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China's Agricultural Situation and Policy



**A DEMOCRAT'S VIEW ON
MULTI-PARTY CO-OPERATION**



Singing for peace and friendship—foreign students wearing minority Chinese costume, from Australia, New Zealand, Japan and the Philippines who are studying at the Chengdu Southwest Institute for Nationalities in Sichuan Province have a get-together with Chinese students.

Photo by Zhang Pilian



Improving the Enterprise Contract System

● The enterprise contract system, an important reform measure taken to invigorate state-owned enterprises and increase profits for the state, begun in 1987, has resulted in significant economic benefits. Since this system was only recently adopted, however, the evident defects and problems which have come to light need to be rationally resolved so that future contracts can be even more successful (p. 4).

China's Current Agricultural Situation and Policy

● Vice-Premier Tian Jiyun recently spoke about China's current agricultural situation, its comprehensive development, rural work in 1990, and rural economic policies. *Beijing Review* publishes the main points of his speech in this issue (p. 15).

Democratic Party Leader on Multi-Party Co-operation

● To make clear the role of China's multi-party co-operation system, Sun Qimeng, leader of one of China's eight democratic parties, explains why his party chose the Chinese Communist Party to exercise primary political leadership in the country, how it operates within the multi-party co-operation system led by the CPC, and the functions of democratic parties (p. 20).

South Africa at the Crossroads

● South African authorities have several choices for the future—to launch a fundamental reform in preparation for the elimination of the apartheid system, to continue reforms without shaking the foundation of the apartheid system, or to reject any further concessions to the black people. Each choice, is full of risks and difficulties (p. 11).

Faster Coastal Development Urged

● Chinese Communist Party General Secretary Jiang Zemin urged China's coastal areas to speed up reform and opening to the outside world during a recent inspection tour of East China's Fujian Province. Upholding the Four Cardinal Principles will guarantee the normal operation of foreign investment and promote reform instead of impairing the interests of foreign investors, he said (p. 6).



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Photo by Chen Zonglie	

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Improving the Enterprise Contract System

by Han Baocheng

The spread of the enterprise contract system, an important reform measure taken to invigorate state-owned enterprises and increase profits for the state across the country in 1987, has resulted in significant economic benefits. According to government statistics, the annual growth rate of profits registered by state budgeted industrial enterprises was 2.73 percent between 1979 and 1986 and that of profits and taxes turned over to the state only 0.13 percent, but between 1987 and 1988, after the contract system was introduced, the annual growth rate of profits from state budgeted enterprises was 11.1 percent and that of profits and taxes turned over to the state 11 percent. Most remarkable, however, was the fact that the contract system has proved successful in more than 90 percent of the contracted enterprises.

Practice has proved such success of the contract system in invigorating large and medium-sized enterprises owned by the whole people lies with conformity to China's conditions and its suitability to current development levels. These objective conditions determine that we must uphold the four cardinal principles (adherence to the socialist road, the people's democratic dictatorship, the Communist Party leadership, Marxism-Leninism and Mao Zedong Thought), and persist in reform and opening to the outside world. The enterprise contract system is in keeping with the enterprises' socialist nature of public ownership and imbues them with vitality and vigour by ensuring them with administrative and management power. This change was necessary to counteract the adverse effects of the former system which lacked management accountability. The current system, in addition to investing accountability from top to bottom in management, is fully in accord with the theory that ownership can be separated from the power of management. Since large and medium-sized state-owned enterprises are the foundation of China's national economy, as well as the pillar of the country's financial income, the importance of this change cannot be underestimated, and continuing to stimulate large and medium-sized enterprises is the central task for economic structural reform. The basic premise is that by ensuring an increase in the country's financial income, the contract system will encourage enterprises to earn and retain more income, and by relying on their own efforts, increase their development reserves.

The contract system takes many forms, but in the final analysis, it is a guarantee of profits and taxes

for the state treasury. The amount of profits retained by enterprises is linked to the total value of employees' wages and overall enterprise performance. Most of the retained profits are used for the enterprises' own reserves, the remainder for the workers' bonuses and welfare funds. The result is a wider gap between well and poorly managed enterprises. Application of this policy which strongly motivates the enthusiasm of leaders, workers and staff members of enterprises to their best, Jilin Province in northeast China, for example, was among the first to introduce the enterprise contract system. In 1981, budgetary loss-making industrial enterprises accounted for 45.6 percent of the total, the value of losses reached 248 million yuan and the financial deficit stood at 200 million yuan. After the province pushed through the enterprise contract system in 1982, enterprises in the red were quickly transformed into profit-makers. Industrial profits and taxes in 1988 rose 4.4 times compared with 1981, an annual increase of 23.8 percent; profits and taxes were up three times, an annual increase of 17.1 percent; the province's overall income went up 3.4 times, a yearly increase of 19.3 percent; and there was an annual increase in workers' income of 11.2 percent. Some 80 percent of the enterprise investments were generated by the enterprises themselves during this time, making them the main investment source.

In 1989, 10 percent of contracted enterprises and, in 1990, 80 percent of contracted enterprises were to expire. A decision adopted at the Fifth Plenary Session of the 13th Party Central Committee held last November, however, pointed out the need to continue and improve the enterprise contract system. What changes are made will be the key factors determining whether enterprises will go through the new contract period smoothly. Since the contract system was only recently adopted, the nation's experience is limited and the relevant laws, administrative rules and regulations are incomplete. Defects are evident in base contract figures set too low, excessive profit retained by enterprises, poor quality of enterprise contractors and short-term business activity. Also, problems were seen in the overly rapid growth of welfare and bonus funds in some enterprises, the high income of some managers which soured their relations with workers and the use of contract to replace enterprise's internal management. All these problems will need to be rationally solved if the new round of contracting is to be successful. □

Jiang Stresses Stability As New Year Begins

Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), spoke of social stability on the first day of the 1990s.

"Social stability is a matter of prime importance in China," he said. "Only when society is stable can we concentrate our efforts on our various tasks."

He said at a New Year tea party sponsored by the Chinese People's Political Consultative Conference in Beijing that China's political and economic situations are stable at present.

In his address to more than 300 noted figures from different non-Communist parties and people's organizations, Jiang said, "1990 will be a very important year for economic rectification and the deepening of reform, and it is also the beginning of the new decade. This year's achievements will be of great significance to China's progress."

He said that China is effectively tackling its temporary difficulties under the leadership of the CPC, and with the efforts of non-Communist parties and organizations, and the people of all nationalities throughout the country.

He noted that the guidelines laid down at the Fifth Plenary Session of the 13th Party Central Committee held in November establish the only means by which China can overcome the current difficulties and maintain economic development in a sustained, stable and co-ordinated way.

Speaking of the international situation, the general secretary said that the world is not tranquil because it is experiencing some major events with many contradictions, disputes and unstable factors.

However, he noted, "The general international pattern still remi-

ans unchanged. We are watching the developments in the world. In the meantime, all countries, especially third world countries, are also watching China's stability and development.

"We will continue to do our part in safeguarding world peace and promoting the progress of mankind. We will also persist in following the socialist road and do our own jobs well."

He added, "This is not related solely to China's own future and destiny, but it will also have a positive impact on the global situation."

Speaking about the reunification of the country, Jiang said, "We will stick to the policy of 'one country, two systems' and resolutely oppose all centrifugal tendencies attempting to split the motherland."

"All actions that harm the course of reunification go against the interests of China and the will of the people of the whole country," he said. "It is an unshirkable duty for all the Chinese people to work for the reunification and dignity of the motherland."

In an interview with China Central Television (CCTV) on the New Year's Eve, Jiang defined the next decade as the key stage in fulfilling China's overall strategy of socialist modernization and a period vital to the prosperity of the Chinese nation in the next century:

"We'll consolidate and develop the political stability and unity, and double the GNP of the country by the end of the decade. We'll settle the question of China's sovereignty over Hong Kong and Macao according to the Sino-British and Sino-Portuguese declarations. We'll continue to develop friendly exchanges with people the world over and strive to maintain world peace," Jiang said. □

Yang Visits Gulf Nations

Chinese President Yang Shangkun began the second leg of his Middle East tour in the United Arab Emirates on December 23 after visiting Egypt for four days.

Both Yang and the president of the United Arab Emirates (UAE), Sheikh Zayed Bin Sultan Al Nahayan, pledged to continue their efforts to safeguard and promote peace in the Persian Gulf.

"As a permanent member of the United Nations Security Council, China will play its due role in helping push forward the Iran-Iraq peace talks together with the international community," Yang told the UAE leader.

China, Yang said, backs the mediation efforts by UN Secretary General Javier Perez de Cuellar to ensure the comprehen-

sive implementation of UN Resolution 598, which brought about a ceasefire in the eight-year-long Iran-Iraq War in August 1988.

The Chinese president voiced his appreciation for the United Arab Emirates' help in promoting the Iran-Iraq peace talks and its positive role in safeguarding peace in the Gulf.

A further development in China's relations with the United Arab Emirates is a policy China will continue to adhere to, Yang said.

"The Sino-UAE relations are based on the Five Principles of Peaceful Coexistence and completely comply with the mutual interests of the two countries," the Chinese president said.

For his part, Al Nahayan praised China for its efforts to

help bring about peace in the Gulf. He pledged to continue working for everlasting peace and security in the region.

During their talks, the two leaders expressed satisfaction over the smooth and sound development of relations between their countries.

On December 24, Yang arrived in Kuwait for a 45-hour official goodwill visit at the invitation of Kuwaiti Emir Sheikh Jaber Al Ahmed Al Sabah.

The two leaders discussed bilateral relations and major international and regional issues of common concern, particularly the Gulf situation and the Middle East problem.

The Chinese president said that Kuwait was one of the first countries in the Gulf to establish diplomatic relations with China, and the two countries have developed their relations in various fields smoothly.

Yang spoke highly of the policies pursued by the Kuwaiti government in strengthening Arab unity, supporting the just struggle of the Palestinian people, maintaining peace and stability in the Gulf region, and promoting economic development and technical co-operation among third world countries. He specifically referred to the Kuwaiti Emir's active role in strengthening solidarity and co-operation among Islamic countries since he was elected chairman of the Islamic Conference Organization in 1987.

Yang lauded the proposal to reduce the debts of poor third world nations, an issue recently raised by the Kuwaiti Emir at international conferences. This proposal, Yang added, has produced positive influences in solving the debt crisis of developing countries and promoting North-South dialogue, thus gaining the attention and favourable reaction from the international community.

Explaining China's policy towards countries in the Persian Gulf, Yang said China pays great attention to its friendship with the people of those countries. Sino-Gulf relations have been further developed in recent years, he added.

During Yang's visit, two economic agreements between China and Kuwait were signed. One was on Sino-Kuwait economic and technical co-operation and the other on the avoidance of double taxation.

The Chinese president arrived in Oman on December 26, his first visit to the Gulf state and the last stop in his Middle East tour.

During talks with Omani Sultan Qabus Bin-Said the following day, Yang praised the Gulf Co-operation Council for its role in international and regional affairs, stressing that the affairs of the Gulf should be managed by the Gulf countries themselves.

"The Chinese government sets store by the increasingly important role the Gulf Co-operation Council plays in international and regional affairs," Yang said.

Yang congratulated the six council member states — Oman, Saudi Arabia, the United Arab Emirates, Kuwait, Qatar and Bahrain — on the success of their just-ended 10th summit.

Chaired by Sultan Qabus, the council's 10th summit was held in Muscat from December 18 to 20. It dealt with economic co-operation among the six nations, security in the Gulf region, the Iran-Iraq peace talks, the crisis in Lebanon and the Palestinian question.

"We are happy to see the six Gulf Co-operation Council countries moving towards greater unity and self-reliance, strengthened co-operation and common development," the Chinese president said.

At a press conference the same day, Yang called his Middle East tour "a great success." □

Faster Coastal Growth Urged

Chinese Communist Party General Secretary Jiang Zemin has urged China's coastal areas to speed up reform and opening to the outside world.

During a recent inspection tour of East China's Fujian Province, Jiang said that China's policy of reform and opening to the outside world will not be changed because of last June's political disturbance and that China's upholding the Four Cardinal Principles will only guarantee the normal operation of foreign investment and promote reform instead of impairing the interests of foreign investors.

Jiang visited western Fujian (a former revolutionary base area), Xiamen Special Economic Zone and the provincial capital of Fuzhou between December 22 and 25.

At a meeting in Xiamen with general managers of nine foreign-funded enterprises from the United States, Japan, Singapore, Hong Kong and Macao, Jiang said that at the very beginning of the opening process, Deng Xiaoping, the chief architect of China's open policy, stipulated in no uncertain terms that development should be in the socialist orientation.

Jiang, who had personally directed the planning and development of the Xiamen Special Economic Zone, told the foreign investors that China's special economic zones have excellent prospects and great potentials, and he urged overseas investors including those from the regions of Hong Kong and Macao to

open more factories there.

"In my view," Jiang said, "to make Sino-foreign co-operation more fruitful, the two sides should keep four principles on mind — mutual understanding, mutual trust, mutual benefit and long-term considerations."

During his visit to western Fujian, the general secretary met with a group of former Red Army soldiers, guerrillas and veteran cadres at the site of the Gutian Meeting, where Mao Zedong presided over an important meeting on the political and ideological work in the Red Army in December 1929.

Jiang said the principles laid down in the resolution of the Gutian Meeting are still applicable today and should be implement-

ed in building the Communist Party and the people's army. He underlined the importance of carrying forward the revolutionary traditions and enhancing ideological work.

"Since the policy of reform and opening to the outside world was adopted, we have stressed that efforts should be made conscientiously to resist the influence of decadent bourgeois ideology while learning from the advanced Western science and technology and management expertise," Jiang said.

"Now we feel that it is not enough to keep the influence at bay and remain defensive," he added. "We should occupy the ideological front with Marxism." □

lems should be viewed with a clear mind and ways for their solution should be found.

Li analyzed the current international situation, and said that in foreign affairs China adheres to an independent policy of peace, and is willing to develop friendly relations with all countries on the basis of the Five Principles of Peaceful Coexistence. No matter what happens in other countries, China will not interfere in their internal affairs nor in their party affairs. "China will respect the choice of their people," he added.

Despite the changes in the international situation, Li said, China will maintain a firm belief in itself, adhere to the socialist direction, adhere to the policy of reform and opening to the outside world, and it will work in a down-to-earth manner.

The premier told a meeting of the national planning conference on December 11 that there will be more difficulties for China's economic development in 1990. The repayment of domestic debts will reach a peak, he said, and repayment of foreign debts and interests will increase. Industrial growth has tended to slow because of the present low efficiency of businesses, and the slowdown may eventually affect revenue, he said.

Problems that have accumulated over the years will also add to the difficulties, the premier said.

However, he added that promoting economic development in 1990 is vital to both the stability of national economy and to the political and social stability of the country.

He noted that China should continue to curtail capital construction and consumption, maintain a balance between supply and demand, and increase the capacity of macro-economic regulation and control.

He stressed that the depart-

Chinese Premier Reviews 1989

Reviewing the year 1989, Chinese Premier Li Peng said his government succeeded in dealing with two major events. It has primarily implemented the policy of economic rectification and deepening of reform and it crushed a counter-revolutionary rebellion in Beijing.

On implementing the economic rectification policy, Li told a meeting of the State Council towards the end of the year that rising prices had been curbed and the inflation rate was expected to be slightly lower than the previous year.

He said the national economy as a whole has developed in a favourable direction — the contradiction between supply and demand has been alleviated; the scope of capital construction and issuance of currency has been curbed; the demand for consumption has declined to a certain extent, and the ratio of leading economic sectors has improved.

Concerning agriculture, the

premier said China achieved a good harvest in 1989, the best since the record year of 1984, though parts of the country have suffered serious natural disasters.

However, he said, difficulties have been caused in part of the country's industry, due to sluggish sales of products from some enterprises. But the sluggish market also proved a good opportunity for enterprises to readjust their product structure. Related government departments and financial institutions are called to help enterprises tap their potential and produce goods with more market appeal.

Li also told the meeting that the crushing of the counter-revolutionary rebellion in Beijing last June has safeguarded the leadership of the Chinese Communist Party, the socialist system and the People's Republic.

While reaffirming the correctness of taking firm measures in dealing with the rebellion, the premier said the existing prob-

ments concerned and localities should help those enterprises which have stopped production because of overstocking of products to make it through the cur-

rent difficulties and guarantee basic welfare for those workers waiting for new jobs.

The premier called on the nation to work confidently to boost the economy in 1990. □

Steel Output Tops 60 Million Tons

As of December 24, 1989, China had produced more than 60 million tons of steel for the year, making it the world's fourth largest steelmaker after the Soviet Union, Japan and the United States.

Qi Yuanjing, minister of metallurgical industry, told a press conference that ordinary workers in the industry have much to be proud of during a year when supplies of raw materials, energy and cash were thin. Steel output in 1988 was 59.4 million tons.

During the first quarter of

1989, steel production dropped by 1 million tons compared with the same period in 1988. Major steel producers had just a third of the coal in storage they normally keep for production.

This drop in production caught the nation's attention. And after Premier Li Peng called for support of the steel industry in March, supplies of coal and electricity improved and more transportation was made available to steelmakers. Daily output reached 170,400 tons in April, a record high.

Even during July and August when output was expected to drop because of high temperatures, steel production was higher than the same period in previous years.

From September through November, the daily output of steel reached 180,000 tons.

The output of pig iron, steel products and iron ore amounted to 56.4 million tons, 47.8 million tons and 162 million tons respectively, also meeting their goals ahead of schedules set by the state.

Steel output has continued to increase at an average annual rate of 2.6 million tons since 1978 when China turned out 30 million tons. But, steel is still one of China's largest imports.

"We'll work on product quality and produce more products that are in short supply," Qi said. □



The second largest continuous casting mill at the Shanghai Baoshan Iron and Steel Complex produced its first batch of billets last December. The mill has an annual production capacity of 2 million tons of steel billets. ZHANG HUA

China Respects E. Europe's Choices

Chinese President Yang Shangkun and Premier Li Peng sent congratulatory messages on December 27 to Chairman Ion Iliescu of the Committee of the National Salvation Front of Romania and Romanian Premier Petre Roman.

Yang said in his message to Chairman Iliescu, "On behalf of the government of the People's Republic of China and in the name of myself, I congratulate you on your election as chairman of the Committee of the National Salvation Front of Romania.

"May the friendship between the people of China and Romania and the friendly relations between the two countries continue to develop," he said.

Premier Li said in his mes-

sage to Premier Roman, "On behalf of the government of the People's Republic of China and in the name of myself, I congratulate you on your appointment as premier of Romania and hope that the friendly relations between the countries and people of China and Romania will continue to develop."

The previous day, Yang, who was visiting Kuwait on the third leg of his tour of four Arab nations, told the local press that China hoped Romania would put an end to its bloody conflicts and regain peace and stability as soon as possible.

China believes the recent historic changes that have taken place in Eastern Europe, including Romania, resulted from both internal and external causes, he said. China is closely fol-

lowing the developments there.

"We are not going to make any irresponsible remarks when they are in extreme difficulties," he stated.

Yang said that no matter what happens, his country hopes East European nations will maintain friendly relations with China.

"It is up to the Eastern Europeans to choose the kind of social system they want for their countries, and China will respect their choices," the president said.

In Beijing, Vice-Foreign Minister Tian Zengpei notified the Romanian ambassador to China, Angelo Miculésescu, of the Red Cross Society of China's decision to provide emergency humanitarian aid to Romania.

During the meeting, which took place on the afternoon of December 26, Tian said that China, whose people have always cherished friendly feelings towards the Romanian people, is ready to continue its friendly relations with Romania on the basis of the Five Principles of Peaceful Coexistence.

The same day, a Chinese Foreign Ministry spokesman had this to say about the newly established National Salvation Front Committee in Romania.

"As always, we do not interfere in Romania's internal affairs, and we respect the choice made by the Romanian people. Now that Romania has founded the National Salvation Front Committee and formally briefed the Chinese side of the situation through its embassy in Beijing, the Chinese government is ready to maintain and develop its friendly relations with Romania on the basis of the Five Principles of Peaceful coexistence." □

News in Brief

Jiang on Sino-Soviet Relations

Sino-Soviet relations will develop steadily on the basis of the Five Principles of Peaceful Coexistence in line with the spirit of the Sino-Soviet summit held last May and the agreement concluded then, said Chinese Party leader Jiang Zemin. He made the remarks during a meeting with Valentin Mikhailovich Falin, director of the International Department of the Central Committee of the Communist Party of the Soviet Union.

Jiang said relations between the two parties would also grow steadily on the basis of the four principles of inter-party relations.

China, Jiang stressed, must stick to the leadership of the Communist Party of China and the socialist road. This has been decreed by China's history and the road chosen by the Chinese people, he said. □

Grain Output Matches Record

China's grain output in 1989 amounts to 407.5 billion kilograms, equivalent to that of the record harvest of 1984. □

Beijing Implements Law on Rallies

No gathering, rallies or demonstrations may be held in Tiananmen Square without prior permission from the State Council or the Beijing municipal government. This is included in the Beijing local regulations for the implementation of the Law on Rallies and Demonstrations of the People's Republic of China.

The Standing Committee of the Beijing Municipal People's Congress passed the regulations on December 28. □

NPC Approves Three Laws

The members of the Standing Committee of the Seventh National People's Congress (NPC) ended their 11th session on December 26 in Beijing, passing laws on the urban residents' committee, city planning and environmental protection.

During the meeting, State Councillor Zou Jiahua was appointed as the director of the State Planning Commission, replacing Yao Yilin, a vice-premier.

Zou, 63, a technician who had been serving as minister of Machinery and Electronics Industry, was replaced by his assistant, He Guangyuan, 59, a mechanical engineer. □

Crackdown on Corruption Backed

Liu Fuzhi, chief procurator of the Supreme People's Procuratorate, said in Guangzhou on December 24 that greater efforts should be made to continue the fight against corruption and other crimes.

Liu said that the procuratorates in China undertook two major tasks in 1989 — to crack down on corruption and to halt other criminal activities.

These efforts cannot be relaxed if the goals of maintaining social stability and unity and building a clean and honest government are to be met, Liu said. □

Taiwan Straits Oil Charted

The Nanhuanghai (South Yellow Sea) Petroleum Corporation has completed a geophysical exploration for oil in Taiwan Straits. The seismic survey results show that the Taixi Basin has good oil and gas generating conditions.

The geophysical exploration started early last year and computer processing and interpretation of the seismic data were completed recently. □

US Invasion of Panama a Glaring Act of Hegemonism

by Rui Chang

Early on the morning of December 20, 20,000 US troops, backed by aircraft and tanks, invaded Panama City and the Panamanian port city of Colon, openly violating the norms governing international relations.

The invasion of Panama marked the second time in the 1980s that the United States had violated the territorial integrity of a sovereign state in Latin America. It invaded Grenada in 1983. This latest US operation drew strong condemnations from most countries in the world, especially those in Latin America.

Nicaraguan President Daniel Ortega denounced the US move as "a flagrant disrespect for the territorial integrity of a sovereign nation," and "a serious threat to the peace and security of Latin America, particularly of Central America."

Peruvian President Alan Garcia issued an official communique on December 20 saying that US actions were causing a serious deterioration in American relations with Latin America.

Ecuadoran President Rodrigo Borja stated on December 21 that the US invasion of Panama represented a serious step backward from the principle of non-intervention.

The Organization of American States on December 22 adopted a resolution to denounce the US military operation in Panama. The US act has also been criticized by many delegates attending an emergency meeting of the United Nations Security Council.

The United States has cited three reasons for its invasion of Panama — protection of American lives in Panama, defence of US rights under the Panama Canal treaty, and seizure for trial in the United States of the "drug trafficker," a clear reference to Panamanian defence forces commander General Manuel Antonio Noriega. However, a closer look reveals that the true reason for the US invasion lies in its interests in the Panama Canal zone.

In 1903, the United States obtained a permanent right to use the Panama Canal through an unequal treaty. In September 1977, in an effort to resume the sovereign right over the canal, Panama signed with the United States a new canal treaty, under which the United States would return the canal to Panama and withdraw all its troops by the end of 1999.

However, the United States has never been willing to give up the canal as it considers the region a strategic point in the Western Hemisphere. Before the treaty went into effect in 1979, the US Congress passed an amendment that unilaterally enlarged the US government's control over the canal and attempted to explain the treaty in such a way that the United States would have permanent control over the canal. Such attempts were consistently opposed by Noriega and the Panamanian people. That was why the United States decided to oust or even eliminate Noriega.

Since mid-1987, when it began to intervene in Panama's internal affairs by taking advantage of

the country's political crisis, the United States has incited three abortive coup d'etats aimed at toppling Noriega. However, all its attempts in the past two years have proved futile. In this case, using the death of a US officer as a pretext, the United States unleashed its long-planned aggression.

US actions have caused many casualties in Panama and great losses to the Panamanian people. Facts have shown that it is a glaring act of power politics.

Central America is one of the world's "hot spots." As world tensions ease, countries in the region are also seeking a peaceful solution to their disputes through dialogue and consultation. With their efforts, Central America is stepping towards peace. However, the US invasion of Panama poses a threat to the peace and security of Central America. It is the interventionist policy of the United States that has allowed the regional conflicts to continue. Only after the United States stops intervening in Central American affairs and its invasion of Panama can the situation be favourable for peace and security in the region.

China has always maintained that conflicts between states should be resolved according to the Five Principles of Peaceful Coexistence and through negotiations. China opposes any intervention, especially military intervention in other countries' internal affairs, and insists that all countries are equal. The United States should immediately halt its occupation of Panama and unconditionally withdraw all its troops and show respect for Panama's independence and sovereignty. Conflicts between the two countries should be resolved through negotiations or other peaceful channels. This would be in the best interests of Central America and the world for peace and stability. □

South Africa at the Crossroads

by Wang Yingying

South Africa is at a crossroads. It has several choices for its future—to launch a fundamental reform in preparation for the elimination of the apartheid system, to continue the limited reform now under way with the view of easing various domestic tensions, or to reject any further concessions to the blacks. Each choice is full of risks and difficulties. Due to strong resistance inside the white community against abolishing apartheid, it will be a long time before the day when all races become equal.

The past year was an eventful one for South Africa. From the beginning of the year when President P. W. Botha was in hospital, the power struggle inside the white regime, especially within the ruling National Party, intensified and was widely publicized. This led to the resignation of Botha and the swearing in of a new president. At the same time, South Africa's domestic and foreign policy changed in some aspects. It is generally believed that the Botha era, which lasted for 11 years, has ended.

Over the past few years the main feature of unrest in South Africa has been the struggle against apartheid by the black majority, and the Pretoria regime's response with brutal suppression of the blacks.

In 1989, however, the situation in South Africa was unstable mainly because of the conflicts inside the white ruling clique. On January 18, 1989, only six days after his 73rd birthday, Botha went into hospital after suffering a mild stroke, sparking the acute power struggle inside the various factions of the white community.

Two weeks later, on February 2, Botha announced his resignation as chairman of the National Party. But he still retained his post as president.

On the same day of Botha's resignation, the National Party, after

severe contention, elected the former Minister of National Education, Frederic de Klerk, as the new chairman of the party.

Shortly after his election, de Klerk made a speech in South Africa's tricameral parliament, which is composed of whites, coloureds and Indians, saying that he would take the lead in allowing leaders of the various races to meet together and formulate a system acceptable to all sides. He said the ruling party's goal was to establish a just and peaceful system of distribution for all South Africans in all occupations, regardless of their race or colour. He also said that a new constitution would be promulgated after negotiations to ensure that all South Africans have their political say. Later, he clearly stated again that he would try to build a "new South Africa" without racial suppression.

However, in doing all this, de Klerk still refused to hold a general election, stating that majority rule, just like that of the minority, is unacceptable and that the only way is to eliminate the ruling system.

Because of his reformist image upon his election, de Klerk won the favour of the white moderates and his prestige was on the rise. On March 13, the federal committee and the policy-making committee of the National Party held an emergency meeting and unani-

mously adopted a resolution supporting de Klerk to replace Botha as the state president. Botha, in his turn, responded that he would stay in his position until March 1990 as specified by the constitution. After some behind-the-scenes bargaining, Botha offered a compromise by agreeing to step down by September 1989, the time for a general election.

The cries for Botha to step down indicated that most people wanted to end an era and begin anew, although different factions had their own purposes.

In the 11 years since Botha came to power in 1978, he conducted some reforms that were aimed at easing racial clashes. Some measures, especially those in the first three or four years of the 1980s, were noteworthy, including the constitutional reform of establishing the three-chamber parliament of whites, coloureds and Indians and the abolition of some overly discriminating laws, such as the law on banning marriage with alien races. These steps gave the coloureds and Asians limited rights of participation in government. Furthermore, Botha tried to woo the black middle-class moderates.

However, on the whole, the situation in which the black majority was being oppressed by the white minority remained unchanged. The blacks' economic position was dismal, not to mention their political rights. In the mid-1980s, the blacks intensified their struggle against apartheid while the white right-wing conservative forces were regaining momentum, forcing Botha to slow his pace of reform drastically. He ended up cracking down harder on the blacks and increased South African attacks against neighbouring countries. All this drew wides-

pread international condemnation and sanctions. These sanctions, together with the struggle of the domestic black population, had plunged the South African economy into a mire, with inflation rocketing, money devaluing, investment flowing out and debt repaying capability dwindling. Discontent inside the National Party was mounting. The moderates thought that because the aging and despotic Botha had become a stumbling block, it was time to remove Botha and improve Pretoria's international image.

The right-wing whites were also critical of Botha for giving the blacks too many concessions, which they considered damaging to their interests. They attempted to get rid of the moderates and put into power someone who could better preserve the South African whites' privileges.

Attuning Policies

Since assuming the chairmanship of the National Party, de Klerk has taken every chance to preach his reformist proposals and establish himself as a reformer. For this end he made some adjustments in both his domestic and foreign policies.

The ruling party adopted a five-year reform programme at a special federal conference in late June. The programme declared that a new political system without racial oppression would be established. What was "new," as the West viewed it, was the revision of the definition of "group" from the previous racial nature to that of a common culture and value. The blueprint also suggested constitutional reform — expanding the three-chamber parliament of whites, coloureds and Indians to include blacks so that the various racial communities could elect their own political institutions (parliaments) to govern their own affairs. A joint decision-making system would also be founded to deal with ordinary affairs concerning all people. However, the plan stressed that the blacks should not

use their majority status to dominate the minority whites.

Though described by the West as a loose apartheid, the plan received the cold shoulder from the majority of blacks. Anglican Archbishop Desmond Tutu, the anti-apartheid fighter, said the programme had little substance, because it did not provide equal voting rights for blacks.

In foreign affairs, in late June, de Klerk visited Britain, the Federal Republic of Germany and two other Western European countries. Though the trip achieved little substantial results, the West paid much attention to his statements on Pretoria's internal and external policies since this was his first trip abroad in his capacity as chairman of the ruling party. Taking advantage of this opportunity to preach his reformist ideas, de Klerk demanded that the West change its attitude towards South Africa.

In mid-July, de Klerk visited Mozambique and Zaire and exchanged views on bilateral relations and southern African problems with leaders of the frontline countries — Zambia, Botswana, Zimbabwe, Tanzania, Mozambique and Angola. He promised to abide by the tripartite peace accord between Angola, South Africa and Cuba reached at the end of 1988 and made efforts for the southern African peace process.

His meeting with Zambian President Kenneth Kaunda, in particular, had major repercussions both at home and abroad. Kaunda is chairman of the frontline countries, and the headquarters of the African National Congress (ANC) is located in Lusaka, the capital of Zambia. Therefore, although Kaunda declared that the meeting was a personal one between him and de Klerk, the significance was still beyond the two countries. Some people were convinced that de Klerk was sincere — at least more flexible and realistic than Botha — in promoting peace in southern Africa, improving relations with neighbouring nations and opening dialogue with the

ANC.

Under the progressive overtures of de Klerk, Botha felt an increasingly acute sense of crisis. Unwilling to surrender his power, he responded correspondingly. On July 5, Botha held a 45-minute talk with Nelson Mandela, the jailed leader of ANC, without prior announcement, thus breaking Pretoria's ban on any ties with Mandela unless he renounced armed struggle. This move was also a de facto recognition of the position and role of Mandela and the ANC in resolving South Africa's racial problem, drawing an active response from inside and outside South Africa.

Botha obviously intended to improve his image and damage that of de Klerk, hoping to let the public know that before his retirement he was still sincere and earnest about reform.

On August 14, after learning of de Klerk's future visit to Zambia, Botha called a cabinet meeting and attacked de Klerk for not letting him know of the trip, abuse of power, betrayal of South Africa's interest and the ill-timing of the visit. Botha expected to revenge himself on de Klerk and arouse sympathy from cabinet members. It turned out, however, that the cabinet members not only expressed understanding for de Klerk's visit but demanded Botha step down for health reasons. Under such extreme isolation within the National Party, Botha had no other alternative but to announce his resignation as president.

On September 6, South Africa held a national general election. The National Party won its 11th victory since it became the ruling party in 1948 and de Klerk was elected the new president. In the white parliament, however, the National Party won only 93 of the 166 seats, down from 123 last time. The right-wing Conservative Party won 39, 17 seats more than last time, and the moderate Democratic Party won 33, 13 more. This election showed that the National Party's popularity among the

white people had decreased while that of the left- and right-wing forces increased. It also indicated that the ruling party would be faced with strong pressure both for and against accelerated reform in implementing internal and external policies.

Upon his election, de Klerk made two significant overtures. In October he announced the release of eight well-known black political prisoners and ANC leaders, including its General Secretary Walter Sisulu, sentenced to life imprisonment and already having served 26 years, thus making Mandela the only jailed ANC leader. And on October 11, he held a meeting with three anti-apartheid activists, including Archbishop Tutu, exploring the possibility of talks on the sharing of power with blacks. Archbishop Tutu put forward his precondition for the talks, including immediately releasing Mandela and other political prisoners; abolishing the state of emergency that had been imposed three years earlier; releasing all the people who had been detained without trial; legitimatizing political organizations such as the ANC, and granting leniency to prisoners sentenced to death.

De Klerk openly remarked that he would lift the state of emergency. And it was reported that Mandela would be released in several months. As well, the new government announced that public beaches and some other facilities would be open to blacks.

Black Struggle Adjusts Strategy

In the past year the blacks' anti-apartheid struggles continued but weren't as large or violent. However, there were two noteworthy features.

One was the increase in the number of moderates favouring dialogue with the government. In mid-November, in response to the de Klerk government's call to talk with delegates of various races on constitutional revisions, the National Liberation Movement, a pol-

itical organization representing the Zulus, the biggest black tribe, said it was willing to accept the invitation and take part in the discussions at any time. The first black organization in South Africa to do so, the National Liberation Movement in the 1970s took the lead in opposing the authorities' attempt to implement a "homeland independence" policy. This development, to some extent, pointed to the fact that some black people were gradually leaning to the politically moderate side.

In recent years, to alleviate domestic racial conflicts, the South African authorities allowed limited economic rights for blacks, increased investment on infrastructure and education in the black community, and continued to court black chieftains, steadily increasing the number of black middle-class and petty bourgeoisie. As a result, some blacks had become politically moderate. Although most blacks boycotted the city council election in October 1988, 30 percent did vote, whereas in 1984, only 11 percent of the black population took part. The increase in the number of black middle-class will definitely have an impact on the black people's movement in the future.

A second feature is that black organizations, such as the ANC, adjusted their tactics to suit the new conditions.

For quite some time, the Pretoria regime assaulted neighbouring nations under the pretext of pursuing "terrorists," posing a great threat to the security of these countries. Because of the threat and other factors, Mozambique, Botswana and Zimbabwe abolished ANC strongholds in their countries. In December 1988, Angola, in accordance with the tripartite peace agreement among Angola, Cuba and South Africa, also announced all ANC camps on its land would be removed. In August, Kaunda demanded that several thousand ANC members leave his country. The loss of bases in the neighbouring countries dealt a

heavy blow to the ANC's armed struggle.

Under the new conditions, black organizations adjusted their strategies. While refusing to put down arms, they actively mobilized the black people to the political front. This flexibility won the sympathy and support from the whites. During the past year, many non-governmental white federations and commercial institutions held frequent contacts with ANC and other black organizations on the prospect of domestic political reform.

The Issues and the Future

The international community has watched the notable change in the South African situation closely for the past year with particular attention paid to de Klerk. Indeed, his statements and some gestures have given the impression that South Africa is determined to speed up its reform to end apartheid.

What does the future hold for South Africa? It needs to be further watched. However, what has happened in the past can explain some problems.

First, the change in the past year indicates that those within the ruling party who want reform sped up and negotiations with the blacks to mitigate racism and to improve the international image of South Africa have the upper hand. The trend towards a political settlement of South Africa's problems is increasing. And more and more people want the elimination of the racial segregation system through domestic reform. This is partly due to international influence, progress in political solutions to regional conflicts and the influence on southern Africa's frontline countries exerted by the United States and the Soviet Union.

Although economic sanctions imposed on South Africa by the United States and other Western countries have been limited, South Africa's economy has been adversely affected. To get out its position of isolation, South Africa had

to end Botha's era to win sympathy from the Western developed countries, thus reducing outside pressure. The black people's struggle against apartheid has also weakened South Africa's economy. Botha's policies have hit a blind alley. Therefore, South Africa's government must change its tactics to alleviate its contradictions with the black people.

However, it is unrealistic to believe that changes over the past year represent a substantial step forward in South African policy. De Klerk has promised to build a new South Africa "without racial oppression" and to bring blacks into his government, and yet he has refused to accept the black majority's requirement — to realize the election system of one vote for one person. If de Klerk compromises on it, South Africa will very likely have a black president. In previous years, de Klerk has resolutely opposed the one-vote, one-person system.

On negotiating with the ANC, he still persists in the precondition that the ANC give up its armed struggle. As well, tolerant attitudes adopted by South African authorities over the past year have not proved the government would adopt substantial measures to end apartheid. Therefore, the establishment of a "new South Africa" is not realistic.

What is de Klerk's real intention and how far will he go?

Generally speaking, de Klerk is ideologically conservative. He came from an established Afrikaner family that has long been active in the National Party in Transvaal Province. Since 1982 he was the provincial chairman of that party. Transvaal Province occupies an important position in the political life of South Africa and has the most members in the House of Assembly. It is also a stronghold for the conservative forces of the National Party and the right-wing opposition Conservative Party. De Klerk has always maintained that the rights of a racial group are inviolable and he has opposed majority rule by the

blacks. When he was minister of education in 1987, he banned students from engaging in anti-apartheid activities in schools. But he is also politically practical. He knows it is necessary to carry out reform to ease the demands of the black majority. Therefore, South Africa is avoiding an over-all transformation and choosing a policy of gradual reform.

Second, although the situation in South Africa is not clear, it shows that South Africa is at a critical stage in its history. There are three choices facing de Klerk's government.

The first is to carry out fundamental reforms and abandon the apartheid system. The second is to avoid shaking up the foundation of the apartheid system and only speed up reform and defuse internal contradictions. The third is to refuse to make any compromises with the blacks and safeguard the privileged position of the whites. No matter what choice the South African authorities make, their future will be beset with difficulties.

It is obvious that de Klerk cannot choose the third choice because racial discrimination is disdained throughout the world. At the same time the internal and external conditions of South Africa will not allow the right-wing conservatives to stubbornly persist in their racist stand, and the right-wing conservative policy does not coincide with the trend of the times. However, the possibility that de Klerk could turn to the extreme right-wing conservatives cannot be completely ruled out because the right-wing forces among the whites are still strong. This is proved by the increase in the number of right-wing seats in the 1989 general elections. Therefore, once reform encroaches on their fundamental interests and threatens their dominant position, the right-wing conservatives will probably take extreme measures to prevent the reform or force de Klerk to come over to their side or resign. Although it now seems that such a possibility will not turn into reality, in the future, however, de Klerk may have to change his at-

titude under pressure from right-wing forces just like Botha did in the latter part of his rule.

At the moment, de Klerk cannot take the first choice either. His background and political beliefs have decided against any revolutionary change. But more importantly, South Africa does not yet have the conditions for fundamental reforms.

Although the blacks' struggle has exerted some pressure on the South African authorities, these pressures are not strong enough to force the government to relinquish the apartheid system immediately. The black majority lacks a unified leadership and organization, and they've suffered cruel oppression over the past three years under a state of emergency. In addition, although international sanctions have weakened South Africa's economy and forced the government to continue its reform, the country's economic strength is strong, natural resources rich and there are loopholes in the Western sanctions. Under such circumstances the South African authorities cannot make up their minds to give up their apartheid policy, which has benefited the white ruling class greatly for several centuries.

Observers consider that in the foreseeable future while speeding up the reform process and not shaking the foundation of the apartheid system, the de Klerk regime will, when necessary, continue the policy of suppressing the black people. He will probably continue to make some token gestures, such as releasing Mandela, promising to come through on terms issued by the blacks for joining the negotiations on constitutional revisions, and giving the black majority limited rights to participate in the government.

However, the problem is that if de Klerk stops short of his promises, the black majority's struggle will be rekindled and unrest renewed. This will threaten the stability of the de Klerk government and the future will be grim.

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China's Current Agricultural Situation and Policy

by Tian Jiyun

This is an abridged translation of a speech made recently by Tian Jiyun, vice-premier of the State Council, on the current state and all-round development of China's agriculture, and on the nation's rural work for 1990.—Ed.

China's present agricultural situation can be summarized as follows: first, great achievements have been attained; second, many problems still exist; third, there is a huge potential for further development; and fourth, there is no doubt that the country can achieve sustained and steady agricultural development.

Great Achievements. 1989 marked the 40th anniversary of the founding of New China and over the past four decades, China's agriculture has developed apace. The nation's total grain output rose from 160 million tons in the early days of the People's Republic to 400 million tons in 1989. The output of other principal agricultural and sideline products also increased from several to more than a dozen times over. With the all-round development of the rural economy, the farmers' living standards have markedly improved and today, the majority of farmers have enough food and clothing; many, in fact, are able to live a quite comfortable life. With 7 percent of the world's total cultivated land, China's provision of the basic necessities of life for 22 percent of the world's population is really an amazing achievement. Although some areas suffered from serious natural disasters in 1989, the country's total grain output was higher than

that of 1988 and was close to the record-breaking year of 1984.

Many Problems Still Ahead. First, since 1985, China's agricultural production has fluctuated and the disparity between the supply and demand of farm produce has become increasingly critical. For many years, China's grain output has hovered around 400 million tons but the demand for farm produce has increased year by year. The natural growth of the country's population has an average more than 10 million, a growth rate which in turn, calls for an increase of more than 10 million tons of grain each year. Unless this figure is achieved, the country's per-capita grain output will actually decline, adversely affecting living standards and the supply for export. In fact, China's per-capita grain output has dropped from 394 kg in 1984 to a current 362 kg.

Second, the basic conditions necessary for agricultural production have deteriorated daily. An average 200,000-300,000 hectares of the country's cultivated land is lost each year, a loss accompanied by a reduction in irrigated areas, weakened flood-control facilities and a lower capacity to drain farmland. The result is that many places suffer serious soil erosion and a deteriorated ecological balance. In many other places, there is a decline in the acreage of land plant-

ed to green manure crops, an inadequate use of organic fertilizer and a reduction in the fertility of land.

Third, there is a weak material foundation and a serious shortage of reserves for development. China's current comprehensive agricultural production capacity basically stays at a level of 400 million tons of grain and 4 million tons of cotton. If the weather is favourable, an additional 10 million tons of grain can be harvested, this same amount of grain lost if the weather is bad. Although a drastic slump in farm production is not foreseen, a rapid development is unlikely, given the current limited comprehensive production capacity. Even price readjustment for farm produce is unable to resolve the present agricultural problems. They can no longer be solved simply by patch-work. The fundamental problem is that the comprehensive production capacity does not suffice to push agricultural production to a new stage so, the only solution is to begin with conscientious construction of infrastructure so as to change the current production conditions.

Fourth, there are many problems in the nation's macro-economic and social environment. For instance, the ratio between industrial and agricultural production is seriously unbal-

anced, the pricing system for farm products remains irrational, and unauthorized increase in prices for the means of farm production and the arbitrary apportionment of work and fees to farmers are rampant.

These problems can be summarized as follows: first, although everybody talks about the importance of agriculture,

exploitable grassland and grassy mountain slopes, nearly 6 million hectares of freshwater surface which can be used for aquatic farming, and more than 2 million hectares of coastal beaches. The rational exploitation and utilization of these resources will help to enormously increase the nation's agricultural production capacity. Third, production po-

past four decades; the 800 million Chinese farmers are highly enthusiastic; and the call for strengthening agriculture's position as the foundation of the national economy is the goal of the whole society. All these factors favour the improvement of agricultural production. Therefore, while it is wrong to be blindly optimistic about China's agricultural production, by viewing China's agricultural problem as having been solved and taking the existing problems lightly, it is also groundless and unrealistic to hold the pessimistic view that China's agricultural production faces a crisis and has a dim prospect for development. A proper attitude is that we should confirm our achievements, squarely face existing problems, raise our morale and improve our work. It is possible to attain a sustained and steady development of our country's agriculture so long as we fully exploit our favourable conditions, stick to the premise that agriculture is the foundation of the national economy, strengthen leadership, adhere to correct policies, increase input, constantly improve production conditions, give full play to the role of science and technology and carry out comprehensive treatment and development of agriculture.

Lessons.

China has a population of 1.1 billion, and so solving the problem of the supply of food has always been a matter of prime importance to the national economy. The solution is, by necessity, based on China's own resources. If a serious grain shortage occurred, no other country in the world could come to China's aid. Under no circumstances should we forget this basic national condition. It is necessary, therefore, to boost our agricultural economy.



On December 1, 1989, Jiang Zemin (first left), Li Peng (second left) and other Chinese leaders met local leaders attending a national agricultural meeting to exchange experiences.

LI SHENGLAN

discussion has not been followed by concrete action and second, the comprehensive production capacity of China's agriculture is low. Without a resolution of these problems, agricultural production will not rapidly increase.

Enormous Potential. First, medium- and low-yielding land makes up two-thirds, or 70 million hectares, of China's current cultivated land, the potential of which can be tapped with transformation projects. If the per-hectare output of these lands can be raised by 1 ton, a general increase of 75 million tons of grain is envisaged. Second, the rate of development and utilization of various agricultural resources is quite inadequate. The country currently has more than 30 million hectares of wasteland which can be developed into farmland, nearly 300 million hectares of ex-

tential can also be tapped by readjusting the structure of agriculture, improving the cultivation system and increasing the multiple cropping index as much as local conditions permit. Fourth, there is a great potential for increasing output by the application of science and technology, the application of which has just begun in agricultural production and there is great possibility for using them in a far wider area. Fifth, great potential also exists for the investment of funds and materials. Efforts should be made to guide the farmers in rational consumption and encourage them to put extra funds into production and so add to the government's agricultural investment.

Good Prospects for Sustained, Steady Development. A solid foundation has been laid for agricultural production over the

In the past four decades, our economy has undergone several adjustments, each aimed at boosting agriculture in such a way so as to bring along and promote the improvement and development of other fields. This is a law which should also be followed in the current adjustment. Only by further developing agriculture as quickly as possible, can market supplies be increased, the retail prices of foodstuffs and other commodities related to agriculture lowered and stabilized, inflation halted, and the basic goal of improving the economic environment and rectifying the economic order achieved. It can be said that if breakthroughs are made in agriculture, then all other activities of the nation can be more easily livened up. From a long-term point of view, a sustained, stable and proportionate development of the national economy requires firm determination to build a strong and reliable agricultural foundation.

We have witnessed an overheated industrial growth several times because a weak agricultural foundation can hardly support such rapid growth and thus there is an imbalance and a forced readjustment of the national economy. When the economic situation was slightly improved, however, there was a fading idea about agriculture being the foundation of the national economy, as a result, agricultural construction was neglected and relaxed, this is an important reason for the repeated adjustment of the national economy. Agriculture as the nation's economic foundation is determined by the economic laws

which must not be violated. The basic lesson which should be borne firmly in mind is that the position of agriculture as the foundation should be constantly strengthened. Agriculture should be given top priority and support in development.

Comprehensive Development

The comprehensive development of agriculture is a major problem in this sector of China's economy. China began its agricultural development as early as the 50s and 60s with fruitful results. Since the beginning of the 1980s, particularly in recent years, China's agriculture entered a bigger, more comprehen-



Farmers of Boli County, Heilongjiang Province, on their way to deliver grain to the state.
ZHOU QUE

sive developmental stage. Starting in 1983, the state has planned and constructed 254 commodity grain production centres, 74 quality cotton production counties, 113 quality farm produce production counties, 278 famous-brand and quality farm produce production centres, 490 export farm and sideline products production centres as well as a number of commodity timber production centres. The building of these centres has been a remarkable success; they have tapped natural resources, raised

output and supply and promoted the growth of commodity production. It was the first step towards the comprehensive development of agriculture. In 1988, the State Council decided that the cultivated land use tax which was turned over to the state would be used for comprehensive agricultural development. It was the second stage. In 1988, the state designated projects to be developed with such funds in the Huanghe-Huaihe-Haihe Plain in Hebei, Shandong, Henan, Jiangsu and Anhui provinces, the Sanjiang Plain and the Songliao Plain in northeast China and areas in Zhejiang, the Guangxi Zhuang Autonomous Region and the Xinjiang Uygur Autonomous Region. In 1989, the state also designated projects to be developed in Sichuan, Hubei, Hunan, Jiangxi, Ningxia, Inner Mongolia, Hainan, and in the delta of the Huanghe (Yellow) River estuary.

In recent years, agriculture has been comprehensively developed on a fairly large scale and with fairly good results. Take, for example, the first group of the 113 commodity grain production centres which will be constructed during the Seventh Five-Year Plan period (1986-90). It is estimated that their 1989 output was 2.5 million tons more than the previous year, much higher than the nation's average growth rate. Between 1988 and 1989, the state decided to open up comprehensive agricultural development zones in 19 areas. The completion of the plan will generate an additional 12 million tons of grain, 200,000 tons of cotton, 500,000 tons of oil, 12 million tons of sugar and 300,000

tons of meat and play an important role in ending China's faltering grain production.

The development of agriculture is, first of all, geared to transforming the existing medium- and low-yielding land and raising the output rate and, second, to exploiting and utilizing new agricultural resources. According to the initial calculation of the development plan, by the end of this century, it will be possible to transform 20 million hectares of medium- and low-yielding land, reclaim 4 million hectares of wasteland suited for grain production, afforest 13 million hectares of land, improve 3 million hectares of grassland and increase 4 million hectares of effectively irrigated areas. Soil erosion and the destruction of ecological environment will be largely checked, thus generating a fairly high production capacity for grain, cotton, oil, meat and aquatic products: If things are properly handled, it is possible that the development of agriculture alone can produce a 50 percent increase in the grain output.

Policies Remain Unchanged

Since 1979, a series of major reforms, such as the various forms of contract responsibility system linked to production which are implemented in the rural areas, has promoted the growth of the rural productive forces and has been warmly received by the farmers. At present, it is highly important to stabilize the basic, rural economic policies. Only with such stabilization can 800 million farmers be satisfied, and agriculture developed. Only by developing agriculture can the national economy be stabilized and only

when the economy is stabilized, will there be a more stable social and political situation.

These basic policies are, on the whole, still suitable for developing the rural productive forces; they are beneficial to arousing the farmers' socialist enthusiasm for production and furthering the rural productive forces. Therefore, it is my view that these policies should remain unchanged.

(1) The policy regarding the contract responsibility system based mainly on household management and linking remuneration with output will remain unchanged. Practice of the past decade has shown that the contract responsibility system conforms to the present level of productive forces in most of China's villages as well as to the wishes of the majority of farmers. The system should be steadily and continually perfected. At present, the double-tiered man-



Farmers of Xinghua City, Jiangsu Province, carefully care for their cotton seedbeds.
GAO MEIJI

agement system should be perfected, the superiority of the collective economy and the farmers' enthusiasm in production further displayed. Looking to the future, a multi-layer, multi-form socialized service system embracing various economic sectors is to be gradually set up in light of the practical needs and objective conditions. It will serve the

farmers by providing them with technology, the means of production and the information on their rational use, providing market information about the storage, marketing and processing of farm products, as well as service regarding business management. This service system not only helps raise the productive level, but links the scattered household management with advanced science, technology and the market, so as to form large-scale, modern production. In places where conditions permit, moderate scale management and new forms of collective economy may be steadily introduced and developed on the basis of the willingness of farmers.

(2) With common prosperity as the goal, the policy of allowing and encouraging some regions and people to prosper before others will not be altered. Neither poverty, nor egalitarianism is socialism. Our goal is the realization of common prosperity.

The Chinese people can only realize this goal one after another, it is impossible for them to become prosperous all at once. Allowing and encouraging some farmers to get rich through honest labour and legal business management is conducive to inspiring and stimulating other farmers in diverse places to gradually develop their own businesses and, also, prosper, thus ensuring that they take the socialist path to common prosperity. We oppose class polarization, but realization of prosperity in succession has nothing in common with class polarization. It is necessary to solve the social problem of unfair distribution, but this does not mean changing the policy of allowing some people to prosper before

others.

(3) **The policy of "never slackening our efforts to boost grain production, enthusiastically developing a diversified economy," of steadily readjusting and optimizing the rural production structure will not be changed.** In developing agriculture, attention must first be paid to boosting grain production. Solution of the grain problem provides a reliable basis for stabilizing the domestic situation, for readjusting the production structure and for developing a diversified economy. Without a stable acreage sown to grain, there cannot be a reliable grain output. Grain should be sown consistently on that arable land best suited for grain. Farmland capital construction should be strengthened in the poor mountain areas, so as to raise as much as possible their self-supporting rate of grain and decrease the necessity to ship grain to those areas. The readjustment of the rural production structure should proceed from the reality and its procedures adapted to objective local conditions. No premature actions should be taken towards achieving this goal.

(4) **The policy of encouraging and guiding the development of township enterprises will remain consistent.** Township enterprises have become an important pillar in the growth of China's rural economy and constitute an important part of the country's national economy. In the endeavour to rectify and improve the economy, the principle of "readjustment, consolidation, transformation and improvement," defined by the Party Central Committee should be fully carried out to ensure the healthy growth of township enterprises. At present, we should close down redundant township enterprises, suspend their production, merge them with other enterprises and switch them to the manufacture of other products because they

vie with large enterprises for raw material and energy, seriously pollute the environments, and consume a lot of resources yet produce low quality products. Measures for controlling their excessive growth, readjusting their production structure and improving their business management are conducive steps to the healthy growth of needed township enterprises.

Two tendencies need to be avoided, however, when rectifying and improving township enterprises: One is the indiscriminate slash of enterprises, the other the building of new factories without paying attention to tapping the economic potential and raising the economic efficiency of the old ones. As to those township enterprises which started rather late in the barely industrialized central and western parts of China, a suitable scale of development is to be allowed. Township enterprises should build processing factories for farm products which do not compete with state enterprises for raw material as well as labour-intensive factories which turn out raw and semi-finished material for industry.

(5) **The policy of developing a diversified economy under the prerequisite that the mainstay of public ownership is upheld will be kept unchanged.** China is still in the primary stage of socialism and takes public ownership as the mainstay. Yet at the same time, it allows for the development of a diversified economy. Individual and private owned businesses are a beneficial and necessary supplement to the socialist economy. Their positive role in the growth of the socialist

economy should be given full play while their negative role restricted.

(6) **Regarding the main agricultural and sideline products, the marketing and purchasing policy which combines a planned economy with regulation by the market will remain consistent.** During the rural reform, the system of purchase by stage quotas was



Assistant agronomist Yang Jianqiu (right) of Neiqiu County, Hebei Province, helping a farmer dry persimmons for export. His advice in horticulture and animal breeding techniques have helped many local farmers lift themselves out of poverty.

ZHAO LIANSHENG

eliminated. A planned, contracted purchase of grain, oil-bearing and other bulk crops is now in force. At the same time, the scope and scale of market regulations have been enlarged, giving impetus to the development of the rural economy. Successes in this field should be affirmed. Of course, some problems have occurred, and to solve them, it's necessary to adopt corresponding measures. But this does not mean restoring the system of purchase by state quotas. Instead, rural reform should be deepened and the purchasing and marketing system of farm products improved. To stimulate rural commodity circulation, the transactions of farm products which have been allowed to enter the market should be continued through multiple channels but fewer intermediate links. The rural market should be nurtured and the farmers' direct participation in circulation be encouraged. □

Democratic Party Leader On Multi-Party Co-operation

by Our Staff Reporter Lu Yun

The people's congress system and the multi-party and political consultation system led by the Communist Party are the bases for China's political system. The people's congress ensures that the public can exercise state power and their democratic rights while the multi-party and political consultation system recruits various democratic parties and patriotic personages of various circles to participate in and discuss governmental and political affairs, implement democratic supervision and make joint efforts for the nation's socialist cause and the reunification of the motherland. It is a political system that China is continuing to perfect. While developing the national economy, China has endeavoured to strengthen socialist democracy and the legal system in order to ensure the prolonged political stability and prosperity of the country.

Some foreign personages, unfamiliar with the situation of China, often raise questions about the multi-party co-operation in China. For instance, they ask if the democratic parties are themselves political parties, how can they accept the leadership of another political party, the Communist Party? They also wonder how the democratic parties and the Chinese Communist Party implement multi-party co-operation and for how long such co-operation can continue.

There are eight democratic parties in China—the Revolutionary Committee of Kuomintang, China Democratic League,



Sun Qimeng.

CHEN ZONGLIE

China Democratic National Construction Association, China Association for Promoting Democracy, Chinese Peasants' and Workers' Democratic Party, China Zhi Gong Dang, Jiu San Society and the Taiwan Democratic Self-Government League. To answer the foregoing questions, our staff reporter recently had an exclusive interview with Sun Qimeng, chairman of the China Democratic National Construction Association (CDNCA). The CDNCA is composed mainly of people from financial circles and experts and scholars in related fields. Sun, a noted political activist, graduated from the Suzhou University in 1930 and then worked in the educational field for a very long time. In 1945, he co-sponsored with others the founding of the China Democratic National Construction Association and after the founding

of New China in 1949, he became deputy secretary-general of the Government Administration Council and vice-minister of the Personnel Affairs of the Central Government. He is now vice-chairman of the Standing Committee of the National People's Congress.

50 Years of Practice

Sun, 78, pointed out that the multi-party co-operation system led by the Chinese Communist Party has been practised for 50 years. The CDNCA is a good example of this. Since its founding in 1945 up to the present, there has been solid co-operation between it and the Chinese Communist Party and with the other democratic parties. The relationship between the CDNCA and the Communist Party has undergone three stages.

The first stage. The political programme at the founding of various democratic parties was patriotic, opposition to imperialism and a demand for democracy. The CDNCA was founded not long after the victory of the War of Resistance Against Japanese Aggression. At that time, patriotic industrialists, businessmen and related intellectuals established co-operative ties with the Chinese Communist Party under the slogan of peace, democracy, unity, the founding of a coalition government and the building of New China. The name of the CDNCA was interwoven with the spirit of the slogan. At the initial stage of the

CDNCA's founding, there was no preconceived idea of accepting the leadership of the Communist Party. After travelling a tortuous road, however, and after conscientiously summing up its own experiences and lessons, the CDNCA abandoned its middle-of-the-road stand between the Kuomintang and the Communist Party. In 1948, various democratic parties openly proclaimed that they supported the revolution and that they would fight side by side with the Communist Party to overthrow the reactionary rule of the Kuomintang and establish a new China. At that time, the CDNCA agreed with the CPC's proposition of convening a new political consultation conference and sent Zhang Naiqi, Shi Fuliang and Sun Qimeng to the liberated area under the Communist Party to participate in the preparatory work.

In 1949, with the victory of the new democratic revolution which overthrew the rule of imperialism, feudalism and bureaucrat capitalism, the People's Republic of China was founded and the coalition government character-

ized by multi-party co-operation on the basis of the alliance of workers and peasants under the leadership of the Chinese Communist Party, established.

The second stage. The multi-party co-operation led by the Communist Party was then fairly developed and complete in form. The people's political consultative conference, a broad united front organization committing itself to the unity and co-operation among the various democratic parties, exercised the powers of the present National People's Congress. People from various democratic parties not only carried out in full the consultations on major state politics and principles in this organization, but also assumed leading posts of the people's government at various levels. Political consultations and democratic supervision of the democratic parties in the country's political, economic and social life were both flexible and diverse in form.

During the transitional period from the new democratic revolution to the socialist revolution, the Chinese Communist Party

put forward in 1952 the general line for the transitional period to the effect that the government carried out the socialist transformation of capitalist industry and commerce to replace the capitalist ownership of the means of production with the socialist ownership of the means of production through the policy of peaceful redemption. Members of the CDNCA from the industrial and commercial circles who had gone through the ideological education of their own party took the lead in participation in the joint state-private ownership, using their own experiences to convince other industrialists and businessmen to accept the socialist transformation through peaceful redemption. The government made proper arrangements for them in politics, work and their daily life, and most held leading posts in the new joint state-private enterprises. Quite a few participated in the National People's Congress, the central government and the Chinese People's Political Consultative Conference. After much effort, the national capitalists were by their

Non-Party representatives discuss the documents of the Fourth Plenary Session of the 13th Party Central Committee and China's domestic situation at a meeting sponsored by the CPC Central Committee on June 28, 1989.

WANG XINQING



own labour transformed into labourers.

The socialist transformation which aimed to abolish capitalist ownership was, of course, in contradiction with the essence of the capitalist class. This acute contradiction was, however, finally solved without a hitch by the correct leadership of the Communist Party, without shedding blood



Luo Hanxian (first left), vice-chairman of the China Democratic League Central Committee and a noted agro-economist, on a fact-finding visit to private businesses in Lanzhou.

YANG WUMIN

and economic losses. The success was also inseparable from the concurrent efforts of the democratic parties, mass organizations and advanced elements of industrial and commercial circles. The victorious transformation of capitalist industry and commerce in China was a marked indication of the successful multi-party co-operation under the leadership of the Communist Party.

The third stage. The various democratic parties resumed their activities after the end of the "cultural revolution," which compelled them to suspend their activities for almost a decade. They then concentrated on developing their own organizations and made positive contributions to socialist construction and the great cause of the peaceful reunification of the motherland.

The Chinese Communist Party during this time fully implemented the policy of "long-term co-existence and mutual supervision, treating each other with all sincerity and sharing weal and woe." This policy, based on the summation of the experiences of co-operation between the Chinese Communist Party and various democratic parties over the past several dozen years, is the guiding principle for the broad multi-party co-operation under the leadership of the Communist Party.

Sun Qimeng said that, based on the history and practice of the past 50 years, the formation and development of the multi-party co-operation system led by the

Communist Party is inevitable and independent of man's will. He believes it will continue to be developed and perfected in the future, and there is every reason for the public to be optimistic about its future prospects.

Political Leadership and Co-operation

Talking about the co-operation between democratic parties and

the Communist Party, Sun noted that the basis of the Communist Party's leadership is political leadership, that the basis of the multi-party co-operation is political co-operation, and that each political party while participates in this co-operation is organizationally independent. He also noted that the Constitution is the nation's legal framework and that the Communist Party and all democratic parties should conduct their activities within the prescription of the Constitution and laws. No such co-operation, however, can be achieved without a common political objective and common political lines and principles the aim of which is the accomplishment of the socialist cause. Otherwise, the co-operation is deprived of its due content and basis.

Who should exercise primary political leadership and act as the "general guide" for the common political line and principles? Based on their long-term practice and experience, the choice made by all the parties is the Chinese Communist Party; each democratic party explicitly incorporated the Communist Party's political leadership into its constitution after serious discussions at their respective congresses. It was a choice made after savouring both the joy of victory and pains of failure of their long political practice. The choice also reflected the advantageous status of the Chinese Communist Party as the vanguard of the working class and as a Marxist political party, its fine tradition of integrating theory with practice, of keeping close ties with the masses and of self-criticism. The Communist Party holds firmly to the truth and can correct its own mistakes. Therefore, the political line and principles formulated by the Communist Party not only crystallize the collective wisdom of tens of millions of Communist Party members but also the wis-

dom of the hundreds of millions of Chinese people and of all democratic parties.

In the past year, the CPC Central Committee invited representatives of the various democratic parties and non-party patriotic democratic personages to attend a number of consultative conferences and discussions. The CDNCA offered suggestions for improving the economic environment, rectifying the economic order and deepening the reform—principles made at the Third Plenary Session of the 13th CPC Central Committee—and for improving the multi-party co-operation under the leadership of the Communist Party. It also commented on the speech made by General Secretary Jiang Zem-

ship. Since all democratic parties are ready to dedicate themselves to the socialist cause, only by relying on the Communist Party's leadership is there a guarantee that the correct orientation of multi-party co-operation will not go astray. At the same time, multi-party co-operation is a condition for upholding the Communist Party's leadership because through the practice of the multi-party co-operation, the Communist Party can better keep its ties with the masses of all fields, be informed about the public's concerns, pool the wisdom of the masses, formulate correct lines, principles and policies, and exercise the correct leadership in state affairs. Conversely, by accepting the supervi-

the functions of democratic parties can be summed up as follows:

Participation in policy making. Before making important policy decisions, the Communist Party usually asks for the opinions of the democratic parties. This gives the democratic parties a chance to air their own views, reflect the demands of the social strata to which each party is linked, make suggestions and amendments to these proposals and, thus, exert its influence on state affairs.

Participation in the political power structure. Members of all the democratic parties can participate in the state organs of power and become officials of the government at all levels. Of the 320,000 members of the eight democratic parties, many have participated in the people's congresses and provincial and municipal leading bodies. Sun himself is deputy chairman of the Standing Committee of the National People's Congress (NPC). Sun Xiaocun, chairman of the Consultancy Committee of the CDNCA, now holds the post of vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC). Feng Tiyun, another vice-chairman of the CDNCA, is vice-minister of supervision. There



On March 23, 1989, leaders of China's democratic parties answer questions on co-operation between democratic parties and the CPC at a press conference held by CPPCC for Chinese and foreign journalists.

JJ TIEYAN

in at the 40th anniversary of the founding of the People's Republic of China, and on the important decisions made by the Fifth Plenary Session of the 13th CPC Central Committee on the nation's economic work.

Sun holds that the Communist Party's leadership is the prerequisite and guarantee for multi-party co-operation, as the existence and development of all democratic parties and the introduction of multi-party co-operation are inseparable from the Communist Party's leader-

ship of democratic parties, the Communist Party is able to improve its leadership and obtain the aim of upholding the Communist Party's leadership.

Functions of Democratic Parties

According to Sun, since the fifth congress of 1988, the CDNCA has attached great importance to its internal organization and to giving full play to its role as a political party.

In line with each democratic party's constitution, Sun believes

are still other vice-chairmen and standing committee members of the CDNCA who now hold leading posts in the NPC Standing Committee and the CPPCC Standing Committee.

Participation in supervision. Sun holds that mutual supervision is an important channel for implementing the co-operation between the democratic parties and CPC. Many democratic party members have participated in the work of the CPPCC, and through this channel, they conduct dialogues with the Com-

munist Party, offering their suggestions and criticisms. In 1989, some local organizations of the CDNCA Central Committee set up offence reporting offices to accept the masses' reports of illegal acts and corruption.

Consult on investigative services. In December 1988, the CDNCA joined the Chinese Peasants' and Workers' Democratic Party and the All-China Federation of Industry and Commerce (ACFIC) in suggesting to the State Council how to improve the management system of traditional Chinese medicines and the traditional Chinese medicine market. This suggestion was later made a part of a State Council document on solving the problems in traditional Chinese medicine management. In 1989, the CDNCA Central Committee sent a number of investigative groups to various localities and, together with CDNCA's local organizations, investigated some state-owned large and medium-sized enterprises for nearly half a year. After discussion at the CDNCA Central Committee's meeting in last December, they recommended to the CPC Central Committee and the State Council how best to resolve enterprises' problems.

Organize and encourage party members to actively participate in socialist construction. Members of the CDNCA, by displaying their special talent in economic management, have made great contributions in industry, commerce, transport and communications, foreign trade and scientific research. In addition, they have been active in providing economic consulting services and training skilled industrial and commercial workers. Over the past year alone, the CDNCA has co-operated with ACIFC in offering consulting services for 11,700 projects to aid small and medium-sized urban enterprises, township enterprises and poor

national minority areas, an effort which brought 260 million yuan in economic returns. The 204 schools founded by the CDNCA and the 2,154 short-term vocational and technical training programmes it opened in 1989 provided general cultural knowledge, production techniques, and operation and management experiences to 336,000 people. In recent years, the CDNCA has also recommended that some of its members participate in overseeing the rectification of the economic order undertaken by the governments at all levels.

Reflect the opinions and demands of each party's members and of the masses linked to the party, and safeguard their legitimate interests.

Develop overseas contacts and friendly relations. CDNCA members have always had close ties with Taiwan, Hong Kong and Macao compatriots and overseas Chinese active in financial and other circles. The CDNCA has sought to expand such contacts and relations and to help attract funds, technology and trained people for socialist construction. By developing friendly exchanges and co-operation with relevant organizations, and related foreign political parties and organizations, the CDNCA contributes to the promotion of the principle of "one country, two systems," and to international peace and development.

Sun stresses that only by strengthening their own organization can the democratic parties maintain an important role in the multi-party co-operation.

In recent years, the CDNCA has recruited a number of middle-aged people from the financial circles who have the needed ideological and theoretical ability for government management. The CDNCA currently has more than 50,000 members in some 2,818 branches in 29 provinces, autonomous regions and

municipalities directly under the central government. Many outstanding members with both ability and political integrity are in their prime and have been promoted to various levels of the party's leading bodies. The CDNCA has also continued the fine tradition of self-education to help its members continually enhance their political consciousness within a pattern of the multi-party co-operation and the sense of democracy under the principle of democratic centralism. Members of the CDNCA have strived to raise their own standard, particularly the ideological and political standard of the leading bodies, in order to better shoulder their important historical tasks.

Finally, Sun declared that the CDNCA is not a party out of office or an opposition party, but an independent political organization characterized by its political association under the leadership of the Communist Party of China and by its prolonged, intimate co-operation with the central authorities. The multi-party co-operation and political consultative system under the leadership of the Communist Party is determined by China's national conditions and by the common mission of both the Communist Party and of all democratic parties. These special features represent the superiority of China's political system. The CDNCA will, therefore, stick to its principle of adhering to the multi-party co-operation under the leadership of the Communist Party and the socialist road, a principle which will never change no matter how complex the political situation may become. This party rule, un-animously adopted by all central committee members attending the Second Plenary Session of the Fifth CDNCA Central Committee held in December 1989, will inject new vitality into the future work of the CDNCA. □

Shoudu Iron and Steel Co. (6)

Enterprise Merger and Grouping

by Our Staff Reporter Li Rongxia

The last of a series, this article describes how SISC merged with scores of other enterprises and rapidly developed into a large, transregional and diversified enterprise. The company's development demonstrated, as well, the successful implementation of a comprehensive contract system.

At present, SISC has 103 enterprises under six branch companies specializing in iron and steel, special steel, machinery, electronics, construction and other industrial sectors. The total number of workers and staff increased from 124,000 to 185,000 and the original value of fixed assets increased from 3.585 billion yuan to 4.5 billion yuan. In addition, SISC also has 27 cooperative enterprises and six Sino-foreign joint ventures. With iron and steel as the company's mainstay and its involvement in a dozen of other industries, it has developed into a large transregional and transnational enterprise group, the first in China with such a comprehensive development capacity.

Two Mergers

Over the past ten years, there have been two large-scale mergers with SISC. The first was in 1983 when the former Beijing Metallurgical Bureau was disbanded and its 17 affiliated ferrous metallurgical enterprises merged into SISC. The second was in 1988 when SISC merged with 23 enterprises in Beijing and some 18 provinces and cities. Also in 1988, SISC bought 70 percent

of the shares of the US MESTA Engineering Co. Ltd., the first step towards transnational operation.

Built in 1898, the MESTA Engineering Co. Ltd. has a 90 years history in the design and manufacture of metallurgical facilities and heavy machinery. At present, more than half of the rolling machines in the world were designed and manufactured by MESTA and so MESTA's trade mark enjoys a high international reputation. The SISC, by purchasing MESTA's shares, acquired the technology necessary for the design and manufacture of large, continuous casting and rolling machines and filled a technical gap felt by China in this field. By using MESTA's design technology and trade mark, combining its own machine manufacturing force, and making the best use of the current improvement in the

world's iron and steel market, the SISC has become more competitive on the international steel market.

By these two mergers, SISC has not only developed its production capacity, but also reached out into other trades. It has become an enterprise of world proportions.

In electronics, it now has some 20,000 people capable of developing software and hardware, which can be manufactured in its own production lines. Computers and a variety of electronic instruments and meters, for example, have already been put into batch production and sold to foreign countries. It has also provided hundreds of units in more than ten industries with 500 or so pieces of electronic equipment and 360 technical service items. In 1989, it began to manufacture video tape recorders, programme-controlled exchanges, electronic toys and large-scale integrated circuits.

In the machinery field, SISC has set up an integrated general machinery company for scientific research, design, production and sales. It now has 7,846 cutting machines, manufacturing and is capable of large equipment, and is moving towards the manufacture of automobiles and ships.

In the construction industry, SISC now has 25,000 workers and staff and 76.39 million yuan worth of machinery and equipment. In addition, SISC also pos-

sesses a shipping company with four ocean-going freighters with a total capacity of 60,000 tons. It also has hotels, and furniture, textile, garment and printing factories.

At present, most of the merged 3,600 enterprises in China are still easy-going groups taking separate responsibility for production but jointly selling their products. Merger with

The opening ceremony of Beijing MESTA Engineering Co. Ltd.

SHAO HUA



SISC, however, makes a difference; the merged enterprises no longer have the status of legal persons but operate as an incorporated SISC entity.

Magic Power

As soon as they merged into SISC in 1983 or in 1988, most of the enterprises changed rapidly:



The computer centre room. Computers are used to manage production in the strip steel mill.

LIANG DONG

loss-making enterprises were quickly turned into profit makers: The 17 enterprises merged into SISC in 1983 increased profits by 25 percent that year. Moreover, they have maintained an annual 20 percent increase up to now.

The Shoudu Strip Mill used to be three mills (the No.2 rolling mill, the No.3 rolling mill and strip mill) before it was incorporated into SISC in 1983. In 1982, the three mills' annual profits hovered around 17.49 million yuan. After the merger in 1983, however, its profits increased steadily to reach 96.08 million yuan in 1988, at an average annual increase of over 50 percent for the 1986-88 period. The original value of fixed assets is now 4.9 times as much as it was in 1982.

Over the last six years, the strip mill, with its own 33 million yuan, technically transformed on 33 items of equipment including those in hot-stripping workshop and a marble saw blade produc-

tion line, thus raising the production capacity and technical level of equipment. Based on market changes, the mill develops new products to increase its economic returns. Its marble saw blades provide over 80 percent of domestic market needs. With improved products, it has entered the export field. Since 1988 it has exported about 200 tons of cold rolling spring strip steel worth US\$ 2 million to Thailand and the Federal Republic of Germany. The mill also began to set up a cold rolling workshop in Shenzhen, with all output targeted at the international market. It is estimated that the workshop will be completed by the end of 1990.

Twenty-three other enterprises which merged in SISC in 1988 have also experienced dramatic changes.

The Songnan Machinery Factory, for example, was incorporated into SISC in June 1988. Before merging, it lost 2.15 million yuan in 1986, 4.982 million yuan in 1987, 3.02 million yuan in the first six months of 1988, and 3.80 million yuan in the second half of 1988. In sharp contrast, it began making a profit four months after the merger.

Another example is the Jilin Diesel Engine Factory which merged into SISC in June 1988. It is forecast that the factory would lose 16.27 million yuan in 1988, but within six months after the merger, it earned 1 million yuan in profits, with per-capita profits and taxes 4.4 times as much as in the record year in the factory's history.

Driving Force

Why have these merged enterprises managed such rapid changes? The answer is the overall contract system. Each enterprise has its own independent business accounting and assumes sole responsibility for profits and losses.

Every enterprise also allocates contracted tasks to each unit, and thence to each person. At the same time, SISC's distribution system, wherein payment, reward and punishment are linked to contributions, effectively stimulate the enthusiasm of workers and staff.

The Songnan Machinery Factory used to be a weapon producer. In the past, highly concentrated and unified managerial system made the factory dependent on top-down decision making, but after its merger with SISC and the introduction of the contract system, great changes took place in management thinking. In order to fulfil contracted targets, the factory leaders took the initiative to develop new products. Workers also changed their inefficient work style, and adopted a more aggressive work attitude. In September 1988, when the factory was required to turn out its monthly batch of products on schedule, otherwise they would miss the sale and profit target, the raw materials did not arrive until the middle of the month. With only half a month left, the work would not have been accomplished if they had operated in the way that was common before the contract system. They completed the work and supplied the goods in time and fulfilled the profit target.

The leaders are the same as before, as are the workers and equipment, but there are many differences with the introduction of the contract system. The new method of operation, however, has proved to be the crucial factor for revitalizing SISC and will prove to be applicable for all enterprises. And has stimulated the enterprises.

Wang Qingrei, the strip mill director, said that the six years of changes since its merger into SISC have made them realize that the contract system, combining state prosperity, enterprise development, and a satisfied welfare for workers and staff, is the engine driving an enterprise forward. □

Import Goods to Be Licensed

Nine varieties of import commodities including automobiles, motorcycles and engines, refrigerators and compressors, air-conditioners and compressors, television sets (both colour and black-and-white) and TV display tubes have been slated to be examined for quality licence as of May 1, 1990, according to commodity inspection authorities.

Under this provision, if foreign businessmen or their representatives expect to sell in China commodities included in the "List of Import Commodity Quality Certificate System," they must apply to the State Administration of Commodity Inspection of China (SACI) for quality licences. Commodity inspection authorities assigned by the SACI will examine samples provided by and inspect the production and quality control equipment of the applicants. After these products are

found to meet the requirements of China's safety standards, they will be given quality licences and a "Safety Mark" and can then be exported to China.

According to the SACI official, SACI has formulated the following provisions "Rules for the Implementation of the Quality Certificate System Concerning Import of Machinery and Electronic Products," "Items and Standards for Safety Inspection" and "Programme for Inspection of Production and Quality Control Conditions of Producers" for the implementation of this provision. Organizationally, it has set up six departments and nine laboratories respectively inspecting these nine kinds of commodities.

The official said that this new provision was promulgated on August 1 last year and would become effective in May 1990. Before it becomes effective, foreign businessmen

will first review the concerned laws, regulations and standards and, in line with the particular requirements, perhaps change their products and provide China with samples for inspection again. In addition, the factory conditions will need to be approved by the SACI. Thus, China hopes applicants will make applications six months ahead of time of actual import. If procedures are not approved because of ongoing inspections and a delay of transport, telecommunications and the customs, China will adopt flexible measures to help applicants.

Up to now, more than 70 companies and representatives from Japan, Sweden, the United States, the Federal Republic of Germany, Canada, Italy, the Netherlands, Denmark, Argentina, Switzerland, the Soviet Union, the German Democratic Republic, Hungary, South Korea, Hong Kong and Macao have asked the SACI for related materials and inquired procedures of applications for quality certificates of commodities to be exported to China.

by Yao Jianguo

US Square D Co. in China

Recently, the Pertron Electronics Co., an affiliate of the US Square D Co. presented a piece of new blocking welding controller to Harbin Polytechnical University in a bid to further expand its market in China.

Since the beginning of 1980,

the Square D Co., one of the United States' largest 300 enterprises, has provided China's scientific, research and teaching departments with power supply systems. The electric power distribution systems, for example, have been installed in the Beijing International Hotel, the

Xiyuan Hotel and the Nationality Hotel, and its blocking welding controllers have been used in the Beijing Jeep Corp. Ltd. and some other automobile factories.

Zhu Hua, an official in charge of the Square's China office, said that his company would, in line with the principle of efficiency and mutual benefit, continue to provide China with new products and technology so as to increase sales to China.

by Li Ming

Bright Prospects for Building Materials Exports

Over the past two years, the campaign to cut down substantially on investment in capital construction provided ample opportunities for increasing export of building materials. According to the National Conference on Export of Building Materials held recently, China's export volume of building materials in 1988 reached US\$663 million, 3.5 times that of 1980. Exports in 1989 are expected to reach 850 million yuan, an increase of 28.7 percent over 1988.

China exported building materials in 104 varieties of nine categories, including cement, glass, construction ceramics, non-metallic mineral products and building materials producing machinery. The products are sold in more than 70 countries and regions such as Japan, the United States, the Federal Republic of Germany, Britain, the Netherlands, the Soviet Union, Poland, Singapore and Hong Kong. The product mix has changed remarkably. The export of crude and primary products has been replaced by the export of intensively processed ones. In recent years, for example, China provided Pakistan, Indonesia, Nepal, Egypt and the Soviet Union with cement kiln outer disintegration production lines with a daily output of 700 tons, floated glass production lines with a daily output of 300 tons and glass fibre, mineral wool production lines as well as some brick-making equipment.

According to economists, although China's export volume of building materials and non-metallic minerals represents a small proportion of its total exports, there are brilliant pros-

pects for the future. For example, China ranks first in cement output and second in glass output in the world. Also, it comes first in reserves of gypsum, limestone, scale graphite and fluorite and second in reserves of talcum, wollastonite and asbestos. It is also rich with other natural resources. During the Eighth Five-Year Plan period (1991-1995), China expects its exports of building materials to jump to US\$2 billion.

by Yao Jianguo

Foreign Experts In China

To date, some 30,000 foreign economists and technicians are working in China according to the China Foreign Experts Bureau.

In 1988, some 15,000 experts worked in China according to stipulations of technology and trade contracts connected with imported equipment.

In the same year, some 10,700 experts were in charge of technology and management of joint ventures, co-operative enterprises and wholly foreign-owned enterprises.

Also, in 1988, some 3,000 experts responsible for technology and management were brought from abroad in line with the requirements of enterprises. Some experts were invited through scientific, technological co-operative and multi-lateral co-operative agreements.

China encourages its enterprises to attract experts. For example, the government provides preferential policies and invest special funds to help units which need experts with expen-

ses for plane tickets and other costs.

Hu Youmu, an official of the China Foreign Experts Bureau, said that attracting experts from abroad had resulted in good profits for enterprises. The ratio between profits and the expenses on experts is more than 10:1.

As China is now rectifying its economy and cutting down on money supply, some enterprises have to reduce their import of complete equipment and shift to import talented workers. China is now perfecting its policies and co-ordinating funds and expects to bring in more foreign experts in 1990 and years to come.

China has established ties with many countries for importing experts and, to this end, set up offices in the United States, Canada, the Federal Republic of Germany, Britain, Japan and Hong Kong in the name of the China International Talent Exchange Association.

by Li Ming

Export of Iron Pans

Every year, the Shangcai County Pan Factory, a big iron pan producer in central China's Henan Province, exports 500,000 pans to Japan, the United States, Singapore, Malaysia, Hong Kong and many other countries and regions.

The factory turns out iron pans in five categories, 45 series and more than 1,000 specifications.

China has a long history of iron pan production. Its iron pans are made of solvable inorganic iron, which is good for health. Thus, the World Health Organization has suggested use of the traditional Chinese iron

pan.

Only a few years ago, the factory produced only 120,000 iron pans a year. To meet the requirements of the international market, it has updated its technology and equipment, set up two iron molten automatic conveyor lines and six casting and pressing lines. It is able to produce 5 million iron pans annually. With light weight, thin bottom for quick heat and beautiful shape, its rare-earth alloy pans produced with new technology won the state silver prize in 1988. Some 98.7 percent of its products are rated excellent.

The products are so well received on the international market that the United States, Japan and France have requested a greater volume of exports.

by Li Rongxia

A Joint Venture In US

The US TCC Electronics Co. Ltd., the first high-tech joint venture the city of Chongqing, southwestern China, established in United States, will begin operations in April 1990.

The venture produces black-and-white and colour pickup cameras, liquid crystal television sets and pickup camera-play videocorders with video liquid crystal displays as well as other electronic products which are to be sold in the United States and Canada.

Located in Holliston, Massachusetts, the venture has a total investment of US\$ 800,000, equally contributed by the two partners. It will first use the chip technology and then chips provided by the Chongqing Huashu Photoelectric Group Co.

by Xia Changrong

International Exhibitions at the China International Exhibition Centre in 1990

Name of Exhibitions	Date
International Furniture Making Machinery and Equipment Exhibition	Feb.28-March 5
International Surface Treatment and Coating Processing Equipment Exhibition	March 19-24
Third International Medical Apparatus and Instruments Exhibition	April 4-9
First International Photoelectric Technology Exhibition	April 12-18
International Electric Production and Semiconductor Exhibition	April 18-21
International Mining Equipment and Technology Exhibition	May 14-18
International Casting and Forging Industrial Furnace Exhibition	June 8-14
International Energy Exhibition	May 11-16
International Photography, Audio-Video and Broadcasting Equipment Exhibition	June 1-6
International Welding Exhibition	June 5-9
International Automobile Industrial Technology Exhibition	July 3-8
International Book Exhibition	Sept.2-7
The Soviet Union Exhibition	Sept.3-16
International Teaching Tools Exhibition	Sept.7-12
International Moslem Goods, Equipment and Technology Exhibition	Sept.15-20
International Transport Exhibition	Sept.18-23
International Sports Exhibition	Sept.19-24
International Textile Machinery Exhibition	Oct.15-21
International Telecommunications and Computers Exhibition	Nov.8-13
International Metallurgy Exhibition	Nov.23-28
International Packaging Technology Exhibition	Nov.27-Dec.3
International Rubber and Plastic Industrial Exhibition	Nov.28-Dec.3

3 Energy Bases in Huanghe Basin

CHENGXIANG KAIFA
(Urban and Rural Development)

After a decade of development and construction, the Huanghe (Yellow) River Basin, now boasts three big energy power bases. They include a hydroelectric base centred in Lanzhou in the upper reaches of the river in Gansu Province; a coal base cut through Shanxi Province in the middle part of the river and a petroleum base in Huanghekou, the lower reaches of the river.

According to preliminary statistics, these energy bases provided 32 percent of China's coal needs in 1988, 29 percent of the country's oil needs, and 10 percent of China's electricity.

The figures released by the Department for Controlling and Developing the Huanghe River

Basin indicate that proven deposits of coal in the Huanghe River accounts for 46.14 percent of the country's total. Petroleum accounts for 25.6 percent, and water resources, which could be developed, amounts to an installed generating capacity of 28 million kw.

Shortly after the founding of the People's Republic of China in 1949, the state took on development of water resources in the upper reaches of the Huanghe River as a major task. In the 1970s China successfully built four hydroelectric stations at Liujiaxia, Qingtongxia, Yanguoxia and Bapanxia with a total installed capacity of 1.96 million kw.

In 1980s, China finished the construction of the Longyangxia Hydroelectric Station, "the first

dam" on the Huanghe River.

Currently, Longyangxia Hydroelectric Station is one of China's biggest reservoirs having the storage capacity of 24.7 billion cubic metres. Its four power generators have been put into operation, and are expected to generate 6 billion kwh of electricity a year.

The Liji Xia Hydroelectric Station, which went into operation in April 1988, has an installed electric capacity of 2 million kw, only next to that of the Gezhouba Hydroelectric Station in the Changjiang (Yangtze) River.

Another eight hydroelectric stations are expected to be set up in the upper reaches of the Huanghe River.

Now more than 50 oilfields have been found in the lower reaches of the Huanghe River. Of these, more than 40 have been put into operation. In 1988, the basin's annual output of petro-

Elements of China's 'Micro-Climate'

LIAO WANG
(Outlook Weekly)

Deng Xiaoping said the unrest that plagued China from mid-April to early June in 1989 "was determined by the international macro-climate and China's micro-climate."

The elements of China's "domestic micro-climate" or internal political situation are as follows:

Propagating extreme egoism. Some people spread such beliefs as the "individual is paramount to all others," and "egoism is gene and instinct of human beings." They also said that "encouraging selflessness will restrict personal character" and "selfishness is right."

Spreading money worship. Influenced by the idea that "nothing can be done without money," many people ignored laws and social morality and did some shameful things resulting in the loss of

their individuality and the nation's dignity.

Negating socialist freedom and democracy and advocating bourgeois liberalization and democracy by talking in an abstract fashion about "democracy, freedom, and human rights." People who did so negated the fruits of democratic construction and the pace of democratic revolution led by the Communist Party of China. They said "socialist China is a country without democracy" and maintained that China's political system should imitate Western countries' "tripartite" political system—the so-called parliamentary democracy. It distorted the principle of "letting a hundred schools of thought contend" and denied the guidance of Marxism. Ignoring human rights in a socialist society, they propagated bourgeois human rights. They damaged the socialist

democracy and legal system and favoured anarchism. Internationally, it slavishly depended on foreigners, and put pressures on the Chinese government.

Opposing the people's democratic dictatorship on the pretext of combating feudal autocracy. This opposition blurred the diametrical distinction between socialism and feudalism, the people's democratic dictatorship and feudal autocracy. People who did so claimed that the people's democratic dictatorship is a "despotic rule" and is against "human rights;" "it punishes people for crimes by words." Meanwhile, they propagated a super-class and hypocritical "humanitarianism" and demanded openly for the release of "political prisoners."

Opposing the leadership of the Communist Party of China, advocating the pluralistic concept of politics, demanding the Western multi-party system and setting up an opposition party. These people

leum topped 33 million tons, 24 percent of the country's total.

The Shengli and the Zhongyuan oilfields have become a mainstay in China's petroleum industry. And a group of large, modern petrochemical enterprises using petroleum and natural gas as raw materials have appeared.

The coal base, composed of the Jungar Coal Mine, the Shanxi Coal Mine and the Yuxi Coal Mine, are scattered throughout the middle area of the Huanghe River. In recent years, China developed two coal mines on the banks of the Huanghe River. One is the Shenfudongsheng Coal Mine, one of the seven largest high-quality coal mines in the world, and the other is the Jungar Open-pit Coal Mine in the Eerduosi Plateau of Inner Mongolia.

Some new cities based on the energy resources industry are now thriving in the area of the Huanghe River Basin.

(September 28, 1989)

Homebound: Shanghai Women Workers

JIEFANG RIBAO
(Liberation Daily)

A survey of more than 400 enterprises in Shanghai has shown that 6 percent of women workers now stay at home.

Eighty percent of those women workers are between the ages of 24 and 40 and 90 percent of them have an education above the junior middle school. They remain at home for one or two years, or even longer, the survey found.

A small number of women choose to stay at home. Some of them are on extended maternity leave and others have found a second job, so they can earn more money. At the same time, they are eligible for free medical service.

But most women are forced to stay at home either because the enterprise has all the workers it needs or does not have enough work for its workers to do. One factory has a policy that when there is not enough work to do, women over 45 must go home.

Except those who have found a

second job, the survey found that most women now made to stay at home suffer greatly from depression. They feel empty and their status in the family is lower. Some of them have difficulties supporting their families.

When Shanghai Women's Federation conducted a recent survey, entitled *Women's Opportunity to Earn a Living*, only eight percent of women in more than 210 households had chosen to stay at home. The majority of them were looking forward to returning to work.

Another survey in Shanghai of more than 100 large and medium-sized enterprises showed that 92 percent of the directors preferred to dismiss female workers because there were more of them than male workers. The directors said that if the decision was up to them they would discharge one-fifth of their women workers. The survey indicated that this social problem was worth more research.

(November 20, 1989)

clamoured "to liquidate the autocracy of the Party," and said that "newspapers should not be the voice of the Party" and "workers must get rid of the leadership of the Party."

Opposing the adherence of Marxism, saying that Marxism is out of date. These people said that the three parts of Marxism (dialectical materialism and historical materialism, political economics and scientific socialism) are wrong. "Marxism is useless in China," they said. "The research method of Marxism proceeded from correct principles but got the wrong result" and "Mao Zedong Thought should be criticized thoroughly."

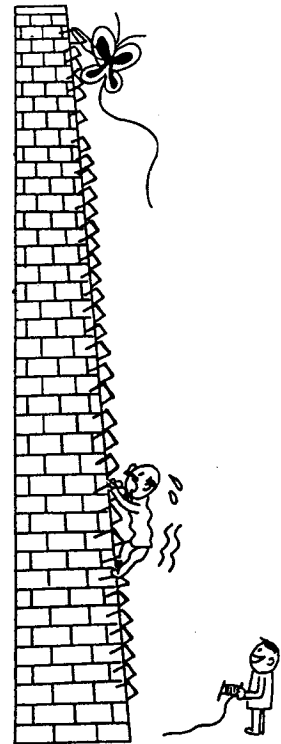
Opposing the socialist system while praising the capitalist one. This characteristic of—"microclimate"—claimed "the experiment of socialism and its failure is one of the two legacies in the 20th century." It also said "Marxism destroyed an old world while capitalism set up a new world," "Chi-

na's only way out is to take the capitalist road" and "public ownership should be ended."

Advocating "complete Westernization" and national nihilism. People who advocated bourgeois liberalization sang the praises of colonialism. They even hoped that China would "be a colony for 300 years." They cursed and belittled China's traditional culture and fought against patriotic slogans, saying that "China is not worth mentioning" and "the race of China is not good, the problem of China is not to be liberated but dissolved."

It's easy to see that the "microclimate," which spreads bourgeois liberalization, is opposed to the four cardinal principles—the basic principle of socialist construction (adherence to the leadership of the Communist Party, the socialist road, the people's democratic dictatorship and Marxism-Leninism and Mao Zedong Thought).

(Issue No.36, 1989)



For my grandson. WANG JINGDENG

The National Exhibition of Industrial and Applied Arts

The National Exhibition of Industrial and Applied Arts focusing on China's achievements in this field was recently held in Beijing in the newly completed China Museum of Industrial and Applied Arts.

On display were about 5,000 artifacts from many parts of the country, including the works of established Chinese masters and academic institutions, international prize winners and more than 200 national treasures.

Among the exhibits, the most brilliant were three jadeite products which have been acclaimed as rare national treasures. These three artifacts were made from large jadeites that had been stored in the state storehouse for several decades and took four years to finish. The largest of the three weighed 378 kilograms, which is delicate; transparent and comes in several colours, including green, white and red.

Chinese masters of industrial and applied arts carved one of the pieces into the image of Tais-

han Mountain, one of the most famous mountains in China. The rising peaks, temples and natural wonders were all vividly carved out. The green part of the stone was turned into woods and streams. The white part was carved into floating clouds and flying white cranes. The upper right part of the stone is red so the carvers creatively made it into a bright rising sun.

Of the three jadeites the most prized was flat in shape and glistened with several shades of green. It was carved into a screen 74 centimetres high and 146 centimetres wide. On the screen are nine dragons flying in the clouds. The dark green part was carved into dragons while the light green and white parts were carved into clouds and sea waves. The whole product is a shallow relief sculpture.

The third piece was carved into a gaily decorated flower basket. Although it was smaller than the other two carvings, it is still the biggest jadeite flower basket

in the world.

Also on display were products with strong regional characteristics. Girls from Sichuan Province, home of one of the four most renowned types of embroidery in China, demonstrated their skills. Sichuan embroidery is characterized by its bright colours. One typical work on display was *Performance of Women Court Musicians*. It is one metre high, two metres wide and embroidered with 160 different colours of silk thread and more than 50 embroidery methods.

A replica of a Ming emperor's "dragon robe" made by Nanjing artists was especially fine. The original dragon robe was unearthed from the Ming Tombs on the western outskirts of Beijing. It was the emperor's special costume for grand ceremonial occasions. The replica was brocaded with gold threads, five-coloured threads and threads made of peacock feathers. The pattern showed 17 dragons rolling and tumbling in the red clouds and mists.

New Jingdezhen porcelain products were shown at the exhibition. A blue and white glazed vase designed and produced by

Wang Zhongnian's Landscape Painting

Traditional Chinese painting has long been divided into northern and southern schools. The southern school features fine and delicate work, emphasizing the lingering charm of a scene. The northern school is more imposing in character, being bold and unrestrained. Wang Zhongnian is an artist who melds the two styles harmoniously into one.

Wang was born in 1942 in Liaoning's Benxi City, a small centre in northeast China famous

for its coal deposits. In 1964, he graduated from the middle school attached to the Luxun Fine Arts Academy. Because of the "cultural revolution," he didn't continue his education in college but instead worked for nearly 20 years on improving the cultural standards of the masses. It was in those years that he laid a solid foundation for his later success in painting. While studying the techniques of traditional Chinese painting, he tried to do some creative work of his own.

Although he grew up in the north and learnt from masters of the northern school, Wang was eager to study some of the techniques of the southern school. This desire was fulfilled in 1986 when he was admitted to the graduate class of the Guangzhou Fine Arts Academy to learn from the renowned southern masters Guan Shanyue and Li Xiongcai. Since then, his works have displayed not only northern characteristics but also southern ones. His motto is: Don't imitate the ancients; don't be limited by current trends, and don't repeat myself.

Wang recently held a one-man show in Beijing that gave lovers a

the teachers and students of the Jingdezhen Ceramics Institute was an outstanding example of traditional craftsmanship. It displayed the simple elegance popular with foreign and domestic art lovers. The glazed vase was not only rich in traditional designs but showed contemporary conceptions.

In the 40 years since its founding, China has made great strides in industrial and applied arts. In 1988 the total value of production reached 11.4 billion yuan, 113 times more than in 1952. The export value reached US\$ 2.63 billion, 290 times greater than in 1952.

Since 1979, the state has given gold and silver awards for the best industrial artifacts. More than 200 different types of artifacts have won the awards.

The status of industrial artists, considered as craftsmen in old society, also has changed greatly. In January 1988 the state awarded the title of Master of Industrial and Applied Arts to 96 professionals who have made outstanding contributions to the development of China's industrial and applied arts.

by **Wei Liming**



Wang's painting, *The Snowy Forest*.

the full moon hanging above. In terms of technique, everything but the cottage is worked out in splash ink, which, along with the drowsy moonlight, leaves viewers with a sense of peace and serenity.

Other works present scenery from different parts of China. *Yunnan's Misty Rain*, for instance, shows a subtropical forest in Yunnan Province. Again the splash-ink technique was employed to create a dripping effect that portrays Yunnan's warm, moist climate.

Wang's *October in the Region South of Changjiang River* gives an autumn picture. The leaves have turned yellow and the trunks are dry. So the painting is mainly composed of lines, which, together with the heavily shaded ground, produces a lyrical beauty.

Snow on Heavenly Bridge presents a winter scene on Emei Mountain, a scenic Buddhist holy place in Sichuan Province. A gigantic rock soars towards the

sky. Although icicles hang on the rock, a few wild plants, symbols of nature's vitality, stretch from the narrow cracks.

Wang emphasizes working from nature. In his opinion, nature is an inexhaustible source for the landscape painters. Only by learning from nature can a painter improve himself. During his studies in Guangzhou, he toured more than 10,000 kilometres in more than ten provinces, drawing more than 1,000 sketches. In the preparation of *10,000-Li Landscape*, he drew more than 100 sketches during the eight months he travelled 5,000 kilometres along the Changjiang.

Wang's works have been shown in many domestic and foreign exhibitions. His *Auspicious Snow* won a prize for excellence in the "Sino-Japan Ink Painting Exhibition" held in Tokyo and was selected as an entry in the *Contemporary Ink Painting Exhibition*, a Japanese pictorial album.

by **Liu Tisen**

better understanding of his works. The show included a large painting titled *10,000-Li Landscape*, in which perilous mountains, shown in minute details, stand along the banks of the frothing Changjiang (Yangtze) River. At 19 metres in length and 2.5 metres in width, *10,000-Li Landscape* is the biggest painting of the Changjiang ever created.

As a northerner, it is no coincidence that snow often appears in Wang's works. His painting, the *Jade-White Snow and Mirror-Bright Moon*, shows a snowy forest scene in early winter. A brook winds through the forest past a thatched cottage. Mist blurs everything, especially

Biography 'Li Dazhao' Published

October 29, 1989 was the centenary birthday of Li Dazhao, a pioneer and great Marxist of the Chinese communist movement. To commemorate the 100th birthday of this founder of the Chinese Communist Party, great proletarian revolutionary and thinker, the Chinese Youth Publishing House has published a biography *Li Dazhao* (in Chinese) on the eve of his 100th birthday.

The biography provides a panoramic reproduction of the tumultuous events in the early 20th century China. Containing rich historical data about actual events, it reflects on the course of the early revolution and the birth and development of the Chinese Communist Party and praises the deeds of this communist pioneer who selflessly sacrificed all, dying a martyr's death for a glorious cause.

In the late 1970s, the author, Wang Chaozhu, investigated the places where Li Dazhao lived and fought. After he collected and compiled a large amount of historical data and after editing the manuscript several times over a ten-year period, he completed his great 600,000-character work.

The publication of *Li Dazhao* will no doubt be useful for those in China and abroad who want to study and probe into the life of Li Dazhao. □

'Qigong Series' Off the Press

The first publication, *Chinese Qigong Series* (in Chinese), to systematically and seriously popularize the study, practice and theory of *qigong* (deep breathing exercises) has been published in Beijing.

The series is chiefly edited by Zhang Zhenhuan, former director of the State Commission of Science, Technology & Industry for National Defence and edited and published by the Hua Xia Press.

This series includes past scientific research on *qigong*. Its reference and explanatory notes are from ancient *qigong* books and records. It contains clinical results, research and summaries on *qigong*, historical and documentary research, various outstanding theories and methods suitable for popularization, as well as introduction to and research on foreign *qigong* and parapsychology.

Mr. Huang Junjie, standing member of the editorial board for the series, said that the writers and editors are all *qigong* masters with rich experience in this field in practice and research and so the publication is authoritative. It provides a comprehensive view on the present level of

qigong research in China, the achievements already gained and guidance for those who are interested in its practice and research.

Two books already published, *Three Kinds of Notes to the Realization of Reality* and *The Feel of Qi in the Human Body—Y Method*, have been sold like hot cakes, and have won high praise from experts and many readers. The first book contains the famous work of Taoist *qigong* *Realization of Reality* with a selection of historical notes edited, checked, and proofread by Shi Ping, former president of the Beijing University Qigong Association, who has studied ancient *qigong* books for many years.

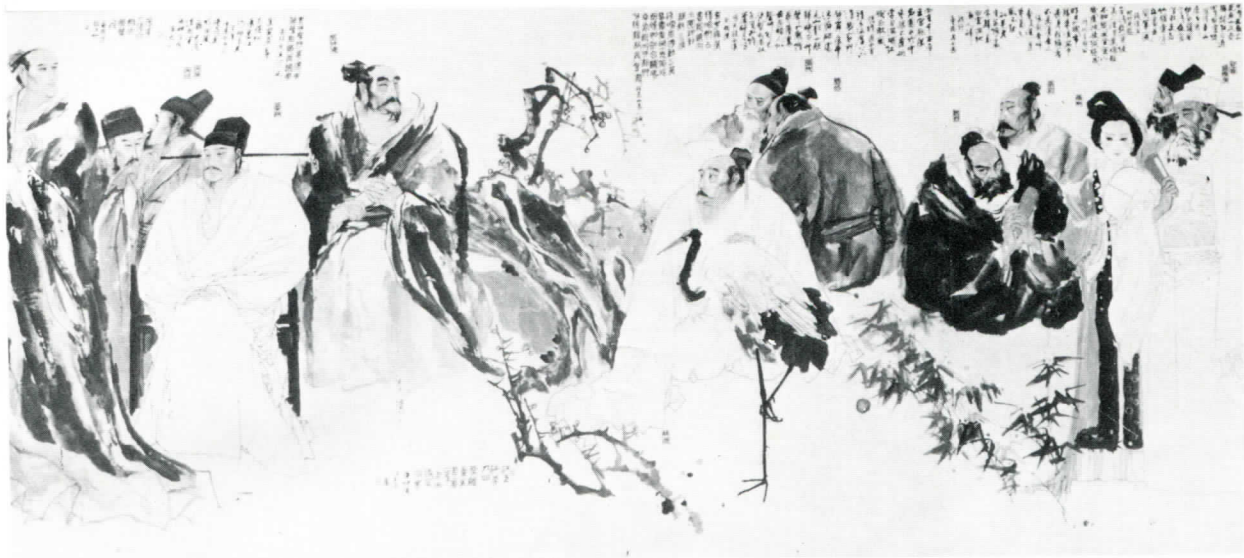
Scientist Yao Zhenxiang has discovered a set of special methods to detect the causes of pain and to cure illnesses by *qigong* which she called the "Y Method." After her method was taught and passed down, many people came to her for treatment. Recently, she arranged a series of articles published in a *qigong* magazine and edited the book *The Feel of Qi in the Human Body—Y Method*. Apart from systematically introducing the special *qigong* skill and the fam-

iliar method invented by Ms. Yao, it also relates many successful, sometimes extraordinary cases cured by using the "Y Method." The book gives people a view of the great potential of *qigong*.

Other books to be published include the *History, Methods and Theories of Chinese Qigong* written by Wang Songling, a practitioner with 60 years' experience and research on *qigong*. It will be a major work in the history of *qigong* in China. Also to be published are *The Gist of Qigong* written by famous *qigong* expert Pang Heming for *qigong* beginners; *The Qigong, Science and Modern Civilization* written by Tao Zulai, one of the most authoritative persons in China's *qigong* academic circles; *Methods and Theories of Qigong for Cardiovascular Disease* was written by *qigong* medical specialist Wang Rongxing based on his over 30 years' practice in *qigong* medicine; and *Qigong and Biological Control* written by Huang Bingxian, a specialist on China's biological control.

The series, over 30 books, will be published in 1990. Its publication will promote exchanges of research results on *qigong* and special functions of the body between those interested in the subject both in China and abroad.

by Huang Junjie & Lou Xinyue



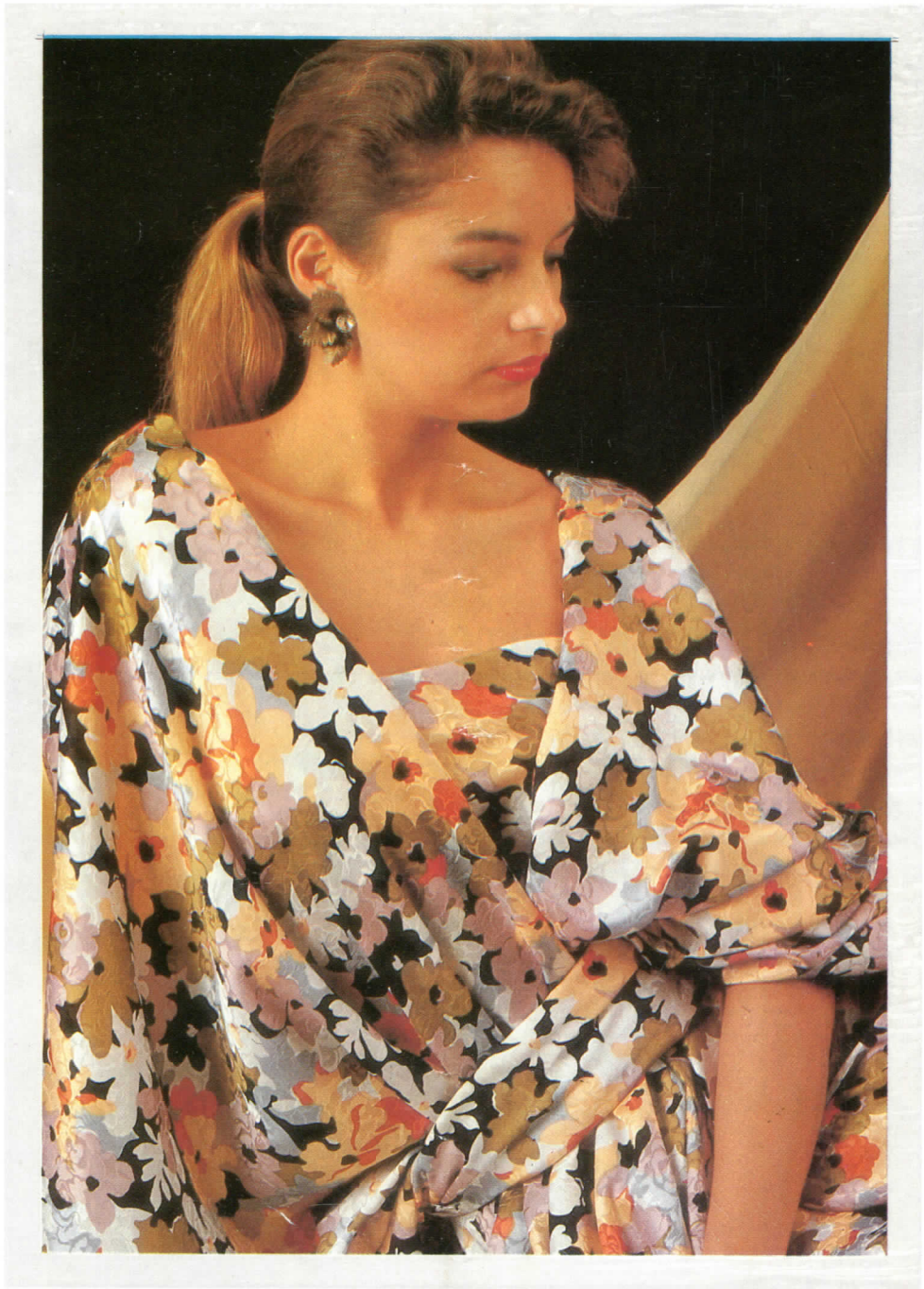
ART PAGE

Chinese Paintings by Li Junqi

Li Junqi, born in Zhaozhou County, Heilongjiang Province in 1943, now works with *New Youth* magazine in the same province. These Chinese paintings are taken from his "Volume of China's Poets of the Past Ages." His work depicts some 500 poets from China's past with representative samples of their work. This volume of paintings is 170-metre long and 2-metre wide.



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