improve the investment climate in these regions, continue to welcome foreigners to come to China to establish joint ventures, co-operative enterprises and wholly foreign-funded enterprises.

China will encourage these regions to develop a kind of economy that imports raw materials and exports manufactured goods.

On the contract system practised in enterprises, Yao Yilin said, first of all, it is necessary to fully confirm the positive role of this system so as to ensure the continuity of China's policies. Secondly, it is necessary to sum up experience and continue to study measures to improve the contract system.

With regard to private enterprises, he said, China will continue to encourage their positive role in contributing to the national economy and people's livelihood, and will bring into full play their role as a necessary and beneficial supplement to the socialist economy. On the other hand, China will restrict their negative role by using appropriate industrial and taxation policies to restrict their blindness and strengthen administration and guidance.

He said township enterprises occupy a very important position in China's national economy. The state will therefore continue to help township

enterprises develop on a sounder basis.

Sino-Soviet Ties

Jiang Zemin said that he is confident regarding the prospects of Sino-Soviet co-operation.

"Prospects for co-operation will be brighter between our two Parties and countries on the basis of the Five Principles of Peaceful Coexistence and four principles for developing relations between our two Parties," Jiang Zemin said in response to a Soviet correspondent.

Jiang described Soviet leader Mikhail Gorbachev's China visit in May as marking a new stage in Party and state relations between the two countries, saying that bilateral trade, business, scientific and cultural contacts have increased since then.

He expressed the regret that Gorbachev's wish to visit Tiananmen Square in Beijing and lay a wreath at the Monument to the Chinese People's Heroes could not be met because the capital was then in a state of "turmoil."

However, Jiang Zemin, who was at that time secretary of the Shanghai municipal Party committee, said that he met Gorbachev in Shanghai in May during his brief stay there and accompanied him to visit the bronze statue of the Russian poet Aleksandr Pushkin in the city, where the Soviet leader laid a wreath and made short speech.

"Are you satisfied?" Jiang Zemin asked Gorbachev in Russian when they were bidding farewell at the airport. Jiang repeated the Russian word at the press conference and then gave the same word in English, adding a light touch of humour to his first press conference.

Sino-Indian Relations

"I am very optimistic about the prospects of the relations between China and India," Jiang Zemin said.

In response to an Indian correspondent at the press conference, Jiang noted that both China and India are in Asia and the combined population of the two countries amounts to nearly 2 billion.

In the past, Jiang said, the late Chinese Premier Zhou Enlai and late

Indian Prime Minister Nehru jointly initiated the Five Principles of Peaceful Coexistence. "This is a great contribution by the oriental people to the whole world," he said.

Jiang noted that the Indian Prime Minister Rajiv Gandhi visited China last year and Chinese Vice-Premier Wu Xueqian will soon pay a visit to India.

"Such exchanges are conducive to enhancing the mutual understanding," he said.

Meanwhile, there have been "increased contacts between the two countries in the economic, cultural and other fields," Jiang said.

New Regulations for Clean Government

Premier Li Peng said that the State Council will soon issue new regulations controlling public fund used to entertain guests in public activities.

Li disclosed this at the press conference when responding to a reporter from Xinhua on how to build a clean government and what further measures the government will take in this regard.

Li said since the new leadership of the Chinese Communist Party was formed, children of the Political Bureau members, Secretariat members and the State Council officials have been told to withdraw from companies engaged in circulations; senior officials' luxurious imported cars have been replaced and special preferential treatment for central leaders in food supply has been removed.

Li Peng said the State Council has worked out special regulations on officials' visits abroad. But that doesn't mean opposing those visits for official business and exchange because that is in conformity with China's policy of reform and opening to the outside world.

Recently the State Council has also laid down regulations on reducing duty-free goods which Chinese personnel are allowed to bring back from abroad, the Premier said. Some people may not like the new regulations, Li said, but "I believe the majority of people of the country will support them."

Mainland Taiwan Reunification

Premier Li Peng told a press conference that the Chinese Communist Party's policy on reunification of mainland and Taiwan has never changed.

This is in keeping with the wishes of the Chinese people, including the people in Taiwan, he said.

Saying that there is no fixed timetable for the reunification, he stated "If the two sides join efforts, the reunification will move faster. Running counter to this goal will prolong the reunification process."

Responding to a Taiwan reporter, Li Peng said there is indeed an economic gap between mainland and Taiwan. But, it must not be used as an excuse to oppose the reunification.

Li said, "We hope to settle the reunification problem through peaceful means, although to the outsiders and foreigners we have been saying that whether to use peaceful means or force is our internal affairs."

Now a more realistic question is to restore relations covering trade, mail and shipping between the mainland and Taiwan so as to give the people on both sides of the Taiwan Straits more opportunity to establish contact and understand each other.

This will benefit the reunification, he added.

China's Anti-Porn Campaign

The campaign to eliminate pornographic publications in China has scored good results, said Li Ruihuan.

Answering a question raised by a reporter from *Beijing Review* at the press conference, Li said the campaign has won the support from the people all over the country.

He said along with China's opening to the outside world, and due to weak management of the publication market and the inconsistency in our opposition to the liberalization tendencies, pornographic publications spread unchecked in China in the past few years. They poisoned the minds of the young people and teenagers and disturbed the social order.

Recently, a series of strict measures have been taken to eliminate

pornographic publications nationwide, he said. But it remains an arduous task, he added.

Li pointed out that many of the pornographic publications had their origins outside of China and "China's anti-porn campaign has blocked the channels for some people to make money."

Fifth Plenum of CPC Central Committee

Jiang Zemin confirmed that the Fifth Plenary Session of the 13th Central Committee of the Chinese Communist Party will be held soon.

The principal items for the session will be to study the current economic situation and decide on the tasks for the next few years such as improving the country's economic environment and straightening out the economic order, Jiang said in response to a *China Daily* reporter at the press conference.

"We convened the Fourth Plenum of the 13th CPC Central Committee a few months ago. Without doubt, we will hold the Fifth Plenary Session. We have such a plan, but we have not finally decided on the exact timing yet," the general secretary said.

Deng's retirement

Jiang Zemin said that Deng Xiaoping's retirement from the chairmanship of the Central Military Commission will have to be decided by the CPC Central Committee and the National People's Congress respectively.

Responding to a question at the press conference, Jiang said that Deng is a long-tested, veteran proletarian revolutionary and the chief architect of China's reform and open policies.

Deng has on several occasions expressed his hope that the new CPC leadership will shoulder full responsibility.

Jiang said this matter is very important, and the question of when he retires and who is to succeed him should be decided by the Party and the state.

He added that the chairmanship of the military commission of the CPC Central Committee should be decid-

ed by the CPC Central Committee while the chairmanship of the Central Military Commission of the People's Republic of China should be decided by the National People's Congress.

Strengthening Party Building

A leader said that "a very small number of members withdrew from the Chinese Communist Party" during the anti-government rioting, Song Ping declared in response to a question at the press conference. "This number is very, very small in the central organs," he said, adding that at the same time many people have applied for Party membership.

But the withdrawal of the small number of Party members called for more attention to the strengthening of Party building, he said.

As the first step, he said, the Party will strengthen education among its members.

He said that recently the CPC Central Committee and other departments have held a series of meetings to discuss specific measures for strengthening Party building and education among the Party members.

First of all, he said, the Party will strengthen education on the basic principles of Marxism-Leninism.

He noted the Party will attach special importance to Party building at the grassroots level.

Meting Out Death Sentence With Prudence

Qiao Shi said that China's judicial departments are very prudent in meting out death sentences and they never mete out at will legal punishment to young students and intellectuals.

In response to a question at the press conference, Qiao Shi said China had dealt with some people after the occurrence of the turmoil and counter-revolutionary rebellion in Beijing. Among those punished were a number of serious criminals found guilty of beating, smashing, looting, burning and killing. Since some committed serious crimes, China sentenced them to death through fact-finding and normal le-

gal process, carried out by judicial organs.

He said China has adopted a prudent attitude towards those young students and intellectuals involved in the disturbances and rebellion, and followed a policy of education. China does not mete out legal punishment to them at will.

Qiao pointed out what the reporter's assumption in his question about the execution of people for taking part in political protests does not square with the fact. As a matter of fact, he said, China's judicial departments are still looking into the cases of some people taking part in the turmoil and counter-revolutionary rebellion. He said he believed that at an appropriate time China's judicial departments will make public the results of the investigations.

The Hong Kong Issue

Jiang Zemin reiterated that China's concept of "one country, two systems" on Hong Kong remains unchanged.

Commenting on the opinions and actions of some Hong Kong residents concerning the situation on the mainland in the recent past in response to a Hong Kong reporter's question, Jiang said that this is understandable owing to the biased propaganda and untruthful reporting of the foreign press.

"This will in no account change our approach to the settlement of the Hong Kong issue, that is, to let two systems coexist in one country," he said.

"I mentioned to some gentlemen from Hong Kong an old saying 'let river water and well water flow separately.' I think this can appropriately express our policy of 'one country, two systems' concerning Hong Kong. Jiang added.

Unquestionably, Jiang said, some foreign forces want to turn Hong Kong into a base for subverting socialist China and attacking the Communist Party. "I believe that our Hong Kong compatriots can make a clear distinction on this point," he said.

Present Life of Zhao Ziyang

Zhao Ziyang, former general se-

cretary of the CPC Central Committee, is still "leading quite a comfortable life", Jiang Zemin said.

In response to a reporter who asked the whereabouts of Zhao and his future, Jiang said that "Comrade Zhao Ziyang remains a member of the Communist Party as the Communiqué of the Fourth Plenum of the 13th Party Central Committee points out."

"Our conclusion about Comrade Zhao's mistakes is that he committed the mistakes of supporting the turmoil and splitting the Party. We are still making further investigations into his case," Jiang said.

The consistent policy of the Party Central Committee is that when a Party member commits mistakes, his life should not be affected, Jiang noted.

"Comrade Zhao Ziyang has a longer record of service, so I think he enjoys better life treatment than I do," Jiang said.

"We adopt a down-to-earth attitude to Zhao Ziyang. He did something beneficial, but also erred in implementing specific policies," he said.

Assessment of Tiananmen Square Incident

Jiang Zemin said that the Party leaders are identical in their assessment of the nature of Tiananmen Square Incident.

"It was a rebellion," he stressed at the press conference, adding that "rebellion" is a "scientific" term for what happened in the Chinese capital in June.

Responding to a reporter from Taiwan, the Party general secretary also said that China will continue its policies of reform and opening to the outside world.

There is no conflict between the effort to continue these policies and the upholding of the four cardinal principles, he said.

Jiang said his anti-bourgeois liberalization stand is by no means for protecting his own position in the Party. Rather, he said, he believed that the need to uphold the socialist system and the Communist leadership requires him to adhere to the four cardinal principles. □

Only Socialism Can Develop China

by Li Chengrui*

Chinese leader Deng Xiaoping recently pointed out that only socialism can save China and only socialism can develop China. The achievements in economic construction over the past four decades since the founding of New China have verified this scientific conclusion.

Changes

Since the Opium War in the 1840s, under the aggression and plunder of capitalist and imperialist powers and the oppression and exploitation of domestic feudalism, China gradually sunk into the tragic position of a semi-colonial and semi-feudal society.

To save the nation when its existence was in peril, many idealistic people came forward with new ideas, at times sacrificing their lives as they fought heroically for a better China, but all ended up in failure. It was the Chinese Communist Party, combining Marxism-Leninism with China's reality, who found the correct road of socialism through the new democratic revolution. After 22 years of arduous struggle, it succeeded in leading the people of all nationalities in China to overthrow imperialism, feudalism and bureaucratic-capitalism, weighing like three mountains on the backs of the Chinese people, and to found the People's Republic of China.

Immediately after the founding of the People's Republic, efforts were made to rebuild the national economy which had been seriously damaged by years of wars and to advance the construction pro-

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gramme for China's revitalization along the new democratic-socialist road.

The economic remains of old China were very backward. Modern industry made up only around 10 percent of the national economy and was chiefly related to light industrial products. The record annual output of principal industrial products in old China were as follows: cotton yarn, 450,000 tons; cotton cloth, 2.8 billion metres; steel, 920,000 tons; raw coal, 61.88 million tons; and crude oil, 320,000 tons. Old China, supposedly based on agriculture, only registered a record annual output of 150 million tons of grain and 850,000 tons of cotton, and had to import large amounts of clothing and foodstuffs. Such a backward economy, when coupled with the cruel exploitation of the Kuomintang government and the destructive years of wars, was unable to meet the needs of the country. Using even old China's record annual output for comparison, the 1949 output of light industry dropped 30 percent; heavy industry, 70 percent; grain, 25 percent; and cotton, 48 percent. Inflation hit an astronomical figure, and the victims of natural calamities and unemployed people could be found in every city and town. It was on such a devastated foundation that New China set out on an arduous course of economic construction.

The people's government's first task was the abrogation of imperialists' economic prerogatives and recovering of the management power of the customs, forcibly held by imperialists for many years, a step which enabled Chinese people to control their own customs. At the same time, the government confiscated the

capital and holdings of the four big families (Chiang Kai-shek, T.V. Soong, H.H. Kung, and Chen Guofu-Chen Lifu), placing them at the use of the state-owned economy, and thus giving to the state control of the country's economic lifeline. Agrarian reform was then carried out in the vast rural areas of the newly liberated areas, turning over to landless and land-squeezed peasants 47 million hectares of land along with other means of production, exempting them from payment of 35 million tons of grain in land tax each year to the landlords, and turning the masses of peasants into masters of the land. All this extricated China's productive forces from the fetters of imperialist, comprador-bureaucratic and feudal relations of production. A new epoch thus began for China, a time for independent development of its national economy.










In the mid-1950s, Chinese-type policies and measures were adopted to gradually complete the socialist transformation of the private ownership of the means of production in the fields of agriculture, handicraft, and capitalist industry and commerce. At the Third Plenary Session of the 11th Party Central Committee held in late 1978, the country began to correct the "leftist" thinking since the late 1950s, particularly that exemplified by the "great leap forward" and the "cultural revolution," to break the traditional overcentralized economic system and to deepen reforms and opening up. These steps have invigorated the socialist system and provided the basis for the Party to outline the three-step development strategy for China's modern economic construction for the period (1. provision of sufficient

food and clothing for all the people, 2. attaining a "sustainable" economic level, and 3. reaching the level of moderately developed countries), to put forward the theses that the socialist economy is a planned commodity economy and that China is currently in the primary stage of socialism, and to formulate and put into practice the basic line for the primary stage of socialism which mandates that economic development is the nation's central task while adhering to the four cardinal principles (that is, adherence to the socialist road, to the people's democratic dictatorship, to the leadership of the Communist Party, and to Marxism-Leninism and Mao Zedong Thought) and persevering in reform and the open policy. The past decade-long reform and opening up are efforts to perfect and develop an independent socialist system. Despite some faults and the complications of various problems which have occurred, the reform has indeed brought new life and recognized achievements to the economy.

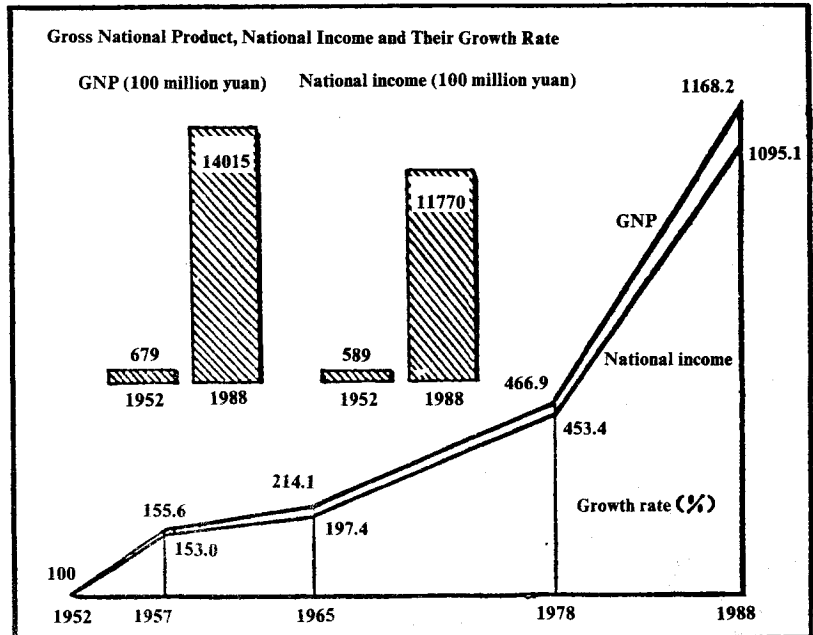
The present shape of China's economy is that of multiple ownership with public ownership as the core. Of the country's total industrial output value in 1988, that of the public ownership made up 56.8 percent; collective ownership, 36.2 percent; individual ownership, 4.3 percent; and others (businesses run jointly by enterprises of different ownership systems and Sino-foreign joint ventures), 2.7 percent. Of the total volume of retail sales, that of the public ownership accounted for 39.4 percent; collective ownership, 34.4 percent; individual ownership, 17.8 percent; and that of goods sold by farmers to the non-agricultural population, 8 percent. The contract responsibility system linked to production operating under the rule of collective ownership has been almost universally implemented in the rural areas.

Over the past four decades,

Output of Major Industrial and Agricultural Products and Their Places in the World

Name	1949		1988	
	Output	place	Output	place
 Grain	113.2 million tons	2	390.48 million tons	1
 Cotton	445,000 tons	4	4.15 million tons	1
 Coal	32 million tons	9	980 million tons	1
 Cement	660,000 tons	8*	210 million tons	1
 Cloth	1.89 billion metres	3*	18.7 billion metres	1
 Chemical fertilizer	6,000 tons	33*	17.67 million tons	3
 Steel	158,000 tons	26	59.18 million tons	4
 Generated energy	4.3 billion kwh	25	545.2 billion kwh	4
 Crude oil	120,000 tons	27	137.05 million tons	5

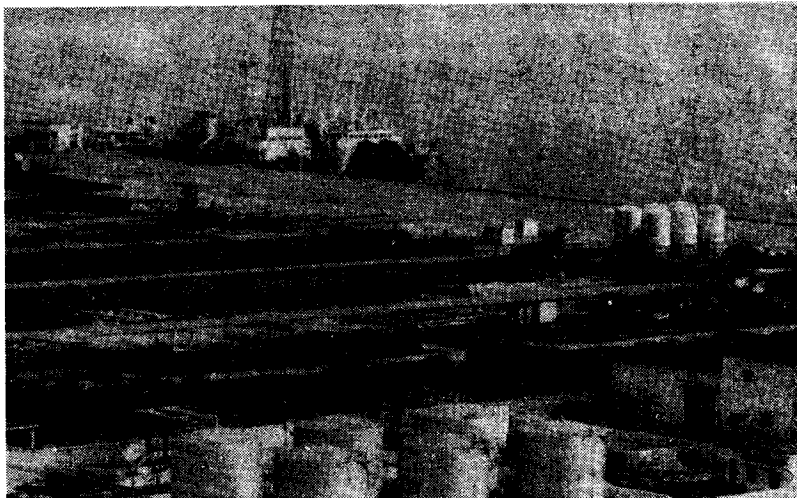
* The 1957 place in the world.



China has overthrown the semi-colonial and semi-feudal relations of production, completed the socialist transformation of the private ownership of the means of production and continuously perfected and refined the socialist relations of production. Although this process has been replete with hardships, unforeseen twists and turns and setbacks during times of experimentation, the results show that it has provided fundamental prerequisites for the development of China's socialist productive forces.

Achievements

The basic task of socialism is to develop social productive forces. Over the past 40 years, China has fulfilled six five-year plans for economic and social development, and the Seventh Five-Year Plan is scheduled to be completed next year. Between 1950 and 1988, the investment in the capital construction of publicly owned units totalled 1,488 billion yuan; 4,393 large and medium-sized projects were completed and put into operation; and newly added fixed assets reached 1,561.9 billion yuan, 65 times the fixed assets of state-owned enterprises in the early days of liberation. All this has laid both the material and techni-



The main supply dock for the Western South China Sea Oil Co. HUANG JIANQIU

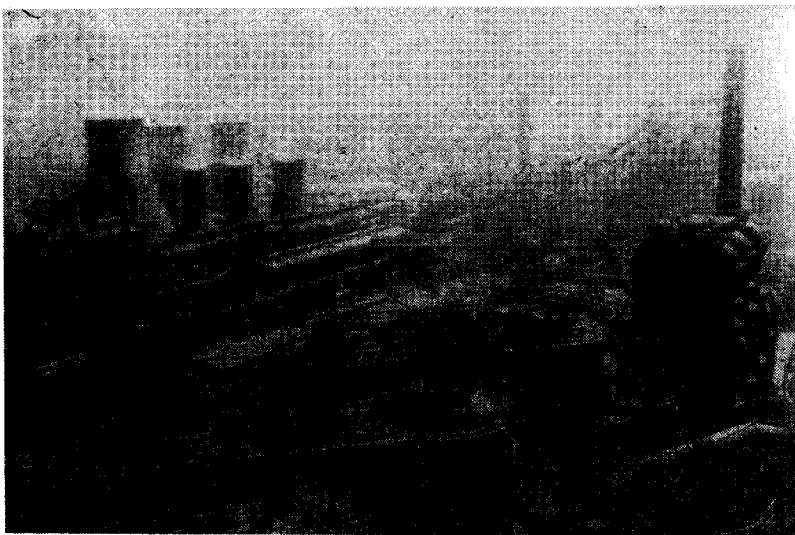
cal foundation for developing the nation's productive forces, redeploing the distribution of industry and improving the people's material and cultural well-beings. In 1988, China's gross social output value amounted to 2,984.7 billion yuan, 21 times that of 1952 in constant price, and registered an average annual increase of 8.8 percent; national income was 15 times that of 1952, registering an average annual increase of 7.2 percent. The development of various economic sectors is as follows:

Industry. In 1988, the country's total industrial output value hit

1,824.4 billion yuan, 55 times that of 1952 in constant price. Compared with the record output of old China, the output of cotton yarn increased 10.5 times, reaching 4.66 million tons; cloth, 6.7 times, 18.7 billion metres; steel, 64 times, 59.18 million tons; raw coal, 16 times, 980 million tons; crude oil, 428 times, 137.05 million tons; electric power, 91 times, 545.2 billion kwh; cement, 92 times, 210 million tons; and metal cutting machines, 36 times, 190,000 pieces. Auto, tractor, aircraft, modern metallurgical equipment and mining equipment manufacturing, electronics, petrochemical, nuclear and astronautical industries, all non-existent in old China, have been established and developed rapidly. Some high-technology products have equalled advanced world level. They include 1.7-metre rolling mill, 600,000-kw generating set, complete sets of equipment with an annual capacity of 1.5 million tons of steel for iron and steel complexes, sets of equipment with an annual capacity of 300,000 tons of synthetic ammonia and 240,000 tons of urea, and 10 million-ton large open-cut mine equipment. Industrial systems have been improved and a number of new industrial centres have been established in the vast inter-

The ironworks of the Anshan Iron and Steel Co.

ALIAO MING



ior and national minority areas.

Agriculture. Large-scale farmland capital construction has been carried out. Irrigated areas increased from 30 million hectares in 1952 to 44 million hectares in 1988 and demonstrable benefits were achieved by controlling major rivers with the completion of 170,000 km of newly built dykes and more than 80,000 reservoirs. These efforts have brought the problem of common floods under control. In old China, agriculture was conducted without almost any farm machinery and chemical fertilizer. In 1988, however, the country's total power used in farm machinery reached 265.8 billion watt, including 870,000 large and medium-sized tractors, 5.96 million small and walking tractors, 7.51 million pieces of drainage and irrigation machinery, and 350,000 combines. Areas worked by tractor made up nearly 40 percent of the country's total cultivated land and areas irrigated by power-driven machines, 58.8 percent of the nation's irrigated area. In 1988, a total of 21.42 million tons of chemical fertilizer was applied (effective composition of 100 percent) and 71.2 billion kwh of electricity was used. The country's total agricultural output value in 1988 was 3.6 times that of 1952 in constant price, amounting to 586.5 billion yuan. Compared with the record year in old China, the output of grain increased 2.6 times, reaching 394.08 million tons; cotton, five times, 4.15 million tons; sugar-bearing crops, 10.3 times, 61.87 million tons; and aquatic products, 7.1 times, 10.61 million tons. With only 7 percent of the world's arable land, China has basically solved the problem of feeding 22 percent of the world's population, marking a great achievement of the People's Republic.

The Building Industry.

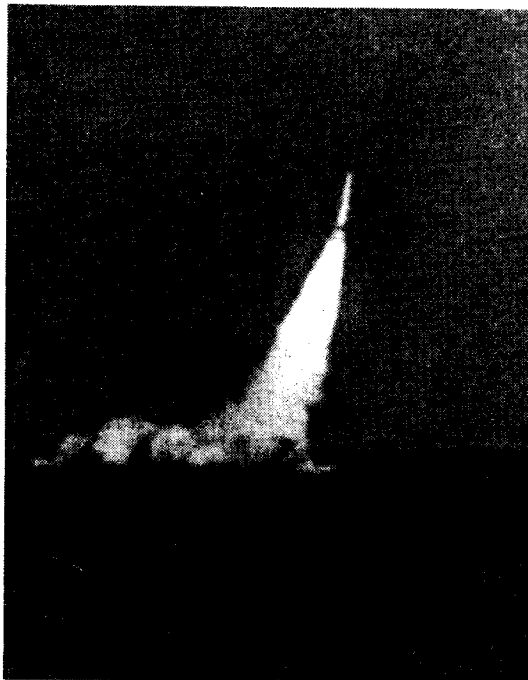


The No. 2 Motor Vehicle Plant has an annual capacity of 100,000 Dongfeng trucks.

With the growth of large-scale capital construction, China's building industry has flourished. Between 1952 and 1988, the total output value of the country's building industry rose 29 times, reaching 296.7 billion yuan. China, on its own, is also able now to design and build many large, technically complex projects, such as iron and steel plants with an

annual capacity of 3 million tons, large coal mines with an annual output of 4 million to 5 million tons, and such difficult projects as the Gezhouba Hydropower Station which spans the Changjiang (Yangtze) River and the Yangtze Bridge in Nanjing. So well developed is Chinese expertise in this field that important construction contracts won by Chinese build-

China successfully launched a carrier rocket from a nuclear-powered submarine on September 14-27, 1988.



ing enterprises abroad in recent years have garnered acclaim from foreign clients.

Transport and Communications. The length of the nation's railways increased from 21,800 km in the early days of the People's Republic to more than 50,000 km, with many double-tracked and the common use of diesel and electrical locomotives. Sichuan Province, throughout history an inaccessible mountain range, has now become the hub of a transportation network with the completion of the Chengyu Railway between Chengdu and Chongqing, and railways leading to cities such as Baoji (Shaanxi Province), Xiangfan (Hubei), Kunming (Yunnan) and Guiyang (Guizhou). The length of in-use highways totals 996,000 km and

the civil air service has opened 350 domestic and international airlines. Petroleum and gas pipelines, non-existent in old China, now total 14,300 km. The nation's postal routes and rural mail delivery routes increased from 706,000 km in the early days of liberation to 5 million km. In 1988, the combined transport volume of all means of transport amounted to 2,382.5 billion tons/km, and the volume of passengers transported reached 620.7 billion people/km, up 31 and 25 times respectively on 1952.

Domestic Commerce and Foreign Trade. The total volume of retail sales increased from 27.68 billion yuan in 1952 to 744 billion yuan in 1988, registering an average annual increase of 7.3 percent in constant price. The total volume of import and export trade increased from US\$1.13 billion in 1952 to US\$102.8 billion in 1988. The last decade also witnessed rapid progress in Sino-foreign economic co-operation. Between 1979 and 1988, a total of 16,377 agreements worth US\$78.5 billion were concluded between China and foreign investors. Of this, US\$47.7 billion have already been put to use (including US\$33 billion of foreign loans and US\$12.1 billion of direct foreign investment). Advanced technology and equip-

The Gezhouba water control project.

ment imported have played an active role in the development of China's national economy. In addition, China has contracted projects, or established labour service co-operative arrangements, with more than 100 countries and regions throughout the world.

China's education, science, culture, public health and physical culture have kept pace with the economy's rise. By 1988, China had established 1.071 million schools, including 1,075 institutes of higher learning. Compared with 1949, the number of university students has increased over 18 times, and secondary school students, 41 times. In the last four decades, the number of graduates of regular and special college courses reached 6.19 million. In addition, the country has turned out increasing numbers of people with doctorate and master's degrees.

In science and technology, the number of natural science and technical personnel working at state units was 9.66 million in 1988, up 22.7 times from the 1952 figure of 425,000. Important scientific and technical results have emerged in great numbers and many have reached or approached advanced world level. They include the gigantic 100 million-bit computer, the launch-

ing and recovery of man-made satellites, the launching of experimental telecommunications satellites, the completion and successful operation of the electron-position collider, the completion of the heavy ion accelerator, developing a theoretical basis for prospecting the oil/gas belt in the basin of the Bohai Bay, and the completion of the second and third stages of the Gezhouba water control project on Changjiang River and the successful operation of the project's hydroelectric generators. Moreover, today, China is also among the world's first rank of countries in space exploration.

In 1988, the country's total hospital beds numbered 2.8 million, 12 times as many as in 1952. The incidence of infectious and parasitic diseases which posed a serious public health menace before liberation has dropped considerably. The mortality rate of China's population dropped from 25-33 per thousand before 1949 to 6.6 per thousand in 1988, allowing China to join those countries with the lowest mortality rate. According to the figures of the national census in 1982, the average life expectancy of China's population was 67.88 years (66.43 years for men and 69.43 years for women), nearly double the figure of 35 years before liberation and among the first rank of developing countries. China's family planning work has also achieved marked results since the 1970s with the country's birthrate dropping from 33.43 per thousand in 1970 to 20.8 per thousand in 1988 (it was 17.5 per thousand in 1984), while in the same period, the population's natural growth rate dropped from 25.83 per thousand to 14.2 per thousand (10.8 per thousand in 1984).

The basic aim in developing the social economy is to increase the people's material and cultural wellbeing. In this regard, the Chinese residents' actual consumption level increased from 76 yuan per person in 1952 to 639



yuan per person in 1988. Allowing for overall price rise, this was a 4.7 times increase, an average annual increase of 3.7 percent. Of this, it rose an average of 2.2 percent a year in the first 26 years, and 7.6 percent in the latter ten years. Regarding the average per-capita annual consumption of major living consumer goods, compared with 1952, grain in 1988, increased from 197.7 kg to 249.1 kg; edible oil, from 2.1 kg to 5.9 kg; meat, from 6.8 kg to 16.5 kg; fresh eggs, from 1 kg to 5.8 kg; sugar, from 0.9 kg to 6.3 kg; cloth, from 5.7 metres to 12.2 metres; and woollen fabrics, from 0.01 metre to 0.29 metre. The people's living conditions have also improved gradually. The average per-capita living space of city and town residents increased from 4.2 square metres in 1978 to 8.8 square metres in 1988, while that of rural residents more than doubled from 8.1 square metres to 16.6 square metres.

With sufficient food and clothing, the masses of people are closer to an even more comfortable life. In 1988, every 100 farmer households had 107.5 bicycles, 52.5 sewing machines, 52.2 radios, 47.2 clocks, 168.9 wristwatches, and 31.4 television sets (including 2.8 colour TV sets), and every 100 urban and town households had

177.5 bicycles, 70.7 sewing machines, 294.5 wristwatches, 73.4 washing machines, 28 refrigerators, 103.1 television sets (including 44 colour TV sets), and 64.2 radio cassette recorders.

The foregoing chiefly demonstrates China's economic development of the past 40 years. These achievements, attained through socialist economic construction, are without parallel in China's several thousand years of history.

Comparative Methodology

China's socialist economic development is acknowledged by some people only by the results of vertical comparisons, believing that horizontal analyses are unreliable. Is this attitude justified? The fact is that horizontal comparisons, most appropriate with the developing countries having a large population, can demonstrate equally well the achievements of China's socialism. Economic comparisons between countries should not depart from the respective conditions of each country nor require us to attain within several dozen years a level which may have taken a highly industrial country 200 to 300 years.

First, comparisons of the growth rate of production. Since 40 years are a long period during which

currencies and the conversion rate of various currencies differ greatly, it is hard to make fast comparisons using comprehensive figures like the gross national product. Consequently, we compared the growth rate of per-capita output of the four main products of grain, steel, coal and electricity (see Table I).

Table I shows that in the growth rate of the per-capita output of some main products in these countries, except some indexes (the per-capita output of grain in Brazil and the per-capita output of coal in Mexico), China's other indexes place it among the top of the listed countries. Mexico and Brazil have attained their growth rate only by taking on the burden of US\$100 billion or more in foreign debts. Of course, as far as the absolute per-capita output is concerned, China still has a long way to go before catching up with the United States and the Soviet Union. This, however, is a result not of the fault in the socialist system, but of imperialism and feudalism which hindered the development of the country's productive forces for a long time in the past. Since the founding of New China, however, China's rank of total output of some major products has moved noticeably higher among the countries of the world. Its total grain output went up from the third place in 1957 to the first place in 1987; cotton, from the fourth in 1949 to the first in 1986; steel, from the 26th in 1949 to the fourth in 1987; and in the same period, coal, from the ninth to the first; crude oil, from the 27th to the fifth; chemical fibre, from the 26th in 1960 to the fourth in 1987; and cloth, from the third place in 1957 to the first place in 1987. Although China has a very large population and the per-capita output is still fairly low, the changes in the above-mentioned places do show China's rapid economic development and the strengthening of its economic performance.

Ningxia state farm staff harvest spring wheat crop.

CHEN SIVU



Horizontal comparisons between changes in the living standards of the people can also be made. Table II shows China's position among various countries according to the economic level and the standards of living indexes commonly used in the world.

Table II shows that China's per-capita gross national product ranks a low 105th in the world, while its standards of living indexes rank it a moderate 43th to 65th. Compared with the medium-income countries having an average GNP of US\$1,290 per person, except for the slightly lower per-capita amount of heat taken in by each person, China's index for the five other categories are higher than the level of these countries. This demonstrates that in accordance with the essential requirement of the socialist system, an emphasis on basic needs and gradual improvement in the living standards, is being met.

Following are the comparisons of the per-capita GNP between China and some developing countries similar to China (see Table III).

In Table III, the average life expectancy of China is 69 years while that of other countries ar-



The newly built Tianjin Railway Station.

YANG BAOKUN

ound 50; China's birthrate is about 18 per thousand and that of other countries is between 30 and 40 per thousand; China's infant mortality rate is 35 per thousand and that of other countries is generally 100 per thousand. Except for the proportion of the number of Chinese middle school students in the population between 12 and 17 years of age, the other indexes of standards of living place the Chinese people first.

Many experts, scholars and organizations in the world have made an objective assessment of

China's achievement in economic construction and social development. The investigation report "China: Socialist Economic Development" published by the World Bank in March 1982 said, "In the past 30 years, efforts made for China's economic development have always moved towards two basic goals: First, industrialization, especially the establishment of an infrastructure for heavy industry; second, elimination of the most glaring aspects of poverty. Although tortuous and sometimes radical economic fluctu-

Table I

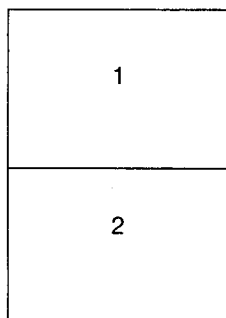
Comparisons of Per-Capita Growth Rate of Grain, Steel, Coal and Electricity

Country	Per-capita grain output (kg)			Per-capita steel output (kg)			Per-capita coal output (kg)			Per-capita generated energy (kwh)		
	1950	1987	Increase (%)	1952	1987	Increase (%)	1952	1987	Increase	1952	1987	Increase (%)
China	209	377	80	2	51	2,450	115	852	641	13	457	3,415
India	169	208	23	4	15*	275	103	239	132	17	254	1,394
Mexico	175	285	63	13	92*	608	43	1,589	3,595	206	1,225*	495
Brazil	265	484	83	16	157	881	42	53*	26	181	1,516	738
USSR	549	802	46	185	572	209	1,614	2,685	66	639	5,881	820
USA	1,001	1,377	38	535	363	-32	2,922	3,405	17	2,939	10,954	273

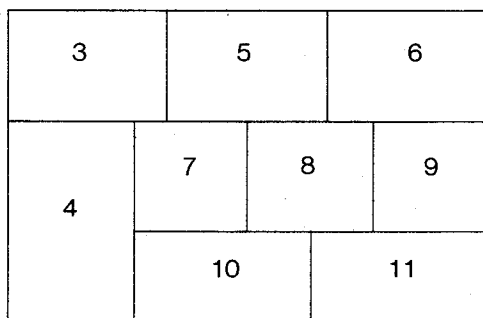
* 1986 figures.

Sources of Table I: Related data issued by the Statistical Department of the United Nations and the World Bank, quoted from "International Economic and Social Statistical Data" (1952-82) and "International Economic and Social Statistical Data" (1988), edited by the International Statistical and Foreign Affairs departments under the State Statistical Bureau and published by the China Statistical Publishing House in 1983 and 1989.

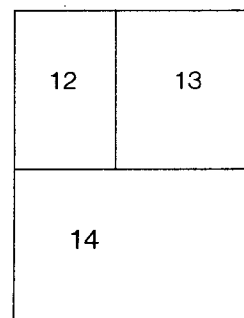
China Advances Towards Its 40th Anniversary



P.1

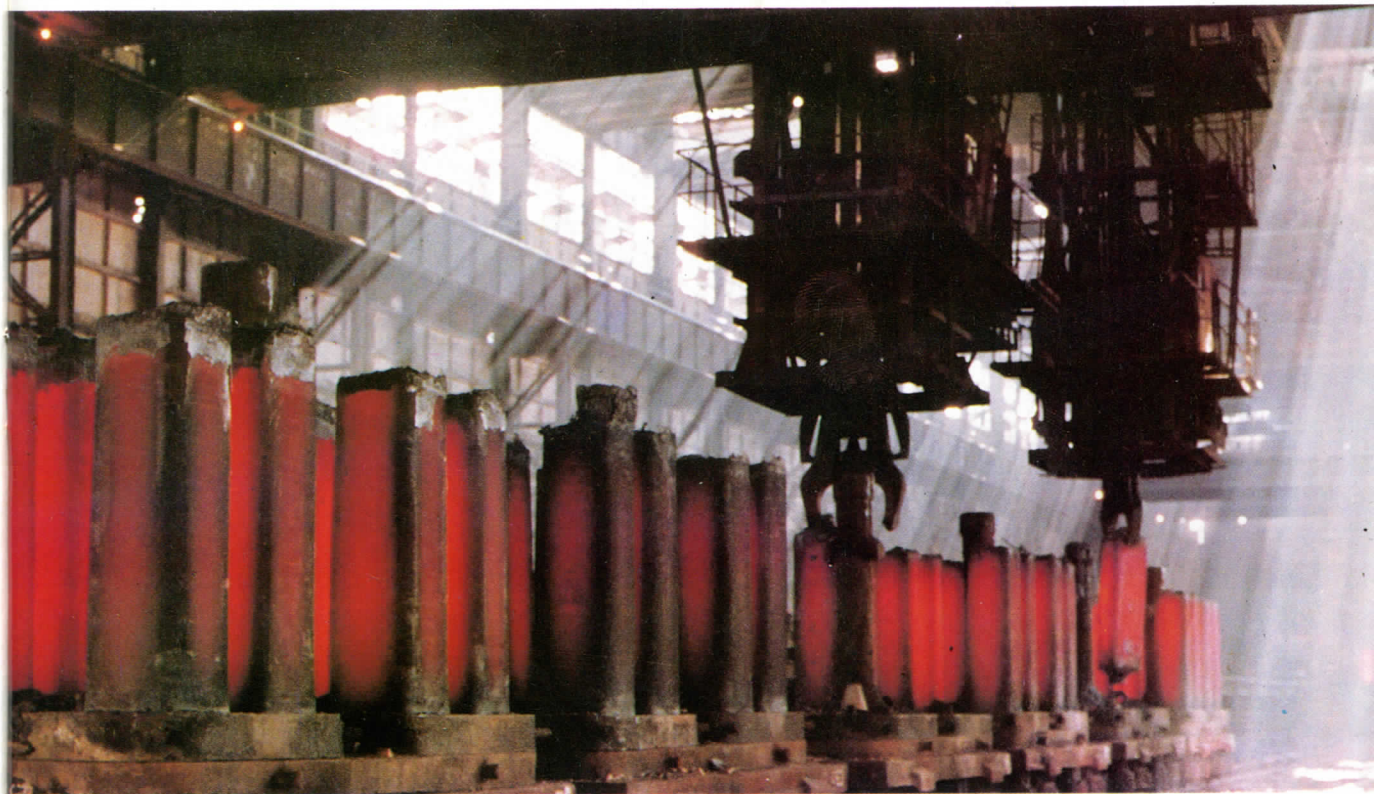


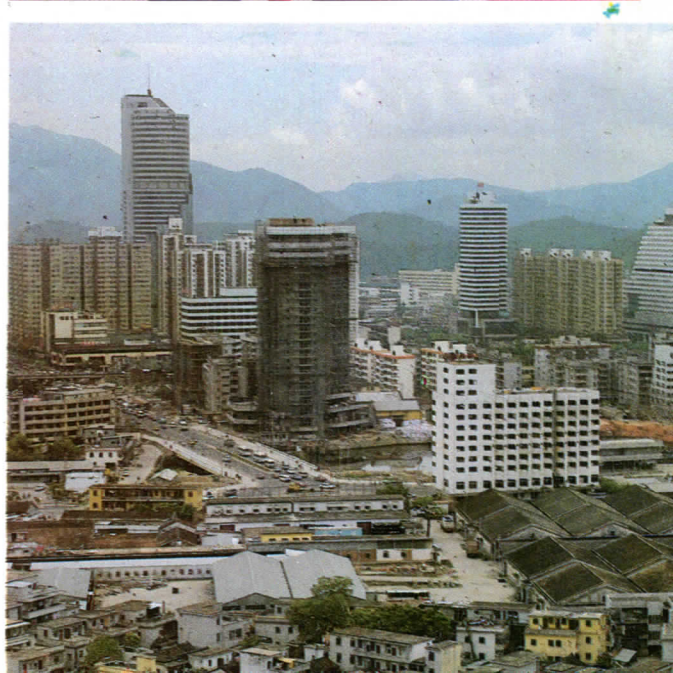
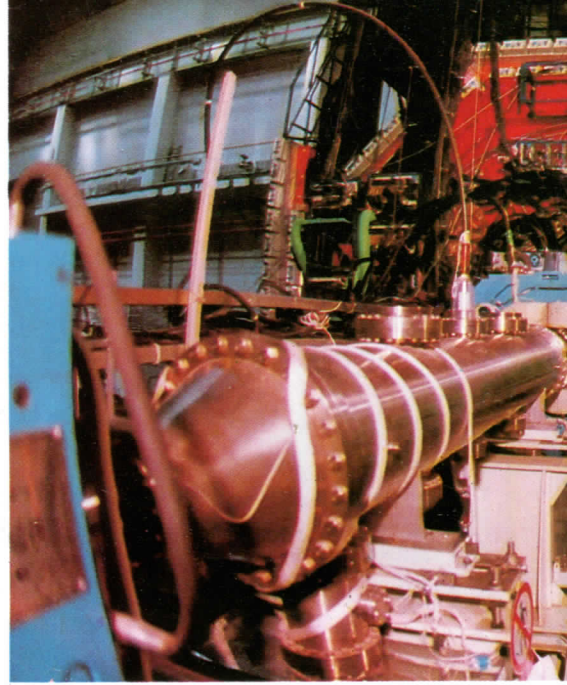
P.2



P.4

1. China's annual production of iron and steel increased to more than 50 million tons in 1988 from 1 million tons in 1949. Picture shows the heating process at a steel rolling mill of the Beijing Shoudu Iron and Steel Company.
2. Farmers of Panyu County in Guangdong Province are keenly interested in applying scientific methods to farming. These paddy fields near Nansha Town have produced bountiful harvests of rice for several years running.
3. Professor Qian Xuesen (right) is a world-famous Chinese scientist, who has made great contribution to the development of China's guided missile and space technology and the theory of systems. In June this year, he won the Willard F. Rockwell Jr. Medal giving him the honour of being "A World Notable of Fame for Engineering, Science and Technology" and allowing him to be an "Honorary Member of International Technology Institute."
4. China is one of the few countries in the world with the technology to retrieve satellites, launch missiles each carrying several satellites and send satellites into stationary orbit. Here is the scene at a carrier rocket missile launching.
5. The successful colliding of electron and positrons in Beijing on October 16, 1988, represents the advanced achievements of China's science and technology. The great energy released is expected to help the Chinese scientists in research into particle physics and synchronous radiation. The picture shows an electronic beam assembly line in the collider.
6. Professor Yuan Longping (left) cultivated the hybrid *indica* rice for a world first in 1973. This was a major contribution to the large-scale increased production of paddy rice. His achievement won an invention prize from the state in 1981 and a scientific prize from UNESCO in 1987.
7. A new and younger generation is working on the oil production platforms of the Chengbei Oilfield in Bohai, Tianjin City.
8. A 35,000-ton cargo ship recently built by the Dalian Shipyard.
9. The quality of mesh silk and low-elasticity silk produced by the Heilongjiang Provincial Polyester Fibre Factory reaches advanced international level.
10. China began to establish special economic zones in Shenzhen, Zhuhai, Shantou and Xiamen in 1980. This was followed by the opening of 14 coastal cities, three river deltas and 12 economic and technological development zones. The picture shows new buildings in Shenzhen's Luohu District.
11. A pasture at the Xilin Gol League, Inner Mongolian Autonomous Region.
12. Children in a Tianjin kindergarten.
13. Girls in festive dress of the Yi nationality of Chuxiong District, Yunnan Province.
14. Seen through a window decorated with papercuts, young people are dancing the *yangko*, a popular north China folk dance, in a rural area in north Shaanxi Province.





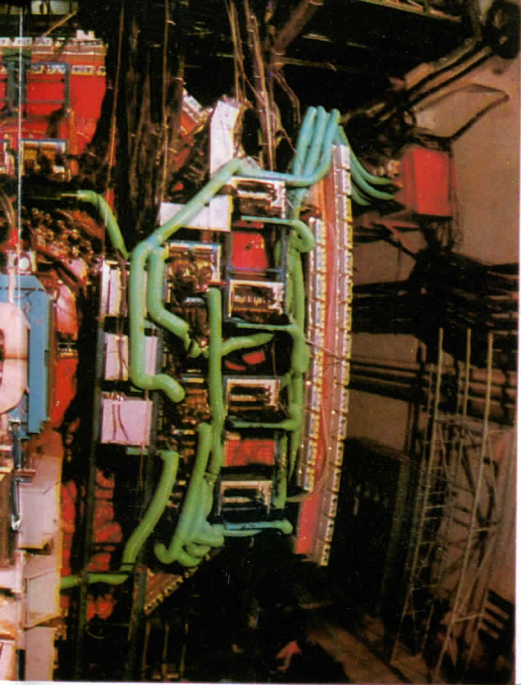




Table II

Comparisons of Living Standards

	Per-capita GNP (US\$)(1985)	Average life expectancy (years)	Infant mortality (‰)	Adult literacy rate(%)	Number of people served per doctor (person)(1981)	Per-capita energy consumed daily (Kcal)(1985)
	(1985)	(1985)	(1985)	(1977)		
World average level	2,483	63	58	66	4,040	2,656
Highly industrialized countries	11,810	76	9	99	530	3,417
Medium-income countries	1,290	62	68	57-58	5,080	2,731
Low-income countries	270	60	72	50	5,770	2,339
of which: China	310	69	35	66	1,730	2,602
Number of countries with data	128	128	123	98	116	124
China's rank	105	43	44	47	56	65

tuations have occurred, tremendous success has been chalked up in attaining the two goals. Although average consumption level has grown slowly in the past 30 years, the tangible success lies precisely in the area of daily necessities so that people with low income are much better off than the same type group of people in other poor countries. There is work for all, their grain ration is guaranteed, most children enjoy comparatively good education and most people enjoy basic medical and health, and birth control services."

At the South-South Conference -- Strategies on Development, Negotiations and Co-operation held in Beijing in April 1983, Prof. A.K. Sen gave a report entitled: "Economic Development: Some Questions of Strategic Views." The author researched 14 low-income countries, each with a population of more than 10 million and per-capita national income of less than US\$410 in 1980. Of the 14 countries, China's GNP witnessed the fastest growth (between 1960 and 1980, 3.7 percent); in 1980, the pro-

portion of China's domestic investment was the highest (31 percent of the GNP), so was its industrial output value (47 percent of the gross domestic product); the average life expectancy (64 years) and the adult literacy rate of China also led the other countries. The author also pointed out that of these countries the nutri-

tional level of the Chinese people was comparatively high.

The "1988 World Development Report" released recently by the World Bank made the following summary comparisons of economic development between China and India: "Between 1973 and 1980, China's gross domestic product increased at an average rate of

A 27,000-ton cargo ship built by the Shanghai Jiangnan Shipyard for a Hong Kong business.



5.4 percent a year. Between 1980 and 1987, it grew at an average rate of 10.3 percent a year and the figure soared to 12.5 percent in 1985. China's population growth was kept at a comparatively low rate of 1.6 percent a year on the average, and the country has maintained a healthy growth rate of the per-capita gross domestic product for quite some time among the developing countries. Although some regions of poverty still exist, the general level of the Chinese people's health, cultural level and the average lifespan are similar to many medium-income countries.

"In the 1970s, India suffered losses in foreign trade because of oil price hikes and, at the same time, its agricultural output slumped because of bad weather. Ear-

Table III

Comparisons of Living Standards Between Some Developing Countries

Country	Per-capita GNP (US\$)(1985) (years)	Average life expectancy (1985)	Birthrate (‰)(1985) (1985)	Infant mortality rate(‰) (1985)	Number of people served per doctor (1981)	Per-capita energy consumed daily (Kcal)(1985)	Percentage of middle school students in population 12-17 (1984)
China	310	69	18	35	1,730	2,602	37
India	270	56	33	89	3,700	2,189	34
Pakistan	380	51	44	115	2,910	2,159	15
Indonesia	530	55	32	96	12,300	2,533	39
Guinea	320	40	50	153	--	1,728	13
Ghana	380	53	46	94	7,250	1,747	36
Kenya	290	54	54	91	10,140	2,151	19
Sudan	300	48	45	112	9,800	1,737	19

Sources of Table II and III: Collated according to the "1987 World Development Report" of the World Bank and related data. Table II is quoted from China's *Social Target Theory and Practice* edited by He Jianzhang and published by the China Statistical Publishing House 1989.

ly in the 1980s, however, the gross domestic product picked up and between 1980 and 1987, the average growth rate was 5 percent. But its rate of population growth was still high and, as a result, the average growth rate of per-capita income was only 2.8 percent a year. Half of India's population still live in poverty and in many regions the infant mortality rate, the number of people suffering from malnourishment, and the level of illiteracy were still fairly high."

Conclusion

Both vertical and horizontal comparisons show that within the past 40 years China has attained two major achievements: first, economic development, not only of total GNP, but also of long-term growth rate of the per-capita GNP which is rapid when compared with developing countries having a large population. Second, the standard of living has improved markedly. The general standard of people's health, the average life-span and the number of literate people have all reached the level of medium-income countries. With this in mind, one can

easily assume these two achievements reflect the superiority of the socialist system. It is just on the basis of these achievements that China is able to stand among the galaxy of countries by maintaining its independence and keeping initiative in its own hands.

The past 40 years have also proved it impossible for China to have attained these great successes without the leadership of the Chinese Communist Party, the socialist system, the political power at the service of the people and the public ownership of the means of production. Only socialism can develop China. Today it is not an abstract theoretical debate, but the reality proved by the 40 years of historical facts.

At the same time, while proving that only socialism can develop China with the 40 years of achievements in economic construction, we are not meant to negate either our mistakes or the unfortunate twists and turns of our past work. These include such painful and serious actions as the "great leap forward" and the "great cultural revolution." Nor can we deny the fact that China's economic level is still backward,

the living standards of its people comparatively low and there are still unhealthy practices in our social life. We must acknowledge our past mistakes and then take into account both the positive and negative experiences. Currently, we should take particular note of the serious interference and mistakes made by Comrade Zhao Ziyang in his passive attitude towards the four cardinal principles, and his connivance and support of the ideology of bourgeois liberalization. We should, in accordance with the resolutions of the Fourth Plenary Session of the 13th Party Central Committee, resolutely adhere to the "one focus and two basic points,"* build up the country through self-reliance, thrift and hard work and remove various kinds of negative factors which obstruct the development of the national economy and social progress. Only in this way can we bring the superiority of the socialist system into play and achieve greater success in our economic construction. □

* Refers to making economic development the nation's central task, upholds the four cardinal principles and persist in the policy of reform and opening up.

Main Indicators of the National Economy

Item	Unit	1952	1965	1978	1980	1985	1988
I. Population							
Year-end population	thousand	574820	725380	962590	987050	1050440	1096140
II. Wage and labour force							
1. Labour force (year-end)	thousand	207290	286700	401520	423610	498730	543340
Of which							
Staff and workers	thousand	16030	49650	94990	104440	123580	136080
2. Total wages	million yuan	6800	28200	56900	77200	138300	231600
III. Gross National Product							
	million yuan			358800	44700	856800	1401500
IV. National income							
	million yuan	58900	138700	301000	368900	704000	1177000
V. Total social product							
	million yuan	101500	269500	684600	853400	1660800	2984700
Of which: total output value of agriculture and industry	million yuan	81000	223500	563400	707700	1333500	2408900
VI. Agricultural production							
1. Total agricultural output value	million yuan	46100	83300	139700	192300	361900	586500
2. Output of major farm products							
Grain	thousand tons	163920	194530	304770	320560	379110	394080
Cotton	thousand tons	1304	2098	2167	2707	4147	4149
Oil-bearing crops	thousand tons	4193	3625	5218	7691	15784	13203
Sugar crops	thousand tons	7595	15375	23818	29112	60468	61874
Tea	thousand tons	82	101	268	304	432	545
Fruits	thousand tons	2443	3239	6570	6793	11639	16661
Pork, beef and mutton	thousand tons	3385	5510	8563	12054	17607	21936
Aquatic products	thousand tons	1670	2980	4660	4500	7050	10610
VII. Industrial production							
1. Total industrial output value	million yuan	34900	140200	423700	515400	971600	1822400
2. Output of major industrial products							
Cloth	million m	3830	6280	11030	13470	14670	18790
Sugar	thousand tons	450	1460	2270	2570	4510	4640
Bicycles	thousand	80	1838	8540	13024	32277	41401
Coal	million tons	66	232	618	620	872	980
Crude oil	thousand tons	440	11310	104050	105950	124900	137050
Electricity	million kwh	7300	67600	265500	300600	410700	545200
Steel	thousand tons	1350	12230	31780	37120	46790	59430
Rolled steel	thousand tons	1060	8810	22080	27160	36930	46890
Cement	thousand tons	2860	16340	65240	79860	145950	210140
Metal-cutting machine tools	thousand	13.7	39.6	183.2	133.6	167.2	191.7
3. Principal financial indices							

(continued)

Item	Unit	1952	1965	1978	1980	1985	1988
of state-owned industrial enterprises practising independent accounting							
Original value of fixed assets (year-end)	million yuan	14880	104000	319340	373010	595620	879520
Total funds	million yuan	14680	103730	327300	366370	560410	860340
Net value of fixed assets (year-end)	million yuan	10080	77720	222570	252800	398080	604040
Circulating funds quota	million yuan	4600	26010	104730	113570	162330	256300
Profits and taxes	million yuan	3740	30920	79070	90710	133410	177490
VIII. Transport, post and telecommunications							
1. Freight traffic	million tons-km	76200	346300	982900	1202600	1812600	2382500
Railways	million tons-km	60200	269800	534500	571700	812600	987800
Highways	million tons-km	1400	9500	27400	76400	169300	322000
Waterways	million tons-km	14600	67000	377900	505300	770000	1007000
Air	million tons-km		30	100	140	420	730
Petroleum and gas pipeline	million tons-km			43000	49100	60300	65000
2. Passenger traffic	million persons-km	24840	69710	174300	228100	443700	620700
Railways	million persons-km	20100	47900	109300	138300	241600	326000
Highways	million persons-km	2270	16820	52100	72900	172500	252800
Waterways	million persons-km	2450	4740	10100	12900	17900	20400
Air	million persons-km	20	250	2800	4000	11700	21400
3. Cargoes handled at principal seaports	thousand tons	14400	71810	198340	217310	311540	412660
4. Total value of post and telecommunications business	million yuan	164	628	1165	1334	2960	4895
Letters delivered	million	809	2176	2835	3313	4678	5977
Newspapers and magazines delivered	thousand copies	13630	56210	112500	164310	301720	274430
IX Total investment in fixed assets of state-owned units							
Investment in capital construction	million yuan	4360	21690	66870	74590	168050	276280
	million yuan	4360	17960	50100	55890	107440	157430
X. Domestic trade							
1. Total value of retail sales	million yuan	27680	67030	155860	214000	430500	744000
2. Volume of retail sales of major commodities							
Grain	thousand tons	29610	36820	47500	54970	90120	96920
Edible vegetable oil	thousand tons	765	740	875	1260	3491	4558
Pork	thousand tons	1704	2777	4675	7045	9164	10667

(continued)

<i>Item</i>	<i>Unit</i>	<i>1952</i>	<i>1965</i>	<i>1978</i>	<i>1980</i>	<i>1985</i>	<i>1988</i>
Sugar	thousand tons	471	1122	3156	3635	5725	6632
Cloth	million m	3080	4440	7690	9840	12120	13250
XI. Total imports and exports	US\$ million	1940	4250	20640	37820	69600	102790
Exports	US\$ million	820	2230	9750	18270	27350	47540
Imports	US\$ million	1120	2020	10890	19550	42250	55250
XII. Public finance							
Revenues	million yuan	18370	47330	112110	108520	186640	258780
Expenditures	million yuan	17600	46630	111100	121270	184480	266830
XIII. Price indexes (Base: the preceding year=100)							
General retail price indexes	%	99.6	97.3	100.7	106.0	108.8	118.5
General indexes of purchasing prices of farm and sideline products	%	101.7	99.2	103.9	107.1	108.6	123.0
General indexes of staff and workers' cost-of- living prices	%	102.7	98.8	100.7	107.5	111.9	120.7
XIV. Education and culture							
Number of institutions of higher learning		201	434	598	675	1016	1075
Students enrolled in institutions of higher learning	thousand	191	674	856	1144	1703	2066
Students enrolled in secondary specialized schools	thousand	636	547	889	1243	1571	2052
Students enrolled in regular secondary schools	thousand	2490	9338	65483	55081	47060	47615
Students enrolled in primary schools	thousand	51100	116210	146240	146270	133700	125360
Newspapers issued	million copies	1610	4740	12780	14040	19980	20720
Magazines issued	million copies	200	440	760	1120	2560	2560
Books published	million copies	790	2170	3770	4590	6670	6220
XV. Public health							
Hospital beds	thousand	160	766	1856	1982	2229	2503
Professional medical personnel	thousand	690	1532	2464	2798	3411	3724
Of which:							
Doctors	thousand	425	763	1033	1153	1413	1617

Notes: Financial figures are based on the prices for that year.

Figures of the total value of posts and telecommunications for years before 1981 are based on constant 1970 prices and for years after 1981, based on the constant prices of 1980.

Percentage Increase in Main Indicators of the National Economy

Item	Increase of 1988 over the years below				Average annual increase			
	1952	1965	1978	1980	1985	1953-1988	1953-1978	1979-1988
I. Population								
Year-end population	190.7	151.1	113.9	111.1	104.4	1.8	2.0	1.3
II. Wage and labour force								
1. Labour force (year-end)	262.1	189.5	135.3	128.3	108.9	2.7	2.6	3.1
of which:								
staff and workers	848.9	274.1	143.3	130.3	110.1	6.1	7.1	3.7
2. Total wages	3405.9	821.3	407.0	300.0	167.5	10.3	8.5	15.1
III. Gross National Product								
			250.2	215.7	133.2			9.6
IV National income								
	1095.1	554.8	241.5	212.1	131.8	6.9	6.0	9.2
V. Total social product								
	2105.3	815.4	289.9	246.5	145.6	8.8	7.9	11.2
Of which: Total output value of agriculture and industry	2261.8	843.0	290.5	249.0	147.9	9.0	8.2	11.3
VI. Agricultural Production								
1. Total agricultural output value	364.9	266.2	182.6	167.5	113.7	3.7	2.7	6.2
2. Output of major farm products								
Grain	240.4	202.6	129.3	122.9	103.9	2.5	2.4	2.6
Cotton	318.2	197.8	191.5	153.3	100.0	3.3	2.0	6.7
Oil-bearing crops	314.9	364.2	253.0	171.7	83.6	3.2	0.8	9.7
Sugar bearing crops	814.7	402.4	259.8	212.5	102.3	6.0	4.5	10.0
Tea	664.6	539.6	203.4	179.3	126.2	5.4	4.7	7.4
Fruits	682.0	514.4	253.6	245.3	143.1	5.5	3.9	9.8
Pork, beef and mutton	648.0	398.1	256.2	182.0	124.6	5.3	3.6	9.9
Aquatic products	635.3	356.0	227.7	235.8	150.5	5.3	4.0	8.6
VII. Industrial Production								
1. Total industrial output value	5525.4	1220.8	333.1	280.2	158.7	11.8	11.4	12.8
2. Output of major industrial products								
Cloth	490.6	299.2	170.4	139.5	128.1	4.5	4.2	5.5
Sugar	1031.1	317.8	204.4	180.5	102.9	6.7	6.4	7.4
Bicycles	51751.3	2252.5	484.8	317.9	128.3	19.0	19.7	17.1
Coal	1484.8	422.4	158.6	158.1	112.4	7.8	9.0	4.7
Crude oil	31147.7	1211.8	131.7	129.4	109.7	17.3	23.4	2.8
Electricity	7468.5	806.5	212.5	181.4	132.7	12.7	14.7	7.8

(continued)

Item	Increase of 1988 over the years below				Average annual increase			
	1952	1965	1978	1980	1985	1953-1988	1953-1978	1979-1988
Steel	4402.2	485.9	187.0	160.1	127.0	11.1	12.9	6.5
Rolled steel	4423.6	532.2	212.4	172.6	127.0	11.1	12.4	7.8
Cement	7347.6	1286.0	322.1	263.1	144.0	12.7	12.8	12.4
Metal-cutting machine tools	1399.3	484.1	104.6	143.5	114.7	7.6	10.5	0.5
VIII. Transport, post and telecommunications								
1. Freight traffic	3126.6	688.0	242.4	198.1	131.4	10.0	10.3	9.3
Railways	1640.9	366.1	184.8	172.8	121.6	8.1	8.8	6.3
Highways	23000.0	3389.5	1175.2	421.5	190.2	16.3	12.1	27.9
Waterways	6897.3	1503.0	266.5	199.3	130.8	12.5	13.3	10.3
Civil aviation		2433.3	730.0	521.4	173.8			22.0
Petroleum and gas pipeline			151.2	132.4	107.8			4.2
2. Passenger traffic	2498.8	890.5	356.1	272.1	139.9	9.4	7.8	13.5
Railways	1621.9	680.6	298.3	235.7	134.9	8.0	6.7	11.5
Highways	11136.6	1504.8	485.2	346.8	146.6	14.0	12.8	17.1
Waterways	832.7	430.4	202.0	158.1	114.0	6.1	5.6	7.3
Civil aviation	107000.0	8560.0	764.3	535.0	182.9	21.4	20.9	22.6
3. Cargo handled at principal seaports	2865.7	574.7	208.1	189.9	132.5	9.8	10.6	7.6
4. Total value of posts and telecommunications business	2143.8	559.8	301.8	263.6	165.4	8.9	7.8	11.7
Letters delivered	738.8	274.7	210.8	180.4	127.8	5.7	4.9	7.7
Newspapers and magazines delivered	2013.4	488.2	243.9	167.0	91.0	8.7	8.5	9.3
IX. Total investment in fixed assets of state-owned units								
Investment in capital construction	6336.7	1273.8	413.2	370.4	164.4	12.2	11.1	15.2
	3610.8	876.6	314.2	281.7	146.5	10.5	9.8	12.1
X. Domestic trade								
1. Total value of retail sales	1279.9	637.9	276.4	217.7	128.3	7.3	6.1	10.7
2. Volume of retail sales of major commodities								
Grain	327.3	263.2	204.0	176.3	107.5	3.3	1.8	7.4
Edible vegetable oil	595.8	615.9	520.9	361.7	130.6	5.1	0.5	17.9
Pork	626.0	384.1	228.2	151.4	116.4	5.2	4.0	8.6
Sugar	1408.1	591.1	210.1	182.4	115.8	7.6	7.6	7.7
Cloth	430.2	298.4	172.3	134.7	109.3	4.1	3.6	5.6

(continued)

Item	Increase of 1988 over the years below				Average annual increase			
	1952	1965	1978	1980	1985	1953-1988	1953-1978	1979-1988
XI. Total imports and exports	5298.5	2418.6	498.0	271.8	147.7	11.7	9.5	17.4
Exports	5797.6	2131.8	487.6	260.2	173.8	11.9	10.0	17.2
Imports	4933.0	2735.1	507.3	282.6	130.8	11.4	9.1	17.6
XII. Public finance								
Revenues	1408.7	546.8	230.8	238.5	138.7	7.6	7.2	8.7
Expenditures	1516.1	572.2	240.2	220.0	144.6	7.8	7.3	9.2
XIII. Price indexes								
General retail price indexes	210.0	174.0	172.7	159.7	134.7	2.1	0.8	5.6
General indexes of purchasing prices of farm and sideline products	437.4	283.1	244.5	187.1	146.6	4.2	2.3	9.4
General indexes of cost-of-living prices of staff and workers	236.3	196.5	188.5	172.2	140.5	2.4	1.0	6.5
XIV. Education and culture								
Number of institutions of higher learning	534.8	247.7	179.8	159.3	105.8	4.8	4.3	6.0
Students enrolled in institutions of higher learning	1081.7	306.5	241.4	180.6	121.3	6.8	5.9	9.2
Students enrolled in secondary specialized schools	322.6	375.1	230.8	165.1	130.6	3.3	1.3	8.7
Students enrolled in regular secondary schools	1912.2	509.9	72.7	86.4	101.2	8.5	13.4	-3.1
Students enrolled in primary schools	245.3	107.9	85.7	85.7	93.8	2.5	4.1	-1.5
Newspapers issued	1287.0	437.1	162.1	147.6	103.7	7.4	8.3	5.0
Magazines issued	1280.0	581.8	336.8	228.6	100.0	7.3	5.3	12.9
Books published	787.3	286.6	165.0	135.5	93.3	5.9	6.2	5.1
XV. Public health								
Hospital beds	1564.4	326.8	134.9	126.3	112.3	7.9	9.9	3.0
Professional medical personnel	539.7	243.1	151.1	133.1	109.2	4.8	5.0	4.2
Of which: Doctors	380.5	211.9	156.5	140.2	114.4	3.8	3.5	4.6

Note: Figures are at comparable prices.

Ordinary People of the People's Republic

On the eve of the 40th anniversary of the founding of the People's Republic, our staff reporters have interviewed ordinary people from different trades. These interviews reflect various aspects of our republic's development, especially the widespread changes brought about by the ten-year reform.—Ed.

'Present Policies Are Best'

—An Interview with Vegetable Grower Zhao Fengkuan
by Our Staff Reporter Han Guojian

One afternoon in early August, I visited vegetable grower Zhao Fengkuan in Xingshikou Village, 20 kilometres away from Beijing proper. Zhao Fengkuan shares a six-house courtyard and has a 20-square-metre drawing room decorated with plastic veneer and terrazzo floor. By the present standard of living in Chinese urban areas, Zhao Fengkuan's home is a luxurious one.

The days of August in Beijing's rural areas were busy times as vegetable growers harvested various kinds of autumn vegetables and sowed Chinese cabbages. Freshly returned from the field, Zhao Fengkuan, without bothering to wipe the sweat off from his face, lit a cigarette and stopped to talk with me.

"The present policies are best. It seems to me that everyone can be well-off by continuing in this direction," Zhao said with great satisfaction. Last year, Zhao Fengkuan and 16 other vegetable growers contracted 7.7 hectares of land and harvested some 600,000 kilogrammes of vegetables. After deducting their costs, the group's net income amounted to 73,000 yuan with each member

earning an average of 4,100 yuan. Zhao said that their average income for 1989 was expected to reach 5,000 yuan, a five-fold increase over 1986. As the group leader, Zhao Fengkuan's income in 1988 was the highest at 8,200 yuan.

"Your income is double that of other members. Do they have complaints about you?" I asked.

"The amount of my income was decided by everybody in my contract group," Zhao said. "Besides doing the same work as the others, I'm in charge of technological instructions and marketing, both of which have a great influence on vegetable harvests and annual incomes. Moreover, I must check on the quality of

work and the growing conditions of vegetables and, at the right moment, arrange other farm work like sowing seeds, spreading manure, spraying insecticide and harvesting. Each year we grow 16 varieties of vegetables including eggplants, tomatoes, cucumber, wax gourd, garlic and green Chinese onion. Because each of them has its own specific growing characteristics I must devote a lot of energy to each one. So, our distribution of income breaks down the system of egalitarianism in distribution and embodies, instead, the socialist system of distribution according to work. Thus, a lot of work brings high incomes."

Zhao's contract group is one of 12 vegetable groups under the Badachu Agricultural, Industrial and Commercial Corp., which grew out of a production brigade

Zhao Fengkuan.

Zhao Fengkuan picking cucumbers.

Photos by HAN GUOJIAN



of the Shijingshan People's Commune. Since the implementation of the policy of reform and opening up in 1979, the village-run industrial and commercial enterprises have developed rapidly. In 1984 the production brigade took its current name and the title of the farmer was also changed from 'commune member' to 'corporation employee.'

Up till now, the corporation has established 14 factories and shops including casting, electroplating, structural components and wooden furniture. The proportion of non-agricultural income has gone from 58 percent in 1979 to the current 70 percent. Though the proportion of agricultural income has dropped, the output value of agriculture in 1988 amounted to 3.07 million yuan, a four-fold increase over 1979. The corporation's industrial and agricultural output value went up from 1.79 million yuan in 1979 to 14.77 million yuan in 1988. With 1,200 labourers, the corporation's per-capita annual income was 2,830 yuan, or, again, a four-fold increase over 1979.

Deng Huaiqing, the corporation manager who accompanied me to Zhao's family, said his corporation has adopted a policy which inclined to vegetable production in order to encourage vegetable growers to sow vegetables and thus guarantee vegetable supplies in the urban areas. After fulfilling contracted sales for the market, each group has the right to distribute all their remaining incomes from vegetable sales among its members and need not turn over their profits to the corporation. Now, the lowest annual income of the vegetable growers is higher than the average annual figure of the corporation's workers and staff.

Fifty-eight-year-old Zhao Fengkuan has three daughters and three sons, all of whom now work in the corporation. Except

for his 24-year-old youngest son, his five other children have married. In recent years, Zhao and his children have built their own new houses and purchased electrical appliances such as televisions, washing machines and fans.

Zhao Fengkuan said, "I now live a comfortable life and my only hope is to do a good job of growing vegetables." For this reason, Zhao, with a third-year level of primary school education, tries to read some books about vegetables. One of his group members said Lao Zhao was not conservative in his technique of growing vegetables. For instance, in recent years, his group has successfully introduced bitter melon from southern China and celery from the United States, and begun the use of Japanese pesticides. In addition, Lao Zhao is economically minded. For example, he encourages his members to apply more farm manure and little chemical fertilizer. According to Zhao, this method alone can help his group reduce the production cost by 20,000 yuan a year.

"Owing to the introduction of several new varieties of vegetables from other locations in China, as well as from abroad, and the adoption of the plastic covered green house growing technology, Beijing has been able to provide a good assortment of vegetables in recent years. Formerly, food markets only offered Chinese cabbage, radish and potatoes in winter days. But now, they are full of summer vegetables," Zhao said.

"Apart from the growing of vegetables, do you have any other income?" I asked.

"I'm too busy handling things of the group. How could I have the time to do other work? Besides, the situation now is quite different from what it was before. Provided I do my group work well, I'll enjoy a comfort-

able life," Zhao said. "Each day I drink two bottles of beer, smoke a pack of cigarettes and eat fried dishes. These are things one never dared imagine before."

Zhao Fengkuan also told me something about his past. Before 1949, his family rented 1.3 hectares of hillside fields from a landlord which yielded only around 1,000 kilogrammes of grain a year and half of which had to be paid for land rental. His family struggled along, always verging on starvation. When he was only 15 years old he tried to make money with his two brothers to support the family during the slack farming season by carrying coal in the Jingxi Coal Mine. After liberation, Zhao's family shared 0.67 hectare of land, three houses, and did not have to worry about food and clothing. In 1955, his family volunteered to join the production co-operative. Co-operative members jointly dug wells in order to expand the area of irrigated land. During those few years people's life improved greatly. But, in 1958 when the people's commune was established. Some property of the production brigade and farmers were taken over by the commune and the system of egalitarianism adopted for income distribution. These steps dampened the enthusiasm of the masses. During the ten-year period of turmoil (1966-76), conditions in rural areas were worse than in the city. Farmers weren't even allowed to engage in sideline production such as raising chickens, for that was regarded as "tail of capitalism" and therefore was subject to criticism.

Zhao Fengkuan added with deep feeling, "We suffered a lot in those days."

Zhao believes, however, that the present contract responsibility system gives full play to the advantages of the socialist collective economy and that the principle of distribution according to

work has aroused the farmers' enthusiasm. While continuously increasing farmers' incomes, it will not cause a big gap between the rich and the poor. "The method of individual farming is undesirable," Zhao said. "If I farm individually, I will lose collective guarantees. At present, our corporation is not only responsible for the supply of seeds, chemical fertilizer, pesticide and plastic film, but also helps transport vegetables free of charge to the city in harvest seasons. If we suffer a natural calamity, our corporation will give us support."

According to manager Deng Huaiqing, the corporation's barbershop and bathrooms are open free of charge to its employees. The childcare centre only collects some boarding expenses. In addition, the corporation's staff enjoy free medicare which covers 70 percent of the expenses and the retired members (men 65 and women 60) enjoy old-age pensions.

According to Zhao Fengkuan's estimation, he will save up more than 50,000 yuan when he retires at the age of 65. Then, he and his wife can spend their remaining years in happiness. □

'My Dream Comes True'

by Our Staff Reporter Wei Liming

In July 1937 when the Japanese invaders created their "Lugou (Marco Polo) Bridge Incident," Gu Songfen was a second-grade primary school pupil in Beijing. With his own eyes, he saw the Japanese aeroplanes bombing the city, and whenever the Japanese aeroplanes hedgehopped over the family's courtyard, Gu felt furious and humiliated. It was then that Gu vowed to build an

aeroplane for China to resist foreign invasion.

Today, more than 50 years later, Gu's wish has at last come true. He is now vice-president of the Science and Technology Research Institute under the Ministry of the Aeronautics and Astronautics Industry and the chief designer for a new Chinese aeroplane.

Looking back on the arduous course of China's aeronautics in-

dustry over the past years, all sorts of feelings well up in the mind of this 59-year-old expert. "Since the Opium War (1840-42), China had been bullied by foreigners. It wasn't until after liberation in 1949 that we began to gradually build our own strong defence force."

According to Gu, 40 years of time is short in man's history, but China has made considerable progress in developing its aeronautical technology. "Although our aeronautical technology still lags behind the advanced world level, we are now able to design and make our own transport planes and fighter planes. Furthermore, some of our aeroplanes have been exported."

"This was unimaginable in old China governed by the KMT," the expert remarked.

In 1947, Gu graduated from middle school and, with youthful enthusiasm, applied for admission to the aeronautics department of three universities. He was enrolled in the Aeronautics Department of Shanghai Jiaotong University. As he entered the college, however, his spirit was dampened. Senior students persuaded him to change his major, because students from the Aeronautics Department would find no suitable jobs after their graduation. Under the KMT's rule, they could do no more than cleaning the aeroplanes built by foreigners at an airfield; there was no opportunity to engage in professional work.

Old China's aeronautics industry was almost non-existent. In 1937, the Italian government signed an agreement with the KMT government, according to which Italy would help China build an aeroplane manufacturing factory. That was the best of its kind in China at the time. However, it used not only major

Gu Songfen, expert on building aero-planes.



components of aeroplane, such as Italian fuselages but also the smallest parts, such as Italian screws and nuts. During the War of Resistance Against Japan (1937-45), the factory was destroyed in a Japanese bombing raid.

After China was liberated in 1949, two particular incidents encouraged Gu. One was the PLA's advertisement in Shanghai's universities for qualified personnel to establish China's own air force, the other was the establishment of the National Defence Engineering Institute at Nanjing. Gu realized that the Communist Party of China (CPC) placed much importance on building an aeronautics industry and this greatly inspired him.

In 1954, a new aeroplane manufacturing factory, with an annual production capacity of 500 coach aeroplanes, was built on the basis of the Nanchang Aeroplane Manufacturing Factory built with aid from Italy. The assembly workshop was six times larger than the former hangar. In 1958, the factory succeeded in making the first coach aeroplane designed by Chinese scientists, and the first superjet fighter plane in 1965. Now, the manufacturing factory can produce not only fighter planes but also missiles for coastal defence.

China started to design and build planes in 1956 while research institutions and laboratories sprung up initially in the 1960s. China currently possesses a number of aeroplane and engine manufacturing factories capable of producing various types of military aeroplanes as well as small and multi-purpose special aeroplanes, medium and short-range passenger aeroplanes and helicopters.

Without a unified plan and the energetic support of the



Gu Songfen, right, talks with aircrews.

Photos by ZHOU RIXIN

state, such a colossal project like the aeronautics industry could not have been successful. He was deeply impressed by the importance of this support in designing and manufacturing the new fighter plane, Gu says.

When the first coach plane was developed in 1954, Party Chairman Mao Zedong himself sent a congratulatory telegram. And, at another time, when scientists and technicians were filled with doubts and misgivings about the development of a new-type fighter plane, the Deputy Commander of the air force at that time, Cao Lihuai, voluntarily bore responsibility for any risk that might be involved. In addition, Marshal Nie Rongzhen and Marshal He Long often conducted inspections at the airfield and inquired about any difficulty there. The aeronautics industry, therefore, has never lacked human, financial and material resources.

"There are two points regarding the rapid development of New China's aeronautics industry," says Gu. "One is planned organization and the other, the state's large-scale investment.

Both points can only be carried out smoothly under the socialist system."

Gu, the aeroplane specialist, is particularly proud of the construction of wind tunnels, crucial for designing of aircraft. Before liberation, there were none at his university and the students could only expect to receive theoretical lectures from their teachers. Now, in sharp contrast, three aeronautical colleges have well-equipped wind tunnels. Additionally, the state has established an aerodynamics research centre with so large a wind tunnel group that experts from Britain, the United States and France have been surprised. The center has received some models of foreign aeroplanes for experiments. In short, Gu says, his experiences tell him that our country can become strong and prosperous only when it follows the socialist road under the leadership of the Communist Party.

At present, while making necessary technical preparations for developing a new generation of aeroplanes, Gu is working hard to train more aircraft designers for the country. □

'A Private Entrepreneur's Dream

by Our Staff Reporter Liu Jianjun

I had a dream of creating the world's best clothes through my own effort, so that the Chinese people would be fashionably dressed and get rid of their 'grey world.' The 'grey world' mentioned by a young seamstress, recently interviewed by *Beijing Review* reporter, refers to the dull coloured clothes people used to wear just after China was liberated until the late 1970s.

The famous Huilei Fashion Shop is a small, two-roomed flat in Shengqi *Hutong* off Nan Xiaojie Street in Beijing. It is owned by 23-year-old Miss Shi Hui. While she continued her busy work as a seamstress, she told me of her past experience.

"I started an individual business after graduating from a tailor class in senior middle vocational school in 1983. I chose this occupation, not because I couldn't get an "iron rice bowl" job, for at that time the state provided the money to train us and helped us seek work, but because I wanted to work on my

own, to realize my dream. This has something to do with the experience of two generations — my mother's and my own.

"My mother was young during the early stages of the People's Republic of China. At that time life was hard and there wasn't the time or the money to think about dressing up; it wasn't unusual for her to wear clothes for many years. Then, life did eventually improve as you know, she was getting old and putting on weight. She would go to many shops to buy clothes but could never find anything suitable and to make clothes made at the tailor's would have a few months. I was born during the 'cultural revolution' (1966-76) and spent my childhood and early youth at a time when people were still wearing grey clothes. Of course, many Chinese experienced this. It was this experience that made me determined to become an outstanding fashion designer and change the situation wherein one found it difficult to buy

new clothes or have them made."

"After 1978, when China carried out its economic reform, the individual economy developed rapidly and was protected by the government. This situation allowed my dream to come true, for the government, in many respects, made it convenient for people like me to start business. The municipal leaders came personally to visit me in my home. All this encouraged me and gave me faith that I would be successful. If it wasn't for this support, I, just a young girl, would not have been able to accomplish anything.

"After I started my business I provided my customers with cordial service, good workmanship, fast work and low prices. In this way, I soon won the trust of many customers and of society. My clothes shop was the only one in a district of tens of thousands of families, so I became well known and customers began to flock to my shop. Within two months I was mentioned in the papers and TV...."

While Miss Shi and I talked, a customer came in. He wanted her to do some rush work because on October 1, National Day, he needed some clothes for his wedding. I was a personal eye-witness to Miss Shi's way of service. She warmly greeted her customer by asking where he worked, his age, hobbies and his particular requirement for clothes. Then she showed him some sample styles. After he found something suitable, she warmly suggested what material she thought best and said she would cut short the time it took for his clothes to be ready from ten days to as short as a week. The clearly pleased customer said, "Before coming here I'd gone to several state-run clothes shops. I couldn't find anything suitable, and I would have to

Shi Hui measuring a customer for a new suit.

FU LANFANG



wait a few months. Next time I want anything made I'll come here."

After Miss Shi Hui saw her customer off she said, "This happens often. Once someone from Hong Kong wanted to return home the following day and asked if I could have clothes finished in a day. I worked all night to get it finished and early the next morning delivered it. He told me, "I am most satisfied with your service because I have been to many countries and had many clothes made but your service and workmanship is the finest."

She's been running her business for six years and people from all strata of society, be they workers or farmers, painters or actors, or leading officials, are all among her customers and she now designs and makes several thousand suits. She has customers from Hong Kong, Macao, even some foreigners, and has made some close friends among her customers. Someone once suggested to one of her customers that he should have all his clothes made at her shop, and another even ordered as many as 16 suits on one occasion.

"My success lies not only in providing good service but in seeking and creating new styles. For this I have bought many fashion books and magazines for reference material from home and abroad and, after collecting up-to-date fashion ideas from clothes sold on the market, design many new, unique styles. Once, an automobile factory director wore one of my creations when visiting the United States. The local Americans asked, "From which famous company did you buy such unique and attractive clothes?" Most of my customers are young people who often pick out the fashions from a magazine and ask me to make

clothes of the same style for them."

"My creations are not bizarre, but simple things, pleasant, elegant and practical. People bring me material that some might think plain, but after I have finished designing, it turned into something fashionable and is quite reasonably priced."

She showed me some stylish suits: "Look, I designed these two years ago and they are still in vogue. Several factories want to buy the patent rights. I sell my clothes for several dozen yuan while other shops would sell the same kind for several hundred yuan. My experience proves that we Chinese have the ability to design fashions equal to the world's best."

When asked about her opinion of the weal and woe of running an individual business, she replied, "There are three achievements: firstly, I have done much hard work for society and the public. In the long run I fulfil my dream and am of value to society. I have a certain social status and reputation. For six successive years I've been cited an outstanding Beijing figure and attended many meetings and activities. I have also made many foreign and Chinese friends through my work and have been received by Party and state leaders. Previously all this would have been unimaginable.

"Secondly, I have made much progress in advancing my professional skill. I can design and create freely without restriction; this gives me a lot of pleasure."

"Thirdly, I have embarked on the road to rich by hard work, the results of which have clearly improved my life and that of my family. I have achieved what my family has not been able to achieve for several generations.

"When I first started business I was worried that the policy for individual businesses might

change; but after a few years of personal experience, I feel that the Party and government have concern for us and that the policy is stable. Now I no longer feel worried. The government has repeatedly stressed that the individual economy is a supplement to the socialist public economy and that the state protects the legal rights and interests of the individual economy. The State Council also promulgated the "Regulations on the Management of Urban and Rural Individual Industrial and Commercial Business" in August 1987 which gives us legal protection. Therefore, what is there to worry about?"

We discussed the fact that the state is carrying out a good shake-up of individual enterprises with respect to prices and taxes. Miss Shi said, "There really are a few individual business people who cheat customers and violate the state laws by evading taxes. There are some black sheep among individual enterprises that are harmful to the public interest and derogatory to our image and reputation. I'm all for the reorganization of them, for it won't affect those individual entrepreneurs like me who rely on our skill and hard work. By reorganizing them, individual enterprises will develop in a healthier atmosphere."

Talking about the future, the young seamstress said with great ambitions, "I am thinking of expanding production and operating my own fashion design house and factory. I hope to start up a joint venture with some foreign businessmen and manage an enterprise in China or abroad in order to introduce Chinese garments to international markets and let the culture of the Chinese fashion shine throughout the world." □

Literature Is From Life and More Than Life

—An Interview With Novelist Yang Mo

by Our Staff Reporter Zhang Wei

Yang Mo, a well-known female writer since the founding of the People's Republic of China in 1949, is now 75 years old and chairman of the Beijing Federation of Literary and Art Circles. Her most famous work, *the Song of Youth*, first published in the 1950s, has been translated into several foreign languages. It won the praise of Mao Dun, the great master of Chinese literature, who said the novel was "one of the most glamorous works created since the liberation" and was the "first to successfully and vividly illustrate the fate of intellectuals during the time of revolution in the 1930s." This theme was of particular interest to Mao Dun because, he said, "it has always been poorly presented in modern Chinese literature."

From its first publication date to the present day, *the Song of Youth* has spoken to and about young people. During the

10-year turmoil of the "cultural revolution," many educated young people who were sent to the countryside took the novel with them as a spiritual encouragement. The most obvious reason for the story's popularity is the immortal quality which its characters represent.

"I never anticipated being a writer," said Yang Mo, "and I never imagined that the novel would have such strong and lasting social impact."

Born into a bureaucratic intellectual's family at a time when China was under the oppression of imperialism, feudalism and bureaucrat capitalism, Yang saw many facts of social misery in her early youth. In her naivety, she once fancied saving China through books, an ideal which the bitter reality of life quickly stamped out. When she was in middle school, her family's income gave out and their lives deteriorated so that her personal

trial began. One day she was simply told a wealthy man would marry her, and when her refusal brought on her family's punishment she fled, penniless and on the verge of suicide.

The Song of Youth begins with the similar story of a destitute girl fleeing a feudal marriage. Yang Mo, though admitting that the novel is based on her own experiences, reflected that, "novels belong to literature, and while their source is life, they are something more than life."

Yang taught in a primary school in the countryside for a while, then worked in a series of petty low paying jobs, such as shop assistant and home teacher, always struggling in poverty and at times bullied and humiliated by men trying to take advantage of her.

"The revolution led by the Chinese Communist Party gave me hope," said Yang emotionally. In 1935, the "December 9" anti-Japanese and anti-government patriotic student movement broke out in Beijing. At that time, she was living in an apartment near Beijing University and knew some progressive young men and CPC members who were always recommending revolutionary books to her. It was then that revolutionary ideas took root. She realized that individual emancipation was only a fantasy as long as the reactionary government existed, and she began to take part in revolutionary activities, passing information for the underground Party groups and organizing mass demonstrations.

In 1936, Yang joined the Chinese Communist Party and left Beijing to take part in the armed resistance against the Japanese invasion in north China. The writer said, "I was like a drop of water suddenly immersed in the wide sea, a wandering orphan who had found 'mother'."

Yang Mo (front row, first from left) with actress, Bai Yang (front row, second from left) at the Fifth National Conference of Literary and Art Circles held in November 1988.

ZHANG YANHUI



THE SECOND CHINA ART FESTIVAL

A Hundred Flowers Will Go On Blossoming

The grand Second China Art Festival has opened in Beijing. Some 62 presentations of the best in performing arts organization in China are being staged in the fields of music, dance, traditional opera, modern drama, quyi (folk art), acrobatics and puppetry. Recently, our staff reporter Zhang Wei interviewed Vice-Minister of Culture Ying Ruocheng who is also the deputy director of the preparatory committee for the festival.—Ed.

Zhang: What are the characteristics of this festival?

Ying: You may have noticed that this art festival started ten days later than the first in 1987. The present one will run from September 15 through October 5 to match the celebrations for the 40th anniversary of the founding

of the People's Republic. And it is on a larger scale. More than 4,000 actors and actresses from 29 provinces, municipalities and autonomous regions are participating. In addition, compared with eight in 1987, artists are giving performances in 12 other cities.

As a window on our artistic achievements since the adoption of the reform and opening-up policies at the end of 1978, the festival has gathered together the most talented people in all branches of the performing arts. It provides colourful performances including highlights from

Despite her emotional attachment to literature, she had no time to continue writing while revolution raged. She disciplined herself, though, to keep a diary every day, a routine which provided her with abundant materials for later works.

After liberation in 1949, Yang returned to Beijing and was appointed director of the Beijing Women Affairs Office. She suffered unexpectedly a serious illness and became bed-ridden. "At that time," Yang said, "my chief fear was that I wouldn't be able to work for the revolution. In bed, I ransacked my brain to be of some use for the Party and New China."

"I was very familiar with students and the Party's underground life of the 1930s." Yang said. So early and quickly the 400,000-character draft was finished within two years. After six years of polishing, *the Song of Youth* was published in 1959.

Lots of praise followed and the novel's success inspired Yang Mo to become a professional writer. During the "cultural revolution," however, the novel was declared "poisonous weed" and Yang was criticized and den-

ounced at public meetings. It wasn't until the "gang of four" lost power and the policy of "letting a hundred flowers bloom and a hundred schools of thought contend" (popularly known as "the double hundred policy") was reimplemented that Yang could write again. Several years later, her two other 400,000-character novels were completed, the *Song of Flowers* and *Song of Heroes*. The background of the *Song of Flowers* is the anti-Japanese bases in north China during 1937-39. It describes a group of intellectuals represented by Liu Ming who leave the cities to join the revolutionary camps in north China to resist the Japanese. The *Song of Heroes*, set in the same period, is the continuation of the *Song of Youth* and describes the fate of intellectuals who fight the enemy and, at the same time, are caught up in intra-Party strife. The major characters, such as Lin Daojing, Jiang Hua and Lu Jiachuan, in the *Song of Youth* are further but more precisely described in the *Song of Heroes*. The two succeeding novels manifest a vaster historical backdrop and rounder description of the characters'

psychology, emotion and inevitable fate.

As a writer and Party member, Yang Mo believes the socialist art should encourage mass struggle and promote social development. A socialist writer should feel strongly his social responsibility, always offering the 'ideal' to readers.

With China's reform and opening to the outside as well as the implementation of "the double hundred policy," Yang said many good works have been created. Low-quality works with despiriturized content and strange form should be boycotted, Yang believes.

Yang took particular note of modern China's female writers. There were only a few female writers in old China, such as Xie Bingxin. But since the founding of the People's Republic, many female writers have made a name for themselves. There are almost 300 female members now in the China Federation of Literary and Art Circles, nearly one-third of the total 1,000 members. "The young women writers' skill in displaying life and portraying characters has surpassed me, and that is of great comfort to me," she said, excited. □

operas, ballets, symphonies and popular songs. The festival, through the artists' performances, reflects the policy of "literature and art serving the people, serving socialism" and embodies the thriving situation of "letting a hundred flowers bloom" which has prevailed in our literature and art over recent years.

One of the outstanding characteristics of this festival is the emphasis on the achievements of the younger generation under the cultivation and guidance of artists of the older generation. Young people from art academies and local and army troupes give most of the performances. Prize-winners at international vocal music, instrumental, ballet and acrobatics contests as well as award-winners at national Peking opera and dance competitions have all performed splendidly.

Paying attention to the art of national minorities and reflecting the great unity of all the Chinese people is also a feature of the festival. The song and dance ensembles of the Inner Mongolian Autonomous Region, the Xinjiang Uygur Autonomous Region, the Tibet Autonomous Region and Yunnan Province have all provided fine performances.

Zhang: What have been our artistic achievements in the past decade?

Ying: Since 1978, Chinese artists have cast aside the stereotyped, monotonous art style of the "cultural revolution" days. An exciting, colourful cosmopolitan scene has instead emerged. China's traditional arts have been revitalized. Peking opera, hundreds of varieties of local operas, traditional instrumental and vocal music, classical and folk dances, acrobatics, conjuring, puppetry and silhouette show have all enjoyed an unprecedented boom. At the same



Ying Ruocheng, vice-minister of Culture and deputy director of the preparatory committee for the Second China Art Festival, answers questions of Chinese and foreign reporters at the press conference held on Sept. 12. LI XUEREN

time, Chinese artists have surprised the world with their output of modern forms of performing arts. China's symphony orchestras, chamber music, solo recitals, vocal music, classical and modern ballet and modern drama have won acclaim both at home and abroad. What people feared ten years ago, that China would not be able to overcome the ten-year gap in the development of artistic talent, that the younger generation was lost forever, has proved to be over-pessimistic. We have witnessed in the past ten years an incredible outpouring of artistic talent among the younger generation and the festival has done its best to do them justice.

Another new development has been in the area of cultural exchanges with the outside world. In recent years, China has sent outstanding artists and groups abroad to participate in various competitions and performances. In 1987 alone, Chinese artists won more than 210 awards at international competitions. In 1988, international gold and silver awards captured by Chinese artists numbered more than 140. As for non-competitive perform-

ances, the Chinese ballet tour of the United States, Chinese traditional *kunqu* operas debut in the French Festival d'Automne and the tour of the modern drama *Teahouse* through West Germany, France, Switzerland, Japan and Canada demonstrate that China's art has stepped on to the world stage.

Zhang: People have noticed that in recent years artists from foreign countries have also come to China to give performances....

Ying: Yes, I was going to mention this aspect. In the past ten years the Chinese people have been fortunate to be able to enjoy the best art from around the world. This is a new development in our artistic exchanges. The list of great artists who have come to China and performed for the Chinese people would sound like a Who's Who in the world of performing artists today. To mention but a few: Derek Jacoby, Bob Hope, Isaac Stern, Eugene Ormandy, Yehudi Menuhin, Pavarotti, Placido Domingo, Arthur Miller, Charlton Heston, Von Karajan, Seiji Ozawa and so on. The Second China Art Festival has continued our tradition of exchanges with the outside

world and has invited individuals and groups of international standing to perform, including artists from Italy, USSR, Korea, Japan and Cameroon.

Zhang: The festival is the first large-scale cultural activity to be the focus of world attention since the quelling of the counter-revolutionary rebellion in Beijing. Has the rebellion had any effect on the festival?

Ying: There has been no effect on the general arrangements for the programmes except in certain specific aspects. For instance, some foreign art groups who were originally prepared to come cancelled their plans due to misunderstandings and because some foreign friends are not familiar with the truth. We are sorry that they are not coming. We hope that they will come to China and have a look at the present situation which is one of stability, unity and vitality. China is not as some people have described it, a ghastly place fit to curdle the blood. Certainly, many foreign artists continue to express their wish to come to China.

Zhang: Some Westerners surmised that after the rebellion, there would be a "freeze" in literary and art circles. What is your view on that?

Ying: Facts will prove that this is not the case. People will see this grand colourful festival provide both national and Western, traditional and modern, and orthodox and popular performances, with no forbidden areas, completely embodying the literature and art policy of "letting a hundred flowers bloom and a hundred schools of thought contend." The festival is also a demonstration of China's perseverance in reform and the open policy.

Zhang: Ex-culture Minister Wang Meng was deputy director of the preparatory committee for the first art festival in 1987. Recently, he was relieved of his post by the State Council and this caused speculation abroad. What is your opinion on this matter?

Ying: This proposal was explained clearly by Premier Li Peng when it was submitted to the ninth meeting of the Standing Committee of the Seventh National People's Congress for discussion: Wang Meng is a well-known writer. He had asked more than once to be relieved of his post so that he could devote himself to creative writing and literary criticism. After discussion, his request was approved.

Zhang: The last question: Will China Continue to hold the art

festival and expand its scale in the future?

Ying: The purpose of the China art festival is to display outstanding achievements in artistic creation and performance in our country within a given period, to enrich people's cultural lives and enhance their aesthetic enjoyment, while expanding exchanges with other countries, promoting the prosperous development of socialist art among all our nationalities, consolidating and developing the political situation of stability and unity, and accelerating socialist material, cultural and ideological progress. China will continue to hold its art festival once every two years but will aim at improving quality instead of expanding the scale because as the art festival of the nation, its programmes should represent the best of our country, and the performances which foreign art groups present should be the best as well. We believe that as time goes on, artists from foreign countries will feel proud to participate in the China art festival. Our ambition is to gradually become one of the cultural art centres in the world. China is ready to present the best to the world and derive the utmost from the art of other countries. □

Listing of Some Programmes and Performing Groups

Opera. The Central Opera House: *Carmen* and *Madame Butterfly*.

The Central Opera House whose performances are based mainly on European vocal techniques, has for decades been engaged in creating works with distinctive Chinese features, using both the form and experience of European opera as reference. It has also introduced the Chinese audience to world famous operas, classical as well as contemporary, from other countries. Among them, are *Madame Butterfly* and *Carmen*, which won wide acclaim in Hong Kong and Finland.

The Opera Troupe and the Song and Dance Troupe under the General Political Department of the People's Liberation Army: joint performance of *Tosca*.

Symphonic music by: The China Youth Symphony Orchestra, the Shanghai Symphony Orchestra, and the Children's Symphony Orchestra of the Central Conservatory of Music.

The China Youth Symphony Orchestra, established in 1950, consists of both students and teachers. In the

past 30 years, the Orchestra has presented a number of representative works by famous composers. It gave performances in Switzerland, Italy, Federal Republic of Germany, France, Belgium, Great Britain, the Soviet Union, Poland and German Democratic Republic, conducted by Shao En, Tang Muhai and Chen Zuohuang in 1986 and 1987. The audience, Chinese and foreign, have been deeply impressed by the consummate skills of the young artists in combining their musical understanding, style and enthusiasm.

The Shanghai Symphony Orchestra is a major organization of considerable influence in China, its history dating back to the 1870s. After decades of growth, its prestige increased and was once reputed to be "the best of the Far East." After liberation it rose to new heights of achievement under its present name within a century of continued growth and development, the Shanghai Symphony Orchestra now comprises nearly a hundred seasoned players and four resident conductors: Huang Yijun, Cao Peng, Chen Xieyang and Hou Runyu.

The Shanghai Symphony Orchestra has given countless symphonic concerts during the last 37 years, presented a vast number of Chinese and Western works and thereby built up a wide repertoire through its extensive performing experience. In addition, the orchestra has made numerous video and sound recordings, hosted and collaborated with many distinguished visiting orchestras, conductors and musicians throughout the world.

The Shanghai Symphony Orchestra made its international debut in 1975 in Australia and New Zealand where it was warmly acclaimed.

The Children's Symphony Orchestra of the Central Conservatory of Music is made up of students from the high school attached to the Central Conservatory of Music. Since the founding of the orchestra, it has been trained by Chinese and world-renowned conductors, such as Xu Xin, Li Delun, Huang Feili, Zheng Xiaoying, Yao Guanrong, Yehudi Menuhin, Seiji Ozawa, Chen Liangshen, Anosov, Tang Muhai and Chen Zuohuang. With their training, the orchestra has cultivated a number of virtuoso performers, many of whom have won prizes in competitions both at home and abroad.

Song and Dance. The Central Song and Dance Ensemble, the Oriental Song and Dance Ensemble and the China Opera and Dance Drama Theatre: specific dance performances.

The Central Song and Dance Ensemble, famous for its presentation of folk dances of the Han nationality; the Oriental Song and Dance Ensemble, specializing in the introduction of foreign song and dance to Chinese audience; and the China Opera and Dance Drama Theatre, which will present selections from their rich repertoire of dramatic dance and pas de deux.

The Song and Dance Ensemble of Shaanxi Province: "Changan Music and Dance."

"Changan Music and Dance," a performing arts group named after its major production, was organized by the Song and Dance Ensemble of Shaanxi Province. The group is composed of 60 people, all of them carefully selected performing artists. The Changan Music and Dance Group has initiated a whole series of classical songs and dances that reflect the life of the Tang Dynasty when China was in its prosperous years. As the capital of Tang Dynasty, Changan (now called Xian), was the site that epitomized ancient culture and art. Unfortunately, however, the music and dance of that period was not preserved and gradually sank into oblivion. Today, after years of research and hard work, the artists in the group are finally able to unveil part of the ancient mystery and bring it to the stage.

In addition, the Beijing Dance Academy, the Song and Dance Ensemble of Yunnan Province, and the Song and Dance Ensemble of the Xinjiang Uygur Autonomous Region also give performances at the festival.

Ballet. The Central Ballet Ensemble: *Lady Yang*.

Lady Yang, a ballet in three acts, is a new creative effort to render the legendary Tang Dynasty romance between the Emperor Minghuang and his favourite consort Lady Yang in the form of the ballet. The elements of love, grandeur and finally, tragedy are presented strictly according to the demands of the language of ballet, yet, at the same time evoking an authentic aura of the Tang Dynasty through the music, choreography, dance patterns, costumes and unforgettable characters. Impressive performances by the ballerina and other main dancers contribute to the success of the production.

There are also special performances of award-winning programmes in international ballet competition.

Western ballet became an established form of art in China in 1954. Now there are three ballet groups and three ballet schools that turn out well trained dancers each year.

Chinese ballet dancers made their first appearance at international ballet competition in 1980. Their performances, marked by unique elegance and grace, attracted worldwide attention. Afterwards, there was an unprecedented flow of talented young performers, including one 15 years of age who have won some 40 awards at various international events, held in such cities as: Moscow, Osaka, Jackson (Mississippi), and Lausanne.

The Second Art Festival will provide the audience with a rare opportunity to see some of these award-winning dancers perform the repertoires of the world's classics, as well as some Chinese productions with true national flavour.

Modern Drama. The seven-scene play *I'm not Happy at All* is prepared especially for the Second Art Festival

by the Shanghai Children's Art Theatre. Adapted from the short fable *The Devil's Mask* by Liu Houming, it is co-directed by Ren Deyao, who is also the script-writer, and Gu Guoyi, a famous actress in children's plays.

Folk Music and Dance. This performance consists of folk music and dances collected from the provinces of Guizhou, Fujian, Zhejiang, Jiangsu, Jiangxi, Gansu, Henan and Hubei, the Inner Mongolian and Ningxia Hui autonomous regions, and cities of Tianjin, Wuhan and Dalian. Adding colour and joy to the Second China Art Festival, the programmes created and performed by the masses themselves, are of a natural and simple art flavour.

Performances by Outstanding Child Acrobats. The best performances selected from the All-China Children's Acrobatic Arts Competition, will be performed at the art festival. Compared with similar shows in the past, these programmes are more refined in their style, content and technique. The show, performed by child artists (the youngest less than six years old), will definitely be cherished by the audience. It will also show how much progress has been made in the realm of acrobatics.

Chinese Minority Costumes Art Display. Co-sponsored by the Department of Ethnic Culture, the Ministry of Culture, and the Department of Culture of Yunnan Province, the show will display over 300 types of costumes from 55 ethnic groups of China and allow the audience to enjoy the charms of the Chinese minorities.

Peking Opera. The Third Company of China Peking Opera Theatre will perform a newly written opera *Madame Gantang* at the art festival. The story is based on references from *Zuo Zhuan* (a history presenting accounts of important events in the Spring and Autumn Period, BC770-476). *Madame Gantang*, the wife of Shi Xiaoshu, a high official of the Lu Kingdom, was forced to marry General Xi Chou of the Jin Kingdom. The general is later killed, so Gantang escapes and returns. A story of suffering in times of turmoil, the interesting and attractive show including many famous performers in its cast.

One of the best Peking Opera works of late, the new historical play *Cao Cao and Yang Xiu*, tells the story of Cao Cao, the Emperor of Wei of Three Kingdoms (220-280) period and his official Yang Xiu, one of his most talented advisers. The personal tragedy of Yang Xiu, who distinguished himself by his extraordinary intelligence and acumen, which also led to his final destruction, challenges us with the dilemma faced by rulers in tolerating their prominent subordinates and, at the same time, making best use of their talents. A retrospect on traditional Chinese culture and the fate of Chinese intellectuals, this overwhelming, historical play has been highly acclaimed by experts and audience.

Local Drama. Shanghai Kunqu Opera Troupe: two newly written operas *Longevity Hall* and *Pan Jinlian*.

Longevity Hall depicts the love tragedy of an Emperor of Tang Dynasty and his concubine and uses the original classical poetic, folk styles of the *kunqu* opera mixed with modern techniques that are easy for the audience to understand.

Pan Jinlian vividly expresses the inner world of the characters in the same manner that traditional opera tells a story theatrically.

The Beijing *quju* Opera Troupe: a historical tragedy *The Emperor Is But a Boy*.

The Beijing *quju* opera is a form of singing drama developed about 30 years ago. Compared with scores of traditional Chinese musical theatre such as Peking opera, Sichuan opera, it is a young member of the opera family. The music pattern of Beijing *quju* opera is derived from and inspired by popular tunes from ballad singing in the north of China, notably a form of *quyu* called *daxian*. The natural singing, catchy melodies and unique rhythm combine to make this new art form very popular. The great writer Lao She, an authority on popular art forms in Beijing named this new drama the Beijing *quju* opera. The *quju* opera has proved to be specially suited for dealing with contemporary subjects or stories from the Qing Dynasty (1644-1911) period. In the last 30-odd years, the Beijing *quju* Opera Troupe has staged more than 100 productions, including such hits as *Yang Naiwu and Xiao Baicai*. The creation of *The Emperor Is But a Boy*, a tragic story based on the unhappy marriage of the first Qing Dynasty Emperor who made Beijing his capital, is expected to be an important step in the development of the Beijing *quju* opera.

Participating Foreign Art Troupes. They include: The Bolshoi Theatre from the USSR, the Art Troupe of the Democratic People's Republic of Korea, the Jaffrey Ballet from the USA, and the Salisti di Vereto from Italy.

With more than 200 years of history, the Grand National Model Theatre (the Bolshoi) enjoys worldwide artistic acclaim. For years the Bolshoi has devoted itself to the study and assimilation of the finest elements of artistic heritage, both from within the country and from abroad, gradually evolving a repertoire characterized by lively content and unmatched dancing technique. The performances of the Bolshoi attest to the reasons why the Soviet Union is the indisputable leader of world ballet.

The Art Troupe of the DPRK, a large art organization, was set up in 1971 under the concern of the Korean people's great leader Kim Il Sung. Its mainstay is the Bloodsea Opera Troupe, owning over 50 People's Artists, People's Actors and Meritorous Actors. Productions of the troupe have been awarded top prize by the republic. The troupe has been to Asia, Europe, Africa and Latin America for performances that won it warm acclaims. □

Rural Enterprises' Exports Increase

China's rural enterprises are fast becoming an important source for export earnings. Their exports in 1988 amounted to US\$8.02 billion, and accounted for 16.5 percent of China's export total. This year's export volume is expected to reach US\$9 billion according to the latest statistics released by the Rural Enterprises Administration under the Ministry of Agriculture.

The administration's Deputy Director Zhang Yi said that China's rural enterprises have registered a rapid increase in their export in the past few years. Between 1984 and 1988, their exports totalled US\$25 billion with an average annual increase of more than 25 percent. The target volume of US\$8 billion set for 1990 had already been reached in 1988.

Rural enterprises have also witnessed an increased percentage in China's total export in terms of their respective product line. In 1988, for example, their garment exports accounted for 39.04 percent, arts and crafts 35 percent, chemicals 23.6 percent, silk 21.4 percent, machinery 16.2 percent, and light industrial products 19.34 percent. In addition, their exports of such commodities as electric fans made up more than 60 percent of China's total; and they processed for foreign clients US\$2.94 billion worth of materials, which represented more than 70 percent of the total China processed or a 150

percent increase from 1986.

Such a rapid increase is made possible by the following factors: flexible management, increased variety of products, acceptance of smaller orders, timely delivery, competitive prices and improved reputation.

To further expand exports and strengthen their co-operation with foreign businessmen, the two Ministries of Agriculture and Foreign Economic Relations and Trade will host the Second Export Commodities Exhibition of China's Rural Enterprises at the China International Exhibi-

tion Centre from September 23 to October 4 this year.

Representatives from all the Chinese provinces, municipalities and autonomous regions will display more than 1,000 kinds of new and name-brand products. Foreign enterprises and trading companies will be invited to attend and take the opportunity for trade talks with China.

To date, China's 40,000 export-oriented rural enterprises have nearly 5 million employees. Of these enterprises, 120 are export machinery and electronic

producers; 78 light industrial and textile producers, and 13,000 processing supplied materials for foreign businessmen. Among them, there are 250 US\$1 million, 25 US\$5 million and 8 US\$10 million exporters. They export to more than 100 countries and regions the world over.

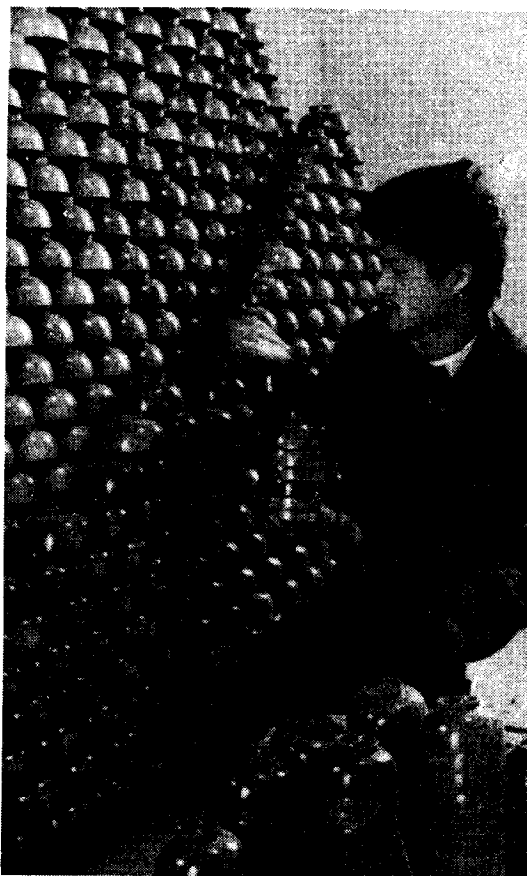
So far, these enterprises have established with foreign firms 4,762 joint ventures and co-operative enterprises which turn out an annual total output value of US\$2.75 billion on 540,000 pieces of advanced equipment imported from abroad.

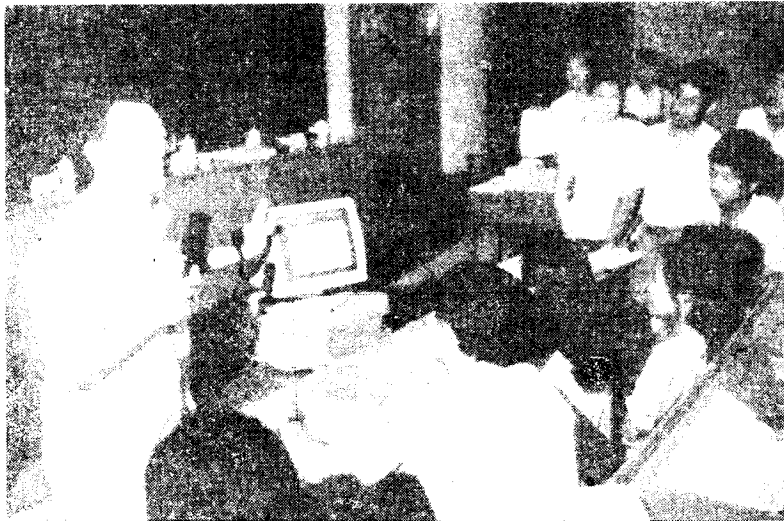
Presently, there are about 1.6 million rural enterprises in China with a gross annual output value of 473.5 billion yuan, and fixed and floating assets of 312.5 billion yuan. Their export earnings are expected to be US\$10 billion by 1990.

by Liu Jianjun

Wooden bowls produced by the Jiaowei Town, Fujian Province, are popular with foreign customers. In 1989, orders by foreign firms were worth 10 million yuan.

GU XINSHENG





Zhu Bangfu introduces his computer system

ZHAO XIAOCHUAN

Complete Chinese Character Computer System Passed Appraisal

The Complete Chinese Character Input and Output Computer System, an achievement experts are calling a breakthrough in Chinese character processing technology, was officially approved in Beijing by the Academia Sinica in August.

The new technology was developed by Zhu Bangfu, a well-known computer specialist from Taiwan, and the Computer Laboratory of the Shenzhen Science and Technology Industrial Park Corporation. Its manufacturing cost is low and it can be used in common microcomputers. Zhu is the creator of Taiwan's first computer and the inventor of the Cang Jie Chinese Character Input Technology. He and the computer laboratory started working together in 1988 and have been very successful in intergration software technology.

Although work on the computerization of Chinese characters began more than ten years ago both domestically and internationally, the technology is still in its infant stage. In terms of domestic technology, only about 6,000 to 7,000 Chinese characters

can be stored and the data base takes up a great amount of the memory space. Due to its limited number of characters, it can only be used by small businesses. It cannot meet the requirements of libraries or banks or departments dealing with historical documents, historical books and materials, household registration and statistics. However, the complete Chinese character input and output computer system

Chinese Ballet Stars Win Awards in Moscow

At the Sixth International Ballet Competition Moscow in June, Chinese competitors Wang Shan from the Central Ballet Troupe and Li Yan from Beijing Dance Academy won third prize for their performances in the pas de deux.

The International Ballet Competition Moscow is among the world's top level ballet competitions. This year a total of 104 dancers from 26 countries took part in the competition, with 90 dancers competing in the pas de

deux. Wang Shan and Li Yan won high praise from the audience for their charming presentations.

Wang Shan and her partner Xu Gang performed the wedding pas de deux from *Coppelia* in the first round of the competition. Accompanied by classical French-style music, the slender and pretty Wan Shan devoted herself completely to the movements and steps. Her graceful and elegant style of dancing, the music and the setting combined to make an

makes use of 25 letters of the English alphabet, from A to Y, to index 60,000 Chinese character compounds. Altogether 6 million characters can be stored. This is the first time that such a large number of Chinese characters have been coded in a logical and accessible order, and that's why the new technology has been named the "Complete Chinese Character Input and Output System."

The other feature of the system is that it combines coding input and font production into one process. In the 260k memory space, 6 million characters can be produced. The input method is simple and easy to learn, and with a little practice an operator can reach professional levels.

In another breakthrough in integration software technology research, scientists and technicians at the computer laboratory have been successful in programming an ordinary computer to handle several functions such as character processing, cartography and typesetting.

Zhou Guangzhao, president of the Academia Sinica, said the Complete Chinese Character Computer System has great significance in preserving and promoting the best of traditional Chinese culture.

by Wei Liming

artistic whole in which the heroine, Swanilda, was vividly portrayed. At the end of their performance, applause exploded in the theatre. Many judges shook hands with Professor Xiao Suhua, the Chinese judge and a professor from the Beijing Dance Academy, to express their congratulations. "This dancer had good musical quality and she knows how to dance," they said, "We feel that she hears every musical note when she dances." One correspondent from the Soviet *Dance Magazine* commented: "Your performance is the best in this party. In terms of ballet, you Chinese are different from others, that is, you have your own delicate characteristics."

In the second round, Wang Shan and Xu Gang performed *Sleeping Beauty* and a modern Chinese ballet entitled *Lan Huhua*. Xu Gang failed to qualify for the final. Wang Shan entered the final but had low marks as a result of losing too many points in the modern ballet performance. In the final competition, they presented *Don Quixote*. Their perfect co-ordination, highly difficult movements, correct interpretation of the ballet and vivid portrayal of the heroine won high praise from the judges and the audience. Wang Shan won third prize.

Li Yan, a beautiful dancer from the Beijing Dance Academy, also displayed her artistic potential in the competition. In the first round, she and her partner Ou Lu performed a pas de deux from the classical ballet *Giselle* and entered the second round. In the second round, she and Ou Lu performed a movement from *Sleeping Beauty* in which Li Yan impressed the audience with her light and graceful performance.

They won top marks for their



Wang Shan and Xu Gang in 'Don Quixote.'

ZHANG FUYONG

modern piece *The Last Moment*. In the final competition, Li Yan won third prize for her excellent performance of *Le Corsaire*. Ou Lu, also from the Beijing Dance

Academy, was the second prize winner at the Fifth Japan World Ballet Competition in Osaka and silver medalist of the 12th International Ballet Competition Varna-Bulgaria. This time, he came only as Li Yan's partner because he was over the age limit. However, the judges unanimously agreed to give the best partner award to him because of his outstanding performance.

The Soviet audience who are well known for their love of ballet showed special warmth towards the Chinese dancers. Many people waited outside the theatre to present flowers to them and ask for their autographs.

Of the 26 countries that took part in the competition, only the Soviet Union, China, Switzerland and Japan won awards.

by Chen Xiang

Ancient Mongolian Oral Epic Published

A lengthy folk epic which has been handed down orally for generations among the Mongolian nationality has been written down and published for the first time in Beijing.

The publication of the epic, "Jangar," involved ten years of collecting and editing. The written version, in the Mongol language, has about 100,000 lines and is one of China's three major epics.

The other two are the Tibetan and Mongolian nationalities' "King Geser" and the Kirgiz people's "Manass," which is still being edited.

Jangar tells the story of a popular Mongolian folk hero called Jangar, who wanted to create an ideal country where there was no poverty, no oppression and no discrimination. To realize his dream, he led 12 heroes, 32 gener-

als and 8,000 brave soldiers and fought one battle after another to drive away foreign invaders and solve problems at home.

Among the 120,000 Mongolian nomads living in the Xinjiang Uygur Autonomous Region in northwest China, there are many people who can sing the whole of the "Jangar" epic.

The epic also attracts many foreign scholars. Over the past century, it has been published in parts in many countries including the Soviet Union, Federal Germany and the People's Republic of Mongolia. Research papers on "Jangar" have been published and seminars have been held in these countries, too.

To rescue this part of the Mongolian cultural heritage, and make it the common treasure of both the Chinese and the people of the world, Xinjiang organized

special researchers to collect the epic among the Mongolian people living in the region.

Badai, chairman of the committee in charge of the work, told Xinhua that he and his colleagues visited about 100 "Jangar" singers, recorded their singing and collected various forms and presentations, which altogether consist of 157 chapters with 190,000

lines. After being edited, the first two volumes of the epic have been published by the People's Publishing House of Xinjiang.

An exhibition featuring the research of the "Jangar" epic was shown last week in Beijing's Nationalities Cultural Palace and will soon move to Singapore and Japan. □

China's Biggest Dam in Focus

Gezhouba, the nation's largest dam, came to Beijing last August in the form of a photo exhibition at the China Art Gallery.

The photo exhibition of the Changjiang (Yangtze) River dam, sponsored by the Ministry of Water Resources, Ministry of Energy Resources and the Xinhua News Agency, gave the first

comprehensive view of the Gezhouba project.

From over a thousand shots that were taken of the dam's construction, more than 130 pictures were selected that best record the dam's construction, natural beauty and its great historical, scientific and cultural value.

We can get a glimpse from these pictures of the great diffi-

culties the Chinese had to overcome before at last succeeding in bringing the 2,600-metre high dam on line.

Many of the pictures are in themselves valuable historical materials. On display are pictures of the late Chairman Mao Zedong and Premier Zhou Enlai inspecting the project and shots showing the dam's official closing.

A number of photos offer a panoramic view of the Gezhouba project, capturing its grandeur and immensity and the unlimited creativity of mankind.

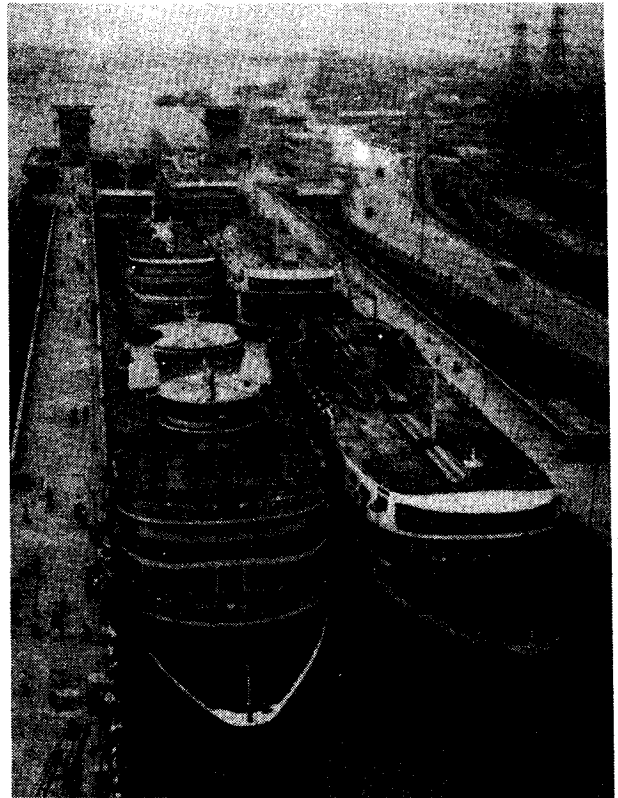
"This (dam) isn't merely a technical success. It's an accomplishment of a 'Great Wall' in the water—a great work of mankind," said one foreign friend at the exhibition.

by Liu Jianjun

The 9-outlet sluice gate with a maximum flow rate of 20,000 cubic metres per second.

HUA A1

The No. 2 ship lock of the Gezhouba Dam in operation.





White Plum Blossom.



Spring.



Plum Blossom Under the Moonlight.

Chinese Paintings by Wang Chengxi

Wang Chengxi, born in Weichuan County, Henan Province in 1940, is deputy general manager of the Yanjing Studio of Art and Calligraphy in Beijing. He specializes in drawing plum blossom, in addition to freehand brushwork flower paintings. His work gives its audiences an appreciation of the beautiful nature overflowing with vigour and life.

ART PAGE

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