

A CHINESE WEEKLY OF NEWS AND VIEWS

# Beijing Review

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**SOCIALISM  
WILL  
SAVE CHINA**

**China's Multi-Party  
Co-operation  
System**



Pupils of primary school learn from the Lei Feng spirit.

—Inspired by the Lei Feng\* spirit of serving the people, primary school pupils of Harbin City often do public cleanups on their Sunday holidays despite severe winter temperature below zero 20°C.

*Photo by Men Suxian*

\* Lei Feng was a squad leader of a Shenyang unit of the People's Liberation Army who died on August 15, 1962 while on duty. His practice of wholeheartedly serving the people in his ordinary post has become an example for all Chinese people, especially youths.



## Carrying Forward the Cultural Heritage

□ In a January 10 speech, CPC Politburo member Li Ruihuan stressed the importance of promoting China's national culture. Li said this will help strengthen the country's sense of national identity, create the wherewithal to better resist foreign pressures, and reinforce national cohesion (p. 19).

## Sanctions Will Get Nowhere

□ Some Western politicians, in defiance of the realities and the interests of both China and their own countries, are still demanding economic sanctions against China. They ignore the fact that sanctions hurt their own interests as well as China's (p. 4).

## Socialism Will Save China

□ This is the first instalment of a six-part series contributed by a Chinese student studying in the United States. While refuting the allegation of socialism's failure in China by some political "elites," it discusses China's current historical period—one of crucial importance to China's development—which calls for political stability to ensure the nation's on-going economic and political reforms (p. 24).

## Guiding Principles for State Relations

□ The Five Principles of Peaceful Coexistence, widely accepted throughout the world, have played a positive role in promoting international relations and the development of international law (p. 9).

## Taiwan's 'Elastic Diplomacy'

□ The Taiwan authorities, relying on their economic advantages, have pressed ahead in the past two years with an "elastic diplomacy". The policy, designed to split the country, is strongly opposed by all patriotic Chinese on the mainland, on the island and abroad and so can never succeed (p. 27).

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# Who's Hurting Who With Sanctions?

by Zhang Zeyu

The visit to Beijing in December by Brent Scowcroft, special envoy of US President George Bush, thawed the once strained Sino-US relations. American bankers are to resume issuing loans to China. The Japanese government has responded positively by saying it will reconsider loans to China. The Australian government is ready to improve relations. The French government has agreed to provide capital for the Automobiles Citroen SA to set up a branch factory in China. Earlier, it had dropped its decision to sell warships to Taiwan. The Chinese government and people welcome all these moves aimed at improving relations with China.

However, some politicians in the West still cling to economic sanctions against China. An outstanding example can be found in the re-adoption of an amendment on sanctions against China to the State Department authorization bill, on November 21, 1989 and January 30 this year, by the US House of Representatives and the US Senate.

According to the Associated Press, the amendment allowed Bush to halt the sanctions on condition that doing so conforms to US interests or that he could say the Chinese government had achieved progress in political reform. The "political reform" here does not mean the efforts China makes to expand socialist democracy but rather the "improvement of human rights conditions" that is frequently preached in the West.

Sanctions may cow some weak-nerved people, but when they are used against those who are defiant the results can be completely opposite to what is expected. History has proved that the Chinese people are not afraid of pressure. In 1950, after the Korean War broke out, Western countries, led by the United States, imposed an economic embargo against China along with a military threat; in the early 1960s, another superpower withdrew its economic aid to China. At that time, China faced a much more severe international climate and greater difficulties, but the Chinese people withstood all those external pressures and did not budge an inch. Furthermore, relying on its own resourcefulness, China manufactured before 1970 the atomic bomb, long-range missiles and artificial satellites.

After the turbulence in Beijing last June, some Western countries once again imposed economic sanctions on China. Although the move caused China some difficulties, it has failed to prevent the Chinese people from marching along the socialist

path. After a year of adjustments, China's economic situation has improved. Both imports and exports are growing at a satisfactory rate, and foreign exchange reserves are picking up. The political situation is stable. The society is stable. The people live and work in peace and with contentment.

On January 15, Alain Peyrefitte, an academicien of the Academy of France, said that any policy aimed at boycotting China and imposing economic sanctions on it would be doomed to fail, for it is impossible to resist one-quarter of the human race.

Then, do the sanctions accord with US interests? They may not. Reactions to sanctions by leaders in the American business community are more acute and more practical.

At the US Senate Foreign Relations Committee on July 19 last year, representatives of the American Importers and Exporters Association, the US-China Joint Commission on Commerce and Trade, and the American Manufacturers Association demonstrated their opposition to the proposal by some senators that demanded the cancellation of the most-favoured-nation status given to China. They maintained that China's most-favoured-nation status is the cornerstone of Sino-US trade relations and that cancellation would seriously damage the interests of many US companies.

In mid-December, Roger Brooks, director of the Centre for Asian Studies under the American Heritage Foundation, an important think tank of the Republican conservatives, submitted a nine-point proposal to the Bush administration on the issue of restoring normal relations between China and the United States. He urged the Bush administration to work out an effective and definite policy towards China. The US government should not be led by the nose by Congress, he said in the proposal. Instead, the American government should persuade Congress that economic sanctions against China will only bring about results that run counter to US desires, he said.

Recent news reports say that on February 7 the US Chamber of Commerce in Hong Kong delivered a letter to Bush, requesting him to withdraw all economic sanctions against China. The letter stated that further economic sanctions would damage the interests of US exporters and investors in Hong Kong.

There's an old Chinese saying which applies in today's world — "As you sow, so will you reap," or he who tries to plant hatred will suffer in the end. ■



Deng Xiaoping and Jiang Zemin meet members of the Hong Kong Basic Law drafting committee.  
TONG MENGZONG

## Hong Kong Basic Law Finalized

**T**he draft of the Basic Law of the Hong Kong Special Administrative Region (SAR) was approved at the ninth session of the drafting committee on February 16 as more than two-thirds of the 50 committee members voted for it, bringing a full stop to nearly five years of work.

The draft has been submitted to the Standing Committee of the National People's Congress (NPC) for examination and will go to the Third Plenary Session of the Seventh NPC, to be held in March this year, for final approval.

Retired Chinese leader Deng Xiaoping described the final draft of the Basic Law as "of historic and international significance" when he, along with top Chinese leaders Jiang Zemin, Yang Shangkun, Li Peng and Wan Li, met members of the drafting committee from the mainland and Hong Kong on February 17 in Beijing.

Calling the draft a "creative masterpiece," Deng said it is of historic significance not only for the past and present, but for the future. And it will have long-term international significance for the third world and mankind.

The drafting committee also endorsed the flag and emblem of the Hong Kong SAR. The flag is

red with five stars of bauhinia flower at the centre. The emblem is the same flower, with "The People's Republic of China Hong Kong Special Administrative Region" (in Chinese) and "Hong Kong" (in English) written around. The bauhinia flower is the city flower of Hong Kong.

Zhou Nan, the newly appointed director of the Hong Kong Branch of the Xinhua News Agency and a member of the drafting committee, said on February 16 that he believed the overwhelming majority of the Hong Kong people will be in favour of the law.

The draft Basic Law agrees with the actual conditions in Hong Kong and shows consideration for the demands and interests of different social strata in the pluralistic society of Hong Kong, Zhou said.

He said the law affirms in legal form the concept of "one country, two systems" and a series of principles and policies of the Chinese government as stated in the Sino-British Joint Declaration on the Question of Hong Kong.

He also believed that it will contribute to maintaining the prosperity and stability of Hong Kong after it is approved and promulgated by the NPC, adding

that the co-operation between China and Britain on the Hong Kong question will enter a new stage.

**Some Important Changes.** The final draft of the Basic Law shows a number of changes on important issues.

Article 18 deals, among other things, with the Standing Committee of the NPC declaring a state of emergency in Hong Kong in case of a turmoil which gets out of the SAR's control. The word turmoil has been changed into "turmoil designed to undermine national unity or security."

Article 19 stipulates that courts of the Hong Kong SAR have no jurisdiction over state acts. The words "defense and foreign affairs" have been added to modify the words "state acts."

In Article 23, the phrase "act designed to subvert the central people's government" has been added to other serious acts that the Hong Kong SAR should prohibit by law. In addition, a new sentence has been added to this article—the SAR shall prohibit political organizations or institutions in other countries from conducting political activities in Hong Kong and prohibit Hong Kong political organizations and institutions from establishing connections with their foreign counterparts.

Article 67, a new article, stipulates that most of the SAR Legislative Council members must be Chinese nationals who are permanent residents of Hong Kong and have no residence certificates in other countries. It also says that foreigners who have permanent residence certificates in Hong Kong and permanent Hong Kong residents who have residence certificates in other countries can also be Legislative Council members, but their number must not exceed 20 percent of all the Legislative Council members. ■

## Economic Zones Vital to China

Establishing special economic zones and the further opening of coastal areas are two salient features of China's reform and open policy, and despite the current economic retrenchment and rectification effort, special economic zones should be run better and play a vital role in bringing about an export-oriented economy.

This message was conveyed by Premier Li Peng during a February 7-11 inspection tour of Shenzhen Special Economic Zone and Huizhou, an open coastal city in south China's Guangdong Province.

During the economic rectification drive, Li said, the speed of economic development throughout China will be slowed down a bit, but the development of the special economic zones could be slightly faster than the national average.

The premier noted that a large amount of money had been invested in special economic zones and now was the time for them to produce results.

He pointed out that as long as the enterprises were efficiently managed and their products met the needs of the market and were able to enter the international market, they would be allowed to develop a bit more quickly.

In this way, Li explained, the special economic zones would be able to help the country overcome difficulties that are emerging in the ongoing rectification drive.

Special economic zones should focus on the exported-oriented economy, he said, and therefore they should co-operate with inland areas in technological transformation and increasing the nation's export capacity.

Li also said that those working in the special economic zones should adhere to the four cardinal principles and spare no effort to foster advanced socialist ethics.

Regarding international exchange, he said the people in spe-

cial economic zones should remain politically sober-minded while learning foreign advanced technology and management expertise and absorbing foreign funds. It is also necessary to crack down hard on all criminal activities, wipe out all corrupt phenomena and create a stable social environment so that the local residents can lead peaceful and happy lives, foreign investors can feel at home and special economic zones can indeed be turned into models of a socialist culture and morals.

The total industrial output of China's five special economic zones — Shenzhen, Zhuhai, Shantou, Hainan and Xiamen — reached nearly 30 billion yuan (about US\$6.38 billion) last year, 3.4 times higher than the 1986 figure.

These zones had approved more than 5,700 foreign-funded projects by the end of last year; the contracted volume of foreign investment was US\$9.4 billion. More than US\$4.1 billion in foreign investment had been put to use, one-quarter of the total volume of foreign investment used in China so far.

The zones' total volume of exports was US\$3.85 billion last year,

covering nearly 10 percent of the country's total.

The revenue of the zones also increased. The total revenue of Shenzhen, Zhuhai, Shantou and Xiamen was estimated to be 3.45 billion yuan last year.

In the past, the zones were haunted by a serious shortage of foreign exchange. But, with ever-expanding exports in recent years, the zones have achieved a balance of foreign exchange revenue and expenditure, and even enjoyed a slight surplus. ■

## Minister Stresses Inter-Ethnic Unity

A senior Chinese leader has stressed that lasting stability of the entire nation depends on "the close unity of all nationalities and on stability in ethnic minority areas."

Ismail Amat, minister of the State Nationalities Affairs Commission, urged 200 local nationalities affairs directors at a national conference in Beijing on February 13 to redouble their efforts to strengthen the unity of the country's nationalities. He also said that stability in ethnic minority areas,

## NPC to Meet in March

The Third Plenary Session of the Seventh National People's Congress (NPC) will convene in mid-March, said a spokesman for the General Office of the NPC Standing Committee.

Zhang Husheng told a press conference on February 18 that correspondents from Hong Kong, Macao and Taiwan as well as foreign countries, are welcome to cover the session, and they should apply to the NPC Information Bureau before March 15.

Meanwhile, the 12th session

of the NPC Standing Committee opened on February 19 to review the draft Basic Law of the Hong Kong Special Administrative Region recently approved by the drafting committee.

The Standing Committee session will also cover five other draft laws, including the law on the protection of military installations, the copyright law and the amendment to the Chinese-foreign equity joint venture law, the law on the national flag, and the law on railways. ■

which cover 64 percent of the land in China, must be maintained.

After reviewing last year's progress, he warned that unstable factors still exist in China's inter-ethnic relations. Problems are created mainly by separatists and forces hostile to the Communist Party and socialism at home and abroad, he said.

"They always stir up turmoil and conduct separatist activities under ethnic or religious disguises," he pointed out.

The minister acknowledged that the work of nationalities affairs directors has become even more difficult than before.

He blamed this on recent developments in ethnic conflicts in the Soviet Union, radical changes in East European countries and the awarding of the 1989 Nobel Peace Prize to the Dalai Lama.

He called for careful and proper solutions to problems arising from inter-ethnic relations. Hidden perils in such relations must be analysed and studied in order to be removed with effective remedies, Amat said.

"On the major issues concerning the unification of China and common interests of the people in all nationalities," the minister said, "we must have a clear-cut stand and resolutely expose and crack down on splitting (China) and sabotage."

Amat admitted that the current economic problems in minority areas, and also mistakes made during the implementation of nationalities policies further aggravated the difficulties.

In order to enhance stability in the country, many steps must be taken to maintain stability in minority areas, he added.

Education on the Party's nationalities policies must be stepped up, especially among officials and youngsters of all nationalities, the minister said.

"Any wrong thoughts, speeches and actions that affect nationalities' relations and hurt their sentiments should be seriously criticized, no matter what forms they

take."

Measures would be taken to make the economy in minority areas grow at a more stable and steady pace, he said.

The Chinese government has promised to continue to prop up the economic development in minority areas this year, he said. And it will take specific situations into consideration, in implementing the continuing austerity programme, he noted.

The minister said that the state will continue to enforce the Law of Regional National Autonomy, which went into effect five years ago.

Last year, seven new autonomous counties were set up throughout the country according to the law, with the approval of the State Council.

Regulations related to the law will be issued this year.

Chinese leaders Jiang Zemin and Li Peng also attended the meeting. Both of them reiterated that China is a unitary multinationality country, and that the state's future and destiny hinge on the equality, unity and common prosperity of all nationalities.

"When formulating and implementing policies and programs related to the country's economic and social development," Li Peng said, we must take into account many nationalities and the autonomous areas where minority ethnic people live and pay close attention to the characteristics of individual nationalities and regions."

He also noted that it is the Party's fundamental policy to persist in reform and opening to the outside world and realize the common prosperity of all nationalities.

Construction of ethnic minority areas, Li Peng said, depends on local people's self-reliance and hard work as well as co-operation with economically developed areas. The state will give support and assistance in finance, material supply and personnel to ethnic minority areas according to the overall development strategy and the actual situation, he added.

## Dalai's Threat Seen as Senseless

The threatening tone adopted by the Dalai Lama in reference to talks on Tibet with the central government of China is completely senseless, a senior official of the State Nationalities Affairs Commission said at a news conference in Beijing on February 10.

Referring to a January 18 United Press International report quoting the Dalai Lama as saying that he would have to take a new stand on the status of Tibet if China did not begin "meaningful and sincere dialogue" within one year, the official said: "No one but the Dalai Lama is responsible for delaying the dialogue."

He said the central government has always been willing to hold talks on any issue except Tibet's independence. At the request of the Dalai Lama, the central government has received delegations and private representatives that he has sent many times since 1979.

China's central government has made it clear that it cannot accept the so-called "new proposals" made by the Dalai Lama in Strasbourg, France, in June of 1988, let alone make them the basis of the dialogue, because the proposals were formed on the pretext that "Tibet used to be a country."

The Dalai Lama's political stand that Tibet should contact the People's Republic of China as an autonomous democratic political entity, is aimed at putting Tibet on the same level as China, as a sovereign state, the official said. That contradicts the fact that Tibet is part of China and that the Chinese government has sacred sovereign rights over it.

The Dalai Lama and his so-called "government-in-exile" claimed for propaganda purposes that they were willing to hold a dialogue with the central government, the official added. But they turned out to be capricious. In one

breath, they said they had formed delegations and could start the talks at once; in another, they said their cabinet was not ready and that they were in no haste to begin.

They also took steps to poison the atmosphere for dialogue, the official said. They plotted and stirred up riots in Tibet in their eagerness to organize separatist activities.

The official added: "We want to restate here that we are willing to hold dialogues with the Dalai Lama on any issue but the independence of Tibet. We hope that he and the people around him will try to create some real conditions for the talks and make some practical efforts for the unity of all China's nationalities and the prosperity of Tibet." ■

## Farmers Pin Hopes On Scientific Farming

The Ministry of Commerce, as one of its important tasks in the new year, will boost agriculture through introducing science and technology into farming production.

Since the 1970s, more than 70 percent of the world's increased grain production has been attributed to the application of agricultural technology, said Fu Limin, deputy-minister of commerce, at a recent press conference.

Now, about 20 supply and marketing co-operative systems in rural areas in China have joined forces with local farmers to initiate a new type of production organization called "united entities." The deputy minister said "united entities" were formed by economic and technological contract groups for the production of grains, cotton and oil.

It is also important for the ministry and various supply and marketing co-operatives nationwide to have the farmers run the commercialized and unified farming production and business operation by means of introducing agricultural technology, said Fu. He added that

his ministry has a particular advantage in boosting agriculture with agrotechnology.

According to the Ministry of Agriculture, the acreage of 15-ton-per-hectare farmland created by farmers in 23 provinces, autonomous regions and municipalities last year reached 1.39 million hectares as a result of the use of agro-science and technology.

In 1989, each hectare of farmland in Chenghai and Chaoyang counties in Guangdong Province and Longhai County in Fujian Province produced more than 15 tons of grain.

More than 400,000 hectares of farmland in Hunan Province in central China were turned into high-yield land, which produced a total of 5 billion kilograms of grain.

The northern part of China where natural conditions for growing crops are relatively poorer than in southern China, also made a breakthrough in output to attain the 15-ton target per hectare. In 1989, Shandong Province created 100,000 hectares of such high-yield farmland and planned to realize a high-yield programme in three years. But by the end of the same year, about 85 percent of the total planned hectares had already reached the goal.

Development of high-yield farmland has also been introduced in Hebei and Gansu provinces.

As the discrepancy between a rapidly growing population and the decrease of an already limited farmland acreage in China becomes increasingly acute, the development of high-yield farmland shows a way out for agriculture, an official with the Ministry of Agriculture said. ■

## 194 AIDS Cases Discovered in China

The AIDS virus had infected 194 people on China's mainland by the end of 1989, including three foreigners already

confirmed as AIDS sufferers.

Addressing a news conference on February 7, Dai Zhicheng, a senior official with the Public Health Ministry, said that among those infected, 153 were mainland citizens and 41 were foreign residents.

The sudden increase was revealed by an AIDS serum inspection conducted by Yunnan Province in southwest China among drug addicts in the border areas. The inspection found that 146 people infected with the AIDS virus were intravenous drug users.

This was the first time China had found AIDS cases in remote areas and among drug addicts.

In Beijing, 15 people have been tested positive with the AIDS virus. Henan Province and Guangxi Zhuang Autonomous Region have reported 13 such cases among foreigners who were studying there; all the infected have left China.

"The situation shows that AIDS has not only arrived in China, but is also spreading fast," Dai said.

The cases included 146 drug addicts, four people who had used imported blood products, two who had just returned from abroad and one who was a homosexual infected with venereal disease.

Acquired immune deficiency syndrome has now been found in people in 10 provinces, autonomous regions and municipalities in China.

Dai stressed that local governments should draw up proper laws according to their own situations on banning prostitution, drug trafficking and drug addiction to eliminate the spread of AIDS and venereal disease.

He asked that all local governments support the task financially. Meanwhile, China should attach great importance to publicity and education work, drawing people's attention to the menace of AIDS.

He noted that China is also increasing co-operation with international organizations and foreign countries on the subject. ■



# Upholding the Five Principles Of Peaceful Coexistence

by Yi Ding

**T**he Five Principles of Peaceful Coexistence, widely accepted by the world community, have played a positive role in promoting international relations and international law. However, there has been talk nowadays that the Five Principles of Peaceful Coexistence are outdated and current international relations should be based on human rights. This view denies the accepted principles of international law and the norms of international relations and imposes the Western concept of human rights and politics upon other countries. It is harmful and violates the historical trend and must be repudiated.

## Basic Principles Governing International Relations

In 1954, China, India and Burma initiated the Five Principles of Peaceful Coexistence. In the Sino-Indian and Sino-Burmese statements the three governments presented the five principles (mutual respect for sovereignty and territorial integrity, non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence) to govern bilateral relations. The three countries also applied the five principles to other countries, believing that "if these principles are applied not only between various countries but also in international relations generally, they would form a solid foundation for peace and security."

From the beginning the five principles have been warmly welcomed and supported by newly independent Asian and African

countries and recognized by the majority of world nations. There has been strong response from the international community. The five principles have been repeatedly quoted and recognized in international documents dealing with bilateral relations. And they have been widely acclaimed at international conferences as a modern concept.

The Five Principles of Peaceful Coexistence have made positive contributions to promoting the establishment of new international relations and the development of international law. The five principles have also had major effects on subsequent international relations and some important international documents.

At the Bandung Conference in 1955 attended by leaders of Asian and African countries, China and Indonesia suggested that the five principles be adopted as the conference's guideline. Many countries supported the proposal, believing that the five principles were a proper formula to establish a new international order as well as a genuine basis of co-operation between Asian and African countries.

The result of the meeting was the Declaration of the Bandung Conference, which contained 10 principles — generally considered by the international community to be an extension of the five principles. Thus for the first time, the five principles were written into a multilateral international document.

In 1957, the 12th United Nations General Assembly put on its agenda a declaration on the principles of peaceful coexistence between countries. Representatives of some countries pointed out that the Five

Principles of Peaceful Coexistence, reaffirmed at the Bandung Conference, promoted relations between those countries that had accepted them. If the United Nations appealed to its members to take the five principles as a guide, international relations would be greatly improved, the representatives said. Afterwards the UN General Assembly adopted Resolution 1236 (XII) "Peaceful and Neighbourly Relations Among States." The five principles were thus recognized in the form of a UN resolution.

The Declaration on Principles of International Law Concerning Friendly Relations and Co-operation Among States in Accordance With the Charter of the United Nations was jointly drafted by 64 countries at the 25th UN General Assembly. It is recognized as a major document of international law and a supplement to and materialization of various principles of the UN Charter. It is directly linked to the five principles.

At the 16th session of the UN General Assembly in 1961, 12 Asian and African countries put forward a motion to examine and discuss the principles of international law governing the peaceful coexistence of various countries. During the discussion many countries pointed out that to compile all the principles dealing with peaceful coexistence was a reflection of the trend in the development of international law. The adoption of the Declaration on Principles of International Law will help confirm the new development of the philosophy of contemporary law and declarations adopted by such regional conferences as the Bandung Asian and

African Conference, the non-aligned summit in Belgrade and the summit of the Organization of African Unity at Addis Ababa. The contents of the Declaration on Principles of International Law were essentially the same as the Five Principles of Peaceful Coexistence. Some scholars said the former only served to substantiate the latter.

The basic idea behind the five principles is that every country should enjoy state sovereignty in its entirety, and that all countries are equal as far as state sovereignty is concerned. This certainly entails opposition to colonialism and racism and support for the national liberation movement.

As a scholar said: "The significance of the five principles lies in the fact that they have provided political and legal weapons to the people's struggle in various nations against colonialism."

Many non-aligned nations positively advocate and pursue the five principles, which were highly praised at the first and second non-aligned summits. The non-aligned nations have made outstanding contributions to spreading and developing the five principles, thus expanding their influence within the United Nations.

As one of the originators of the five principles, China plays a particular role in spreading, promoting and developing the principles and has made a positive contribution. China always pursues a foreign policy of peace and takes these principles as the very foundation upon which it develops relations with other nations. In the 1950s it stated the five principles repeatedly in joint documents or treaties signed with many Asian and African countries. In later international relations, it unflinchingly upheld the five principles. These principles were also reiterated in statements or communiques on establishing diplomatic relations between China and more than 90 countries, and reaffirmed as the basis for developing mutual relations in such documents as the Sino-US Shanghai Communique and the Commu-

nique of Establishment of Diplomatic Relations Between China and the United States, the Sino-Japanese Joint Statement and the Treaty of Peace and Friendship and the Sino-Soviet Communique of last May.

The five principles are the result of historical developments. They not only reflect the common desire of developing countries, but also entirely conform to the common needs for the development of contemporary international relations.

### **Vitality of the Five Principles**

That the Five Principles of Peaceful Coexistence was initiated by newly independent countries as the basic principles for international law was a rare occurrence in the history of international law. Their quickly-spread and far-reaching influence were also seldom seen in the annals of international relations. There are three reasons why the five principles have had such tremendous vitality.

First, they were proposed at the same time a new international relationship was being formulated and reflected the essence of that new relationship. Countries that have initiated and followed the five principles are mostly small and weak and have suffered from colonialist and imperialist oppression and unequal international relations. After World War II many of the colonies became independent countries and quickly emerged as an irresistible force on the world political stage. For historical reasons, they sought to develop state relations with other nations on the basis of mutual respect for state sovereignty, equality and mutual benefit. The five principles, as opposed to the old order, power politics and hegemonism, reflected the democratic ideas and characteristics of the contemporary world relations.

Second, the five principles summarized the basic principles of international law and added new dimensions and interpretations to the new type of international relations.

The most profound and important principle in international law is that of respect for state sovereignty and territorial integrity. Sovereignty is the essence of a country characterized by its supremacy in internal affairs and its independence in foreign affairs while territorial integrity is the prerequisite for a country's sovereignty. Non-aggression means that threat of force should be excluded as a means of pursuing a state policy in international relations. That principle has been established in many documents on international law, including the UN Charter. The principle of non-interference in each other's internal affairs was designed to guarantee every country the right to select its own political, economic and cultural system and to prevent any country from intervening in another country's internal and diplomatic affairs in any way. The principles of equality and mutual benefit must work not only in theory but also in practice. Large countries are not to humiliate small countries; rich nations are not to oppress poor ones. The principle of peaceful coexistence is another important principle applicable to the increasingly diversified postwar international relations. It is suited not only to countries with different social systems but also to nations having similar social systems.

The ideas and basic principles during a period of historical development international law have always reflected the characteristics of that period's international relations. Traditional international law gradually came into shape following the victory of European bourgeoisie revolution and the establishment of national states. Such an international law gave expression to the democratic ideas of bourgeoisie as a rising class, such as the ideas of state sovereignty, equality and non-interference in each other's internal affairs. However, it is well-known that international law at that time served only "civilized Christian countries in Europe." The vast number of weak and small countries were never taken seriously in international law;

they were put on an unequal footing with capitalist countries both politically and legally. During the era of imperialism, the looting of colonies, power politics and aggression, those democratic principles were restricted to the paper they were written on. The October Revolution in Russia in 1917 gave birth to the world's first socialist country. After World War II, New China was founded and many colonial and semi-colonial nations became independent, thereby expanding the applicable scope of international law and instilling it with new democratic ideas. For the first time the five principles were put forward as a complete concept, not only reaffirming some of the basic principles of international law but also adding new meaning and interpretations that reflected the new-type international relations.

Third, the five principles were presented in recognition of the fact that all countries, in spite of their many differences, will coexist in the contemporary world community for a long time to come. To begin with, the five principles advocate that every country should strictly comply with the norms of international relations and seek common ground while preserving differences in dealing with other nations.

Like the general principles that guide state relations, the five principles dictate that all countries, big or small, strong or weak, should respect one another politically. Economically, all countries, whether rich or poor, developing or developed, should co-operate with and treat each other on an equal, mutual-benefit footing.

This new guideline governing international relationships demands that ideological barriers be removed from state relations, contradictions between different social systems be overcome, and international exchanges between different cultures, histories and traditions be harmonized. The development of postwar international relations has shown that bloc politics and hegemonism get nowhere, because in state relations both tend to form alignments according to social sys-

tems, determine whether to befriend or antagonize a country on account of its ideology, pursue state policies by means of political force and impose one country's will on others by sheer economic strength. To maintain a normal and cordial international relationship in the present-day world community in which each nation runs its own affairs, it is imperative for all countries to seek common ground that everyone can accept and to overcome their differences. Only thus can world peace and security be safeguarded, and economic prosperity and social progress achieved. Practice has proved that the five principles, far from becoming outdated, have stood the test of complicated changes in postwar international relations and will play an increasingly important role in dealing with relations among countries with different social and political systems.

### **Human Rights as the Basis Of State Relations?**

After World War II, human rights activities developed quickly and had an enormous impact on the development of modern international relations and international law. However, does this show that human rights have become the basis of modern international relations? The answer is in the negative.

First, today's world community is one in which nation-states form the mainstay and different social systems coexist. Because of this, state relations can only be based on internationally recognized principles of international law.

International law was formulated with the emergence of nation-states as the norm of conduct in adjusting state relations. The existence and development of international law does not depend on the precondition that all countries should share the same culture, ideology or socio-economic system. This is because it only reflects the general needs and common interests of various countries. Basic laws and principles reflecting a na-

tion's characteristics, such as state sovereignty, equality with other sovereign nations, non-interference in other countries' internal affairs and non-aggression, have been reiterated in many documents dealing with international law, including the UN Charter, and have been generally accepted by every country. That China proposed to establish a new international political order on the basis of the five principles is because these principles have been generally accepted by the international community.

Countries have always differed on the source, interpretation and application of international law, because development of international law is largely influenced by Western politics, economics and culture. Some of the related ideologies and principles that smack of colonialism, imperialism and hegemonism have been criticized and repudiated by developing countries and medium-sized and small nations. Moreover, laws having the characteristics of regional and bloc politics have also been rejected as conventional principles of international law. The general guidelines for state-to-state relations should be those which all countries have accepted as the fundamental principles for international exchanges.

Second, the idea of basing international relations on human rights is, in essence, designed to negate the basic principles of international law.

Such basic principles of international law as safeguarding national independence and defending state sovereignty and territorial integrity are the cornerstone for the existing international order. International relations are fostered mainly through actions by individual countries. Western, socialist and third world countries believe they should deal with mutual relations within this framework because they all need to safeguard their independence.

Some new doctrines of international law formed in recent years regard individuals as the subject of international law, and advocate writing off the principle of sover-

eighty and non-interference on the question of human rights. But this idea has met with varying degrees of rejection and opposition from various countries. Even Western jurists maintain that there is no reason to say the concept of state sovereignty is outdated and should be abolished. This is because this concept, based on national sentiments and the people's psychological values, has long taken root among the people. Since the individual is not separate from the state, then human rights cannot be realized and guaranteed to the negation of state sovereignty.

When the various countries accept the principle of state sovereignty, they inevitably commit themselves not to interfere in the internal affairs of other countries. The principle of non-interference is inseparable from a nation's independence and sovereignty. To take human rights as the basis of international relations is to reject the applicable general principles of international law and allow some countries to evade their commitment to the principle of non-interference on the human rights question so that they can rob others of the right to defend independence and state sovereignty. Some have gone so far as to say that the law of human rights is a "higher law" and that therefore some countries can be permitted to resort to force in total disregard of Article 2, Section 4 of the UN Charter. Such views, often used as the pretext for power politics, clearly run counter to existing international politics. It must be recognized that none of these views has been strongly supported by any major political force in the world. As for humanitarian intervention stipulated in traditional international law, various countries still have reservations. And interference in the internal affairs of other countries for human rights reasons cannot but arouse strong resentment. Hedley Bull said: "The reluctance evident in the international community even to experiment with the conception of a right of humanitarian intervention reflects not only an unwillingness to

jeopardize the rules of sovereignty and non-intervention by conceding such a right to individual states, but also the lack of any agreed doctrine as to what human rights are." Although theories advocating the supremacy of human rights abound in the world, modern international law is still centred on national sovereignty and the nature of international relations still rests on the balance and co-ordination of interests between national states.

Third, clashes and conflicts can be the only result if a country clings to the idea that human rights are the basis of international relations and is bent on imposing certain values on others.

Great differences exist between countries on the theoretical concept of human rights, their laws and the criteria for their judgment. The West stresses an individual's civil and political rights while developing countries cherish the rights for existence, national self-determination and development. The emergence of the concepts of individual and collective human rights reflects in a more profound way the contradiction of values between the West and other countries, values upon which the concepts of human rights, for Western and other countries alike, are based. Interpretation of human rights and the criteria for their judgment are in the final analysis circumscribed by a country's social system and ideology, and they are apt to cause controversy between countries under different political systems. Practice has shown that it won't do to try to force human rights concepts and laws based on certain ideologies on other countries; it is even more unrealistic to attempt to make them the highest norms of conduct and supreme standards for the interests of all countries.

In the field of human rights and general international relations, an outstanding problem lies in the fact that some Western countries, acting on their own values, frequently butt into other countries' internal affairs. Just as Bull also said: "The Western powers, in particu-

lar, whose capacity to involve themselves in the affairs of other peoples, whether politically, economically, or socially, is so much greater than that of many of the latter to involve themselves in the affairs of the Western countries, need to recognize that their own rather narrow definitions of illegal intervention are not universally shared." Some Western countries obstinately "show concern" for the internal affairs of others, make unwarranted charges against them and even impose "sanctions" in an attempt to bring them to their knees. This often results in tension and conflict between countries. For example, after China's quelling of the counter-revolutionary rebellion in Beijing last June, some foreign forces wantonly meddled with China's internal affairs, thus seriously jeopardizing their once normal and friendly relations with China. If the "theories" based on human rights are accepted in international relations and the so-called "concern" for others' internal affairs under the pretext of human rights is recognized as being lawful, it is not hard to imagine what will become of international relations.

China initiated and steadfastly follows the Five Principles of Peaceful Coexistence and on this basis proceeds to constantly develop friendly and co-operative relations with other countries. As generally accepted basic norms of international relations, these principles have shown their strong vitality during the past 35 years. History has proved that state relations can only be based on the norms of international relations and principles of international law that have been universally accepted by various countries; on no account should they be built on the concepts of human rights which, if anything, serve only to reflect different ideologies. The five principles are not only basic to developing friendly and co-operative state-to-state relations but are also the solid foundation on which to establish a new international political order. ■



Both Nelson and Winnie Mandela give clenched fist salutes after the great apartheid fighter was released from prison, where he has spent the past 27 years.

## Mandela's Release: A Wise Step Forward

by Chen Qimin

**O**n February 11, Nelson Mandela, the world-renowned fighter against apartheid, was released unconditionally by the South African authorities after 27 years of imprisonment.

Earlier, in a speech to parliament, South African President F. W. de Klerk announced that the ban and restrictions on three political parties — including the African National Congress (ANC) — and 33 other anti-apartheid organizations, would be lifted and that 374 political prisoners detained under the emergency security law would be freed. He also said a ban on press censorship would be lifted, but only conditionally.

As the first leader daring to challenge the apartheid system in the 42-year history of the white South African National Party, de Klerk was widely acclaimed both at home and

abroad. World opinion generally regarded these moves as a positive step towards eliminating the apartheid system, a step that is conducive to easing the tensions in both South Africa and the neighbouring region.

The Pretoria regime had no alternative. For decades, ever since the ruling National Party came to power and pursued a "white South Africa" policy, the South African people, especially the blacks under the leadership of the ANC, have never stopped their armed and peaceful, political struggles. These actions made the Pretoria regime realize that the only way to get rid of the anti-apartheid battles was to recognize the ANC. Only when the government sits down to talk with the ANC can there be a light at the end of the long and twisting tunnel of the South African question.

The long-standing political

and social unrest has also dealt a heavy blow to the South African economy. In a country where political protests often involve thousands and even tens of thousands of people, economic recession, inflation and mass unemployment are inevitable.

International isolation is another factor that drove the South African authorities to adopt the reformist measures. Apartheid has become a stumbling block in the way of improved relations between Pretoria and the front-line countries — Zambia, Botswana, Zimbabwe, Tanzania, Mozambique and Angola — and the whole of black Africa. Besides, Western countries have imposed various measures of sanctions on South Africa.

Finally but not the least important, the ANC has adjusted its strategy under the general global trend towards detente. While continuing its armed struggle, it has put the pursuit of a political solution through negotiations at the top of its agenda. This shift means a challenge — as well as an opportunity — to the South African authorities.

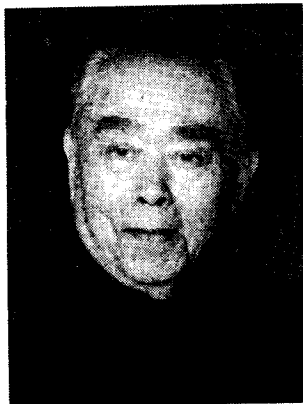
However, over-optimism is unrealistic. The pillars of the apartheid system are still intact. For example, the Group Area Act, the Population Registration Act and the Land Act remain unchanged as the basis of apartheid. The state of emergency remains in effect. The concept of "group" is essential to apartheid, yet it, too, remains unchanged.

De Klerk, in the same speech to parliament, said, "It is neither the government's policy nor intention that any group — in which way it may be defined — shall be favoured above or in relation to any of the others."

Therefore, the government's measures can be viewed only as a good beginning towards ending the racial conflict. The international community should continue to keep watch on Pretoria until apartheid is abolished. ■

# Leaders of Democratic Parties On Multi-Party Co-operation

*Much public attention has been aroused by the publication of the Guidelines Proposed by the Central Committee of the Communist Party of China for Upholding and Improving the System of Multi-Party Co-operation and Political Consultation Under the Leadership of the Chinese Communist Party. Representatives of the eight democratic parties and the All-China Federation of Industry and Commerce, non-party democratic personages and leading members of the National People's Political Consultative Conference expressed readiness to persist in and improve the system through concerted efforts. Following are excerpts from their remarks.*



Zhu Xuefan

**Zhu Xuefan, chairman of the Revolutionary Committee of the Kuomintang:** The publication of the document is not only an important matter for the development of socialist democracy in China, but also a matter of great importance to the various democratic parties.

The system of multi-party co-operation and political consultation led by the Chinese Communist Party emerged and developed during the process of China's protracted revolution

and construction. This basic political system conforms with China's reality, and has played and will continue to play an important role in China's political life and socialist construction.

Not only should this system be adhered to, but it should be improved. The Communist Party of China (CPC) is the core of leadership and the party in power, while the various democratic parties are the Communist Party's comrades-in-arm who have been working in full co-operation with it in their devotion to the socialist cause and participate in state and government affairs. This political structure must be adhered to and must not be changed. Should we advocate the formation of "opposition parties" by copying the West's "multi-party system" or "political pluralism," the result could only be disaster. This is absolutely unacceptable.

**Fei Xiaotong, chairman of the China Democratic League:** The Central Committee of the China Democratic League has decided

to mobilize all league members in a conscientious study and implementation of the document, viewing it as the norm for co-operation between various parties, and to do its part to persist in and improve the system of multi-party co-operation and political consultation led by the Communist Party.

The system of multi-party co-operation and political consultation led by the Communist Party is a basic political system. It embodies the characteristics and advantages of China's political system, and is absolutely different



Fei Xiaotong

from the multi-party or bi-partisan system of the Western capitalist countries. We are convinced that by persisting in and improving this system through the concerted efforts of the Chinese Communist Party and all the democratic parties, the system will become more vigorous.

The document makes a clear definition of the status of the various democratic parties in China's political life. This will prove important in stimulating the participation of the various democratic parties in state and government affairs and giving play to their role in the country's political life and socialist modernization. The implementation of this document will have an important impact on further consolidating and developing the patriotic united front in China and promoting the construction of China's socialist democracy.

Political stability is a matter of prime importance. Peace and unity is the guarantee for the country's prosperity. The China Democratic League has always stood for national stability and unity among the people of all nationalities in China. We will continue to work towards this end and fulfil our mission.

**Sun Qimeng, chairman of the Central Committee of the China Democratic National Construction Association (CDNCA):** Maintaining and developing China's political stability and unity is always the major prerequisite in the performance of our duty. The document will play a far-reaching and positive role in promoting the self-improvement of China's political system and the development of socialist democratic politics, providing a political guarantee for the sustained, steady and co-ordinated development of the national economy and facilitating a comprehensive, international under-



Sun Qimeng

standing of China.

Along with other democratic parties, the CDNCA has from the very beginning taken part in the formulation of the document, including research and consultation. This vividly embodies the common aspiration of the CPC and all democratic parties, taking the Constitution as the basic code of conduct.

In formulating the document, representatives of all democratic parties and non-party personages actively took part in the discussions and presented their views. The Communist Party, while playing its leading role, showed its respect for all participants for and accepted their opinions. The document itself is a successful example of multi-party co-operation under the leadership of the CPC.

The CDNCA organizations at all levels will encourage their members to seriously study and implement the document, further strengthen their internal organization and give full play to the CDNCA's role as a political party within the framework of CPC-led multi-party co-operation.

**Lei Jieqiong: chairwoman of the Central Committee of the China Association for Promoting Democracy (CAFPD):** The CAFPD fully supports the document on upholding and improving the multi-party co-operation system under the leadership of the Com-

munist Party of China.

All CAFPD members will take the document as their guide for future conduct.

The CAFPD has worked in co-operation with the CPC for a long time and developed a fine tradition of unhesitatingly accepting the leadership of the CPC. The CPC leadership is the underlying premise of multi-party co-operation and, in return, multi-party co-operation is an important factor in strengthening and perfecting CPC leadership. Such co-operation must be guided by the four cardinal principles—adherence to the leadership of the CPC, to the people's democratic dictatorship, to the socialist road and to Marxism-Leninism and Mao Ze-



Lei Jieqiong

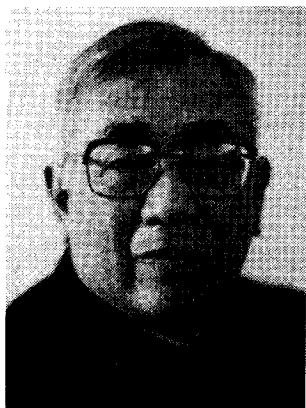
dong Thought.

The document further defines the position and functions of the democratic parties in China's political life. This will stimulate all democratic parties to better participate in and discuss state and government affairs and take part in political consultation and democratic supervision.

The fate of the nation concerns everybody. The democratic parties should be of one heart and mind with the CPC and the broad masses of the Chinese people, in surmounting all difficulties on the way forward and making their due contributions to China's socialist modernization drive.

**Lu Jiayi, chairman of the Central Committee of the Chinese Peasants' and Workers' Democratic Party (CPWDP):** The CPWDP sincerely supports the CPC Central Committee's document on persisting in and improving the system of multi-party co-operation and political consultation under the leadership of the Chinese Communist Party. The CPWDP will work for the implementation of this document which sums up China's successful experience and fine traditions over the past four decades, particularly in the new historical period. It is an important historical document which combines Marxism-Leninism with China's reality.

The CPWDP and other democratic parties have come to ac-



**Lu Jiayi**

cept CPC leadership in the long-term course of revolution and construction. Such new socialist relations among political parties are fundamentally different from those in the multi-party system in capitalist countries. The relations between the CPC and the democratic parties are those between friendly parties which maintain close ties and share common political objectives and basic interests, and those between the party in power and parties participating in the exercise of power. We'll never be

an opposition party.

The democratic parties' participation in and discussion of state and government affairs and their democratic supervision constitute a major channel for reflecting the people's opinions and implementing policies and serves as a bridge between the government and the people. This is the major way to develop socialist democracy in line with China's conditions.

The document will play an important role in promoting China's political restructuring, bringing every positive factor into play, uniting all those who can be united and consolidating and developing the patriotic united front. The CPWDP will, as always, make concerted efforts with the Communist Party for the prosperity of the country.

**Zhou Peiyuan, chairman of the Central Committee of the Jiusan Society:** The document provides an in-depth explanation of the role of the CPC-led multi-party co-operation in China's political life and sums up the close co-operation between the CPC and the democratic parties in their fight for the common goal over the past four decades. It makes an important theoretical contribution to improving the political party system with Chinese characteristics, and puts forth a number of practical suggestions for the implementation of this system. It is a programmatic document to guide the development of the system of multi-party co-operation and political consultation in China.

All members of the Jiusan Society will seriously study this document, strive to strengthen the society's own organization, actively participate in and discuss political and government affairs, carry out supervision, and make greater contributions to maintaining the country's political stability and unity, to promoting



**Zhou Peiyuan**

the reform and the open policy, and to the rejuvenation of the Chinese nation and the reunification of the motherland.

**Yang Jike, vice-chairman of the China Zhi Gong Dang:** Experience over the past decades has shown that only by accepting the leadership of the Chinese Communist Party can the China Zhi Gong Dang play its proper role as a democratic party participating in the exercise of political power. Otherwise, the party would accomplish nothing.

Whatever happens in the future, our party will, as always, adhere to the four cardinal principles, accept CPC leadership and, along with other democratic parties and non-party democratic personages, work to strengthen co-operation and consultation with the CPC on major state policies and principles.

The CPC Central Committee's document on persisting in and improving the system of multi-party co-operation and political consultation under the leadership of the CPC has established the guidelines to be followed by all of us for co-operation between the CPC and all democratic parties and set forth the concrete principles and policies. All members of the China Zhi Gong Dang support the document and pledge to abide by it together



with the CPC.

The China Zhi Gong Dang is composed of returned overseas Chinese, relatives of overseas Chinese and noted public figures and scholars who have ties overseas. A party in the nature of a political alliance, it devotes itself to the building of a Chinese-type socialism. The party will, as always, uphold patriotism and socialism, make good use of its wide connections with Hong Kong, Macao and Taiwan compatriots, overseas Chinese residing abroad, Chinese mass organizations abroad and people of



Yang Jike

various circles, and work to promote the reunification and rejuvenation of the Chinese nation.

**Cai Zimin, chairman of the presidium of the Central Committee of the Taiwan Democratic Self-Government League:** The document of the CPC Central Committee on persisting in and improving the system of multi-party co-operation under the leadership of the Chinese Communist Party has systematized the country's long-practised political party system and is a norm which all of us should follow.

Practice over the past four decades proves that the system of multi-party co-operation and political consultation tallies with the situation in the country and



Cai Zimin

is of great vitality. The purpose of keeping to and improving this system is to develop socialist democracy and build socialism with Chinese characteristics. Since the situation in China is vastly different from that of Western countries, we should not practise multi-party politics or a system of power shared by the executive, the legislative and the judicial.

The document clarifies the relationship between the Chinese Communist Party and the democratic parties. The democratic parties accept the leadership of the CPC, attend the people's congresses and the political consultative conferences, participate in discussing, deciding on and implementing the country's major policies and exercise democratic supervision. This defines the ways and the scope of the democratic parties' participation in and discussion of state and government affairs.

The league will strengthen its own organization, develop contacts with Chinese compatriots in Taiwan, share weal and woe with the CPC, and contribute to China's stability and unity and the peaceful reunification of the motherland.

**Rong Yiren, president of the All-China Federation of Industry and Commerce:** Multi-party co-operation and political consultation under the leadership of the CPC is an important political

system and strengthening such a system is of great significance to the country's social, political and economic stability and development.

The document embodies the integration of Marxist principles with China's reality. It suits the conditions in China, reflects China's reality and will therefore be widely endorsed.

As a popular organization characterized by a united front in the industrial and commercial circles and as a non-governmental chamber of commerce, the All-China Federation



Rong Yiren

of Industry and Commerce has from its inception accepted CPC leadership and actively served socialist revolution and construction.

We will carry this tradition forward, abide by the four cardinal principles and take a still more active part in state and government affairs, political consultation and democratic supervision. We will also unite industrialists and businessmen in the hard work of safeguarding social stability and unity in order to attain a sustained, steady and coordinated development of the national economy.

**Cheng Siyuan, a noted non-party democratic personage:** The document on persisting in and improving the system of CPC-led



Cheng Siyuan

multi-party co-operation and political consultation presents a programme aimed at strengthening China's socialist democracy and is an important guarantee for China's long-term stability and prosperity.

Even though certain events have occurred in the world today, China continues to persist in and perfect the system of CPC-led multi-party co-operation and political consultation: the announcement of this fact to the whole nation is evidence of China's political stability.

Since the Revolution of 1911, the Communist Party of China has emerged as the only party in China to have established firm relations with the broad masses of the labouring people and to have done a good job in organizing the nation. Without the leadership of the Communist Party, who would have been able to exercise leadership over socialist modernization in this great country of 1.1 billion people?

The system of multi-party co-operation and political consultation under the leadership of the CPC has characteristics peculiar to China. In my view, the gist of this political system lies in political consultation and democratic supervision.

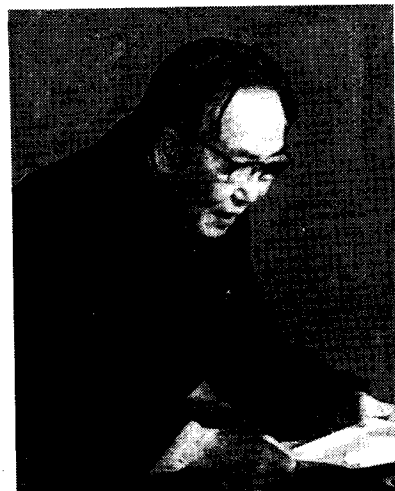
Since I first began to take part in the state's political life, I've often attended forums sponsored

by the CPC Central Committee to solicit advice on the state's major policies and on the choice of state leaders. This spirit of sincere consultation cannot be found in Western countries. I therefore highly appreciate the system of multi-party co-operation and political consultation under the leadership of the CPC, and I am willing to make whatever contribution I can to maintain and improve it.

**Wang Renzhong, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC):**

The publication of the CPC Central Committee's document on upholding and perfecting the system of multi-party co-operation and political consultation under the leadership of the Communist Party of China is a matter of great importance to China's political life and a great asset to the united front and to the CPPCC's work. Compared with the political party system in capitalist countries, China's new socialist political party system enjoys a wider and incomparable democratic base.

The development of a high level of socialist democracy is both a basic goal and task that Chinese Communists have pursued for decades. Upholding and perfecting the system of the multi-party co-operation and political consultation under the leadership of the CPC and giving full play to the role of the democratic parties and patriotic personages in the nation's political life is a major part of the development of socialist democracy in China. The CPC Central Committee's document on persisting in and improving the system of multi-party co-operation and political consultation under the leadership of the CPC shows that China's political restructuring and its socialist democracy has been developing vigorously and steadily under the guidelines



Wang Renzhong

of the Third Plenary Session of the 11th Party Central Committee since the checking of the turmoil and the quelling of the counter-revolutionary rebellion last year. The patriotic united front which represents the great unity and basic interests of the Chinese people has been expanding rather than shrinking and its role has been strengthened instead of being weakened. No matter what happens, the Chinese Communist Party will never vacillate in its stand and attitude.

The CPPCC is a patriotic united front organization established by the CPC and democratic parties in the course of a protracted struggle. It is an important forum of multi-party co-operation and political consultation under the leadership of the CPC and is based on the coexistence of a number of parties and their co-operation under the leadership of the CPC. The political consultation and mutual supervision between the CPC and the democratic parties, all as members of the CPPCC, is an important manifestation of China's multi-party co-operation. Thus the CPPCC is duty-bound to implement this document. ■

# National Culture Important for Literature to Flourish

*Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau, delivered a speech entitled 'On Questions of Carrying Forward Our Brilliant National Culture' on January 10 at a national conference on cultural and art work. Following are excerpts of the speech.—Ed.*

**U**nder the present international and domestic situation, carrying forward national culture not only is vital to the flourishing or withering of culture but commands important political significance. Carrying forward the national culture will provide us with an important condition to inspire national spirit, strengthen national dignity and confidence, display patriotic spirit and withstand all external pressure. In the meantime, the work will help bridge the contacts between people of both sides of Taiwan Straits, playing an important role in strengthening mutual understanding of people of Chinese origin both at home and abroad and reinforcing the national cohesive force.

At present, the whole Chinese nation is concentrating efforts on socialist modernization. During this historical process, cultural work is of extreme importance. The broad masses of the people are eager for rich, healthy cultural life. They wish to see more good literary and art works that epitomize their great practice, help them understand new life and inspire and encourage them to make progress. This is also the common aspiration of comrades of cultural departments and lit-

erature and art circles. Carrying forward the brilliant national culture is an important question of concern to the whole Party and the whole society; it is also an urgent task confronting the cultural front.

## A Stabilizing Factor

While continuing the nationwide campaign against pornography, which focuses on banning publications and audio and video products full of pornography and violence, efforts should be made to liven up literature and art.

The said nationwide campaign waged over the last few months has been crowned with great success with the support of the whole people and the joint effort of departments concerned. The cultural market presents a new look. At the present moment, the campaign and the struggle against prostitution, production and spread of pornographic publications, gambling, the trafficking in women and children, the growing, sale and abuse of drugs, and the use of feudal superstition to defraud are developing in depth. In the face of the situation, which is encouraging on the whole, the most urgent task is to create as many healthy spiritual products as possible to occupy

the cultural market and various kinds of recreational arenas.

On the literature and art front, the influence of bourgeois liberalization is serious. Party committees at various levels have, since the Fourth Plenary Session of the 13th Party Central Committee, been making efforts to uphold the four cardinal principles and conduct education in and wage struggle against the bourgeois liberalization with certain results. We must do the work thoroughly. In the meantime, we must strive to effectively narrow and even eliminate the influence of bourgeois liberalization on the literature and art front by occupying the ideological and cultural front with healthy, brilliant works, to consolidate and increase fruit of the struggle against bourgeois liberalization.

The present government efforts to rectify economic order and improve economic environment and deepen the reform is an extremely arduous task, whose fulfilment calls for social stability and the inspiring of national spirit. In this regard, literature and art will have an irreplaceable, special role to play.

A flourishing literature is not only a means to stabilize the society but also a signal of a stabil-

ized society. The purpose of creating healthy, brilliant literary and art works and organizing richly varied cultural activities is to satisfy need of the cultural life of the people. The various kinds of literary and art works and cultural activities should publicize five kinds of spirits as advocated by Comrade Deng Xiaoping—namely the revolutionary and death-defying spirit, the spirit of strictly observing discipline and self-sacrifice, the spirit of selflessness and putting others before oneself, the spirit of overwhelming all enemies and all difficulties, and the spirit of upholding the revolutionary optimism and surmounting all difficulties to win victory—to inspire people to advance in the face of difficulties. This is the unbounden duty of the broad masses of the literary and art workers and also the contribution the literary and art workers should make under the new situation.

Since the Third Plenary Session of the 11th Party Central Committee, following the guidance of Comrade Mao Zedong's *Talks at the Yanan Forum on Literature and Art* and Comrade Deng Xiaoping's a series of instructions, the broad masses of literary and art workers uphold the orientation of "serving the people and serving socialism" and make remarkable progress in probing into ways and means as to how to better show the real life in terms of the depth, breadth and artistic skills. However, we should also see that only a small number of works are brilliant to match the great progress of the ten-year reform and construction, which strike a responding chord in the whole nation.



**Jidi Majia (left), a Yi nationality poet whose *Song of First Love and Dream of a Yi Person*, had a strong impact on Chinese poetry and who was honoured for his contributions to society by the government of Liangshan Prefecture, Xichang City, Sichuan Province at the end of last year, in the company of Yi people in a Yi village.**

HAN BINZHONG

Cultural departments at various levels should take the work of literary flourishing as their central task. For this purpose, central and local cultural departments and leading cadres must have the high sense of responsibility and devote to mobilizing the initiative and creativeness of the broad masses of literary art workers in creating a sufficient number of fine-quality works for the whole society. Whether the socialist literature and art is healthy and flourishing should be the fundamental yardstick to measure the literary work. If no brilliant literary and art works have been created and no accomplished writers cultivated in an individual place or department for a long period of time, or if people there have no good books

to read and no good plays to watch, leaders there should be counted as incompetent leaders and they will definitely win no support of the broad masses of the people.

### National Culture

In the last few years, China's literary and art front witnessed a debate on questions concerning national culture, which in essence involves an important ideological and political struggle. Negating national culture and publicizing national and historical nihilism constitute a part of "complete Westernization" advocated by people who stubbornly stick to the stand of bourgeois liberalization.

Both the East and the West have their unique cultures; so have all the nationalities in the world. This is why literature and art have always remained to be a question involving the form and style of a nation.

tion.

China's national culture embraces the culture of the Han nationality and the cultures of various ethnic groups, including both the long-standing ancient culture and modern and contemporary culture. China's national culture is long-standing, well-established, rich, profound and influential, occupying an extremely important position in the history of the world's civilization. Our ancestors have bequeathed us extremely rich and extremely precious cultural legacy, which we should cherish, protect and explore. Moreover, we should inherit it in a creative way.

With regard to the question concerning our national cultural tradition, there have existed dif-

ferent attitudes and propositions ever since the May 4 Movement in 1919. Chinese Marxists stood for inheriting it critically, which is the only correct attitude. Erroneous attitudes towards national culture boiled down to two: inheriting it indiscriminately and incritically; advocating historically nihilism and "complete Westernization" which negate national culture totally.

In the last few years, the ideological trend of bourgeois liberalization flooded the cultural market. An outstanding expression is the advocacy of national and historical nihilism. Fang Lizhi, Liu Xiaobo, authors of the teleplay *The River Dies Young*, and other prominent figures of bourgeois liberalization asserted that the Chinese national culture "died" and "cannot cultivate a new culture," being only "loess culture" which will only lead to "suicide." They also said that the Chinese nation, with a history of several thousand years, is filled with nothing but "ignorance and backwardness." They proposed copying the bourgeois world outlook, conception of history and the conception of value of the West. These so-called "cultural suggestions," which defame national culture and distort national history, coincide with their suggestions for introducing private ownership of the West economically and the multi-party rule politically, all in service of their political aim of negating the socialist system and the leadership of the Communist Party. After the quelling of the counter-revolutionary rebellion last June, some of them fled abroad to take the road from national nihilism to national betrayal. This shows that the advocacy of national nihilism and historical nihilism is not only a matter of culture but a political issue. And it concerns not only the attitude towards history but, more importantly, the attitude towards the

reality. This trend of thought has exerted inestimable influence politically and ideologically. For a while, in the minds of some people, nothing is good in China and everything is good in foreign countries. Deeply criticising national nihilism and historical nihilism concerns whether the brilliant culture of the Chinese nation can be carried forward,

politics and economy with Chinese characteristics. Without this new culture, we would not be able to accomplish, in the true sense, the historical task of building socialism with distinct Chinese characteristics.

The cultivation of socialist new culture with Chinese characteristics must be rooted in the rich culture of the Chinese na-



People of Yao nationality from Nandan, Guangxi Zhuang Autonomous Region, perform at the Longtan Temple Fair in Beijing in 1990.

WANG ZHONG

whether we can carry forward patriotism and defend our national dignity, and what road China will take.

Attention must be paid to the construction of socialist new culture with distinct Chinese feature, namely, the new culture which combines the form of our nation with socialist content. In essence, it should be in conformity with the Chinese reality, reflect our socialist life, reveal the essence of social relations and trend of historical development and embody the spirit of our socialist era. This new culture is based on and serves the socialist

tion. Efforts must be made to study, in a deep-going way, history and culture of China in order to carry forward the fine tradition of the Chinese national culture. So long as we are clear about our direction, staunch in confidence and united, and so long as we can make unremitting efforts for one or a few generations, we shall be able to, with the development of our socialist economy and politics, carry forward the fine tradition of our national culture and cultivate a new socialist culture with distinct Chinese characteristics, a new culture which treats fairly

our ancestors and our modern time.

### Learn from Foreign Culture

Carrying forward the fine traditions of our national culture does not mean rejecting all aspects of foreign cultures because closing ourselves off culturally can only hamper our own cultural development. Instead, actively learning from and absorbing those parts of foreign culture which are useful to us are important conditions for the promotion of our national culture. Generally, we must try to comprehend and use as a reference for our own activities all of mankind's positive cultural wealth, the knowledge resulting from the advancement of civilization and all forms of artistic expression, be they created by people of capitalist countries, socialist countries, third world countries or developed countries or from ancient or modern, contemporary times.

Making use of foreign cultures must proceed from the realistic situation facing our nation. Both the ideological content and artistic form of foreign cultural works have to be checked and scrutinized against the requirements of our socialist modernization programme and the development needs of our national culture. They also need to be analyzed, sorted and transformed according to Marxist viewpoints and methodology so as "to make foreign things serve China." To expand our capability to absorb foreign culture, we must be able to carry forward the fine traditions of our national culture and put it on a solid foundation.

Seldom, if ever, had China seen its cultural exchange with other countries become so wide in scope, frequency and content, and information transferred so quickly, than the time since the



The Puppet Show Troupe of the Baotou Children's Palace, Inner Mongolia, in rehearsal.  
YANG SHENHE

Third Plenary Session of the 11th Party Central Committee in 1978. The cultural exchanges since that time have provided the Chinese people, cultural workers in particular, an opportunity to see more of the outside world and has thus enriched their knowledge and sparked their creativity. The opening to the outside world generated a diverse and colourful panoramic variety of expression of creative impulse. In addition, cultural exchanges have played a major role in modernizing the country's cultural facilities. At the same time, however, it should be noted that quite a serious amount of confusion has resulted from our approach towards the introduction of foreign culture into China during recent years. Many foreign works and video products were published uncritically. On the contrary, we have unduly praised them. Even more serious is that some people, taking advantage of China's opening up to the outside world, have done everything possible to laud the Western capitalist's world outlook and political view and to preach the benefits of their decadent lifestyle and values, actions which led to a flood of

bourgeois liberal materials. We must keep on our guard against this problem and conscientiously strive to improve the current situation.

The great Chinese nation can make still greater contributions to the world's culture. To this end, it is necessary that China generate good works of culture and art having distinctive Chinese characteristics. The more national a cultural work of art, the more international its value. This has been proved by a wealth of facts.

Emphasizing our national culture and treasuring our unique national form and style does not mean that we avoid a reflection on reality but, rather, that we want to better reflect the spirit of the socialist times. Our literature and art must hold aloft the socialist banner, enthusiastically sing in praise of socialism, and encourage the Chinese people to dedicate themselves to the socialist modernization programme, the reforms and the opening up to the outside world. We do not require literature and art to be directly subordinate to temporary and specific political tasks. At the same time, this does not mean that literature and art can

# Statistics for China's National Socio-Economic Development in 1989

—Issued by the State Statistics Bureau of the People's Republic of China

In 1989, under the correct leadership of the Central Committee of the Chinese Communist Party and the State Council, the people of all nationalities throughout China achieved remarkable success in implementing the policy of improving the economic environment, rectifying the economic order and deepening the reform. On the whole, the national economy developed favourably as overheated consumer demand was effectively controlled, supplies continued to increase, contradictions between supply and demand eased, price increase declined on a monthly basis, major ratios between various economic sectors improved to varying degrees, and the foreign exchange reserve also increased. Meanwhile, new achievements were recorded in education, science and technology, culture, public health and physical culture and sports. According to initial calculations, the annual gross national product (GNP) reached 1,567.7 billion yuan, an increase of 3.9 percent over 1988. The national income was 1,300 billion yuan, 3.7 percent more than the previous year. However, major problems in China's economic development still exist. There has been no fundamental change in the imbalance between supply and demand, a problem that has come about over the past several years. Deep-rooted problems such as the unreasonable economic structure and poor economic efficiency are still serious. And new unavoidable problems have cropped up in the current macro-economic retrenchment process. Those include uneven circulation of goods, under-capacity operation in some enterprises due to shortages in raw materials and energy and increased employment difficulties.

## I. Agriculture

All-round increases were registered in agriculture, forestry, animal husbandry, sideline

occupations and fisheries. The total agricultural output value in 1989 reached 655 billion yuan, up by 3.3 percent over the previous year. Of this, that of agricultural products increased by 2.1 percent; forestry by 0.9 percent; animal husbandry by 5.5 percent; sideline products by 5.8 percent, and fishery by 8 percent.

Of the output of major agricultural products, that of grain reached an all-time high, the production of vegetables took an obvious turn for the better, and fruit production increased by a large margin. But the output of cotton, oil-bearing crops and sugar-bearing crops dropped by varying degrees because of natural adversities and a reduction in the acreage of land allotted for these crops. The contradiction between production and demand remains an outstanding problem, and agriculture, handicapped by an uneven geographical setup, has yet to be freed from a state of stagnation.

The yield of major agricultural products was as follows:

	1989 (ton)	Increase over 1988 (%)
Grain	407,450,000	3.4
Cotton	3,790,000	-8.7
Oil-bearing crops	12,910,000	-2.2
Rapeseed	5,440,000	7.8
Sugarcane	48,570,000	-1.0
Beetroot	9,360,000	-27.0
Jute, ambar y hemp	1,330,000	23.0
Cured tobacco	2,410,000	3.1
Silkworm cocoons	490,000	10.5
Tea	540,000	-0.5
Fruit	18,370,000	10.3

Achievements were made in forestry and afforestation. The efficiency in tree planting was improved to a certain extent, and the project of establishing shelterbelts in northwest, north and northeast China progressed smooth-

ly. Much headway was also made in afforesting the plains. Fire prevention work was strengthened and wanton felling of trees reduced. But the situation of more trees being cut down than planted, resulting in a constant drain of the nation's timber reserves, has not been reversed.

Animal husbandry developed steadily. The number of live and slaughtered pigs increased. Production of meat, poultry, eggs and milk continued to rise. The number of grass-feeding animals increased and the output of animal by-products continued to rise in the wake of dramatic increases in 1988.

The output of major animal by-products and livestock headage was as follows:

	1989	Increase over 1988 (%)
Pork, beef and mutton	23,280,000 tons	6.1
Milk	3,800,000 tons	3.8
Wool	238,000 tons	7.4
Pigs slaughtered	289,000,000 head	5.0
Pigs at year's end	352,000,000 head	2.9
Sheep at year's end	211,000,000 head	4.8
Large animals at year's end	128,000,000 head	2.1

Fishery continued to expand. The output of aquatic products in 1989 was 11.48 million tons, up 8.2 percent over the previous year. Of the total output, that of freshwater products increased by 7.4 percent, and that of marine products by 9.3 percent.

Conditions for agricultural production improved. By the end of 1989, the aggregate capacity of the country's farm machinery reached 275.8 billion watts, a 3.8 percent increase over the previous year. There were 860,000 large and medium-sized tractors, a 1.7 percent drop; 6.53 million small and hand tractors, a 9.6 percent increase; 620,000 trucks, a 4.2 percent rise; the total capacity of irrigation and drainage equipment was 68.2 billion watts, up by 3.8 percent; and effectively irrigated farmland reached 44.74 million hectares, 360,000 hectares more than 1988. A total of 23.73 million tons of chemical fertilizers were applied throughout the year, up by 10.8 percent over 1988. The consumption of electricity in rural areas was 78.8 billion kilowatt hours, an increase of 10.7 percent. Much has been done in farmland capital construction and water conservancy, but agriculture was still weak in

its ability to deal with natural disasters, and the system of agricultural subsidies left much to be desired.

The entire rural economy steadily developed. In 1989, the total social output value in rural areas was 1,439 billion yuan, 5.8 percent more than the previous year. The output value of industry, construction, transportation and commerce in rural areas increased by 7.9 percent, accounting for 54.5 percent of the total rural output value, up from 53.2 percent in 1988.

## II. Industry

Industrial production continued to grow at a moderate pace. Because of a reduction in social demand for industrial products, fluctuations increased in industrial production in the latter half of 1989. But it managed a satisfactory growth throughout the year. The total industrial output value in 1989 was 2,188 billion yuan, an increase of 8.3 percent over 1988. The figure would be 1,824.2 billion yuan if village-run and family-run industries were excluded, an increase of 6.8 percent over the previous year, obviously lower than that of 1988. Of the total industrial output value, that of the state-owned sector went up by 3.7 percent; the collective sector, 10.7 percent (of which village-run industries increased by 12.7 percent); the private sector, 24.1 percent. The industrial output value of Sino-foreign joint ventures, co-operative enterprises and wholly foreign-owned enterprises, in the midst of a high-speed growth, registered a 44.7 percent increase.

The industrial product mix improved to some extent. The output value of light industry in 1989 reached 1,070 billion yuan, an 8.4 percent increase over the previous year. Heavy industry's total output value was 1,118 billion yuan, up 8.2 percent over 1988. The production of high-grade durable consumer goods dropped after several years' abnormal high growth. The production of machinery and electric products for investment purposes also dropped. Production of raw and processed materials gradually took a favourable turn, and production of energy sped up. But the structural contradictions in industrial production were still prominent.

The output of major industrial products was as follows:



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	1989	Increase over 1988 (%)
Cotton yarn	4,740,000 tons	1.8
Cloth	18.6 billion metres	-1.0
Woollen fabrics	270 million metres	-5.6
Machine-made paper and paper board	12,800,000 tons	0.8
Sugar	4,960,000 tons	7.6
Salt	28,020,000 tons	23.8
Cigarettes	31,960,000 crates	3.2
Synthetic detergents	1,430,000 tons	8.4
Daily aluminium wares	79,200 tons	-11.9
Bicycles	36,720,000	-11.3
TV sets	27,010,000	7.8
of which colour sets	9,380,000	-9.6
Tape recorders	22,460,000	-11.6
Cameras	2,300,000	-26.3
Household washing machines	8,260,000	-21.1
Household refrigerators	6,620,000	-12.6
Energy production (in terms of standard fuel)	1 billion tons	4.4
Coal	1.04 billion tons	6.1
Crude oil	137 million tons	0.5
Electricity	582 billion kwh	6.7
of which		
hydroelectricity	118.2 billion kwh	8.3
Steel	61,240,000 tons	3.0
Rolled steel	48,650,000 tons	3.7
Cement	207 million tons	-1.4
Timber	61 million cubic metres	-1.9
Sulphuric acid	11.41 million tons	2.7
Soda ash	2.98 million tons	14.2
Chemical fertilizers	18.55 million tons	6.6
Chemical insecticides	223,700 tons	24.9
Capacity of		
power-generating equipment	11.56 million kw	4.2
Machine tools	165,300	-13.8
of which numerical controlled	2,413	-10.0
high-precision	1,131	-23.3
Motor vehicles	573,700	-11.0
Tractors	43,300	-8.3
Locomotives	679	-19.5
Steel ships for civilian use	1,232,100 tons	-23.0

There was a decrease in economic returns for the various enterprises because of an overstocked market, a slowdown in the pace of production and poor enterprise management. China's budget for the fiscal year of 1989 put the total amount of profits to be achieved by state-owned industrial enterprises (part of the profit would be delivered to the state in the form of tax payments) at 155.9 billion yuan, a

mere 0.2 percent increase over the previous year. Products were stockpiled to serious proportions. The turnover period for working funds was prolonged to 108 days from 97 days. Profits, including taxes to be paid to the state, made per 100 yuan of capital dropped to 19.41 yuan from 21.99 yuan in 1988. Per-worker labour productivity increased by only 1.6 percent. The quality of some products was unstable and the cost of production rose.

### III. Investment in Fixed Assets and Construction

The scale of investment in fixed assets was effectively controlled in 1989. China's investment in fixed assets totalled 400 billion yuan, a decrease of about 50 billion yuan or 11 percent from the previous year. After price factors were deducted, the amount of work decreased by 20 percent. Of the total investment, 251 billion yuan went to state-owned enterprises, a 9.2 percent decrease from the previous year; 51.2 billion yuan went to collectively-owned enterprises, a 28.1 percent decrease, and 97.8 billion yuan went to private enterprises, a 4.3 percent decrease. The number of projects under construction was cut. In 1989, state-owned capital construction projects numbered 123,000, a decrease of 43,000 from 1988. Investment planned by the state for the entire year was 992.5 billion yuan, a decrease of 61.9 billion yuan from 1988. Construction projects started last year numbered 37,000, 41,000 fewer than 1988. After an investigation of projects under construction, about 18,000 were postponed or suspended across the country, a saving of about 67.5 billion yuan in investment in ensuing years, especially after the construction of hotel, restaurants and other non-essential buildings was curtailed.

Despite a reduction of total investment, appropriations for the state-owned energy industry amounted to 62.6 billion yuan, which represented a 4.3 percent increase over the previous year and accounted for 24.9 percent of the total investment as against 22.2 percent in 1988. Investment in transportation and communications, telecommunications was 33.9 billion yuan, a 2.8 percent increase, its portion in the total capital investment increased to 13.5 percent from 12.2 percent in 1988, thereby putting an end to a decrease that started in 1986.

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Cultural, educational and sanitation departments received 10.6 billion yuan in investment, which was basically equal to that of the previous year.

A total of 153.8 billion yuan in capital construction investment (including money to buy ships and vehicles) went to state-owned units, a decrease of 2.3 percent compared with 1988. Of that amount, construction of projects for production purposes accounted for 105.3 billion yuan, or 65.9 percent, as against 68.4 percent in 1988; construction of non-production projects was allotted 48.5 billion yuan of investment, or 36.1 percent, up from 34.1 percent of the previous year. Investment totalling 78 billion yuan was used for technical renovation and transformation, a 20.5 percent decrease from 1988.

Altogether 57 large and medium-sized capital construction projects and 128 single items that were part of large and medium-sized projects were completed and put into production in 1989. The commissioning of a number of major projects has imparted reserve strength to China's future economic development.

Additional production capacity resulting from completed capital construction projects included 24.95 million tons of coal; 9.02 million kilowatts of electricity; 17.05 million tons of oil (including new capacity acquired through oilfield renovations and transformation or other investment); 760 million cubic metres of natural gas; 318 kilometres of double-track railways, 229 kilometres of electrified railways; and 48.85 million tons of cargo handling capability at the nation's coastal ports and harbours.

As the scale of investment came under control, the building industry was curtailed. The total output value of construction teams under the state-owned building industry accounted for 82.8 billion yuan, a 4.6 percent decrease from 1988; the value of per-worker labour productivity was put at 13,388 yuan, down by 1.5 percent. With fewer tasks around, many construction and civil engineering enterprises reported a reduction in profit, and more such enterprises than 1988 were running at a loss.

Geological surveys made fresh headway. Drilling footage reached 8.8 million metres in 1989, and 300 mineral bases of industrial significance were discovered or verified. Progress was made in nearly 100 mineral areas under

exploration. Newly verified mineral deposits included 12.5 billion tons of coal, 240 million tons of iron ore and 37 billion cubic metres of natural gas. There were major increases in verified gold reserves and non-metal mineral deposits. New breakthroughs were made in oil exploration.

### IV. Transportation, Post and Telecommunications

Transportation of freight developed steadily in 1989. The number of passengers dwindled due to a slowdown in economic expansion and increases in ticket prices. However, transportation of freight continued to grow, with conditions improved for transporting coal and other major materials. Transportation has somewhat returned to good order.

#### Transport Services

	1989	Increase over 1988 (%)
	(billion ton-km billion person-km)	
<b>Cargo</b>	<b>2,553.2</b>	<b>7.2</b>
Railway	1,039.1	5.2
Highway	332.9	3.4
Waterway	115.1	10.7
Air	0.7	-2.8
Petroleum and gas pipelines	65.4	0.6
<b>Passengers</b>	<b>592.8</b>	<b>-4.5</b>
Railway	303.7	-6.8
Highway	252.1	-0.3
Waterway	19.0	-6.8
Air	18.0	-16.3
<b>Volume of cargo handled at major seaports</b>	<b>470 million tons</b>	<b>7.1</b>

Efficiency in transportation increased, as did profits. The average daily cargo handling capacity of each cargo locomotive was 850,000 ton-km, 2.5 percent over the previous year; the general haulage capacity of cargo locomotives increased 1.9 percent; and profits from railway transportation increased 12.4 percent. However, transportation is still falling behind the pace of economic development, the structure of the nation's transportation network remains lopsided, and many shipping enterprises at the local level continue to operate at a loss.

Progress was registered in postal operations

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and communications. Business volume in 1989 totalled 6.5 billion yuan, a 19.9 percent increase over 1988. There was a major increase in newly developed services, such as express delivery and users' cable. The year-end number of telephones installed in urban areas was 4.4 million, an increase of 21.3 percent over the previous year.

### V. Domestic Commerce, Supply and Marketing

The situation in the home market changed greatly, from an over-growth in 1988 to partial sluggishness in 1989. In 1989, the value of retail sales of social commodities totalled 810.1 billion yuan, an 8.9 percent increase over the previous year; but by taking inflation into account, it was actually a reduction of 7.6 percent over 1988. Of the total, the volume of retail sales of means of agricultural production was 101.7 billion yuan, a rise of 12.3 percent; that of consumer goods was 708.4 billion yuan, up 8.4 percent. The value of consumer goods sold to institutions was 69.3 billion yuan, 4.2 percent over 1988.

The retail sales volume of state-owned commercial enterprises was up by 7.1 percent; that of supply and marketing co-operatives rose 7.9 percent; that of other units under the collective ownership went up 5.5 percent; that of those under joint ownerships increased 11.4 percent and that of individual businesses went up 12.1 percent. The retail sales volume of goods farmers sold to urban dwellers increased 20.5 percent.

A breakdown of the retail sales of various kinds of consumer goods shows that food rose 10 percent over 1988, clothing went up 4.2 percent and articles of daily use increased 7.9 percent. While the retail sales volume of cloth, bicycles, sewing machines and household electrical appliances declined to varying degrees after experiencing vast increases the previous year. The commercial department saw a major reduction in profits last year after 1988's drastic increase. In 1989, profits of supply and marketing co-operatives and various commercial establishments totalled 7.74 billion yuan, down 37.9 percent from the previous year. The number of enterprises running at a loss increased, the costs of handling commodities in circulation were higher and the period of capi-

tal turnover was prolonged.

The margin of market price increases was narrowed slightly compared with that of the previous year. The general retail price level in 1989 increased by 17.8 percent over 1988, of which 6.4 percent were first-time price hikes, much lower than the 1988 figure of 15.9 percent. Compared with the corresponding period in 1988, retail prices rose by 27 percent in January and 27.9 percent in February. Afterwards they declined on a monthly basis, so that in December 1989, the price rise dropped to 6.4 percent. The general retail price level in urban areas increased by 16 percent over 1988 while the level in the countryside rose 18.8 percent. Prices of commodities in the "vegetable basket" (meaning various kinds of groceries) were basically kept at December 1988 levels.

#### Increase of Retail Prices of Diversified Commodities:

	1989 increase over 1988 (%)	1989 increase in December over 1988 (%) (in urban area)
Foodstuffs	16.2	-0.5
Grain	21.3	-0.4
Meat, poultry, and eggs	14.3	2.1
Fresh vegetables	2.1	-13.8
Aquatic products	16.3	-3.4
Clothing	18.1	11.5
Articles of everyday use	15.3	4.3
Medicine and medical equipment	21.2	5.4
Fuel	27.4	11.4
Means of agricultural production	18.9	

In 1989, the cost of living for urban staff and workers increased by 16.3 percent over the previous year. The increase rate was less than 20.7 percent recorded in 1988.

The demand for the means of production was reduced. In 1989, the means of production sold by supply departments across China were valued at 234.2 billion yuan, down 0.8 percent from the previous year. When price increases were taken into account, the actual decrease was 18.2 percent. The amount of rolled steel sold was 33.69 million tons, down 15.1 percent; coal, 250 million tons, down 7.6 percent; timber, 22.02 million cubic metres, down 25.8 per-

cent; and cement, 30.86 million tons, down 11.4 percent.

Progress was made in straightening out the market order. Tangible measures were adopted throughout China to ban the sales of counterfeit, shoddy and fake goods and crack down on speculation and profiteering. Meanwhile the sales of colour television sets, chemical fertilizers, pesticides and plastic film for agricultural use were placed under the exclusive control of departments designated by the state. Large-scale investigations of the quality of commodities were conducted, which helped restore the market to good order. However, the price of means of agricultural production went up by a fairly large margin and there were arbitrary price hikes in services.

## VI. Foreign Economic Relations and Trade and Tourism

Imports and exports continued to expand. According to Customs statistics, China's total volume of import and export in 1989 amounted to US\$111.6 billion, an increase of 8.6 percent over 1988. Exports totalled US\$52.5 billion, up 10.5 percent, and imports were US\$59.1 billion, up 7 percent. The trade deficit was put at US\$28.5 billion, after deducting the volume of transactions of goods not dealt in foreign exchange, such as items of imported equipment and materials that were supplied to Chinese enterprises doing processing work with foreign-supplied materials, donated gratis, or needed by wholly-owned foreign enterprises as part of their investment in China. In 1989, China's non-trade foreign exchange income was US\$3 billion more than expenditure.

In 1989, China continued to carry out its policy of opening to the outside world, and did a good job in absorbing foreign investment. In 1989, new agreements on direct investment signed with foreign businesses were worth US\$5.6 billion, a 5.6 percent rise over 1988. Investment actually made by foreign businessmen was US\$3.3 billion, a 4.1 percent increase over the previous year.

In 1989, China undertook construction projects in foreign countries and provided labour and service overseas to the tune of US\$1.38 billion, a 3.5 percent decrease over the previous year; the sum total involved in new contracts was US\$1.85 billion, down 14.7 percent.

The number of tourists coming to China decreased. In 1989, China received 24.5 million tourists from 169 countries and regions, 22.7 percent fewer than 1988. Foreign exchange earned through tourism was US\$1.81 billion, a drop of 19.6 percent.

## VII. Science and Technology

Much headway was made in science and technology. In 1989, prizes approved by the state for inventions totalled 150; for promoting science and technology, 504, and for the Sparkle Plan (The Sparkle Plan was established to improve the rural economy through education), 123. Science and technological achievements made in a number of fields in 1989 approached or reached advanced world levels. The newly built reflecting astronomical telescope with a diameter of 2.16 metres was the biggest in the Far East. China has also built its first synchronous radioactive installation and second scientific observation post—the Zhongshan (Sun Yat-sen) Station—in the Antarctic.

The year 1989 saw the development of various scientific and technological programmes initiated by the state. A total of 125,000 scientists and technicians were engaged in solving key scientific and technological problems slated by the state in 1989, making such outstanding achievements as 5 MW (Th) low-temperature nuclear reactor.

Research in basic scientific and technological work was stepped up. In 1989, the State Natural Science Foundation approved 3,169 projects and provided a sum of 124 million yuan in assistance, 5.7 percent and 4.2 percent respectively more than the previous year.

The various enterprises across the country redoubled their efforts in developing new technology. In 1989, large and medium-sized enterprises had set up 8,004 research institutes for this purpose, 2,479 more than 1988 and organized 43,000 technological development projects, an increase of 16,000. The Sparkle Plan achieved outstanding success in rejuvenating the rural economy by training 1 million technicians.

Scientific and technological work related to economic construction and social life was also strengthened. In 1989, the Chinese government established and revised 2,652 state standards of various products and fields of work. Progress

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was made in the scientific and technological service aspects of meteorology, seismology, oceanography and topography. Towards the end of 1989, there were 809 weather warning systems, serving 39,000 clients. There were 460 manned seismological stations and 21 telemetering seismological stations. The number of marine monitoring stations totalled 814. The topographical departments drew 23,731 charts and published 381 kinds of maps.

The patent system initially took shape. By the end of 1989, the nation's 463 patent agencies handled 32,905 applications, including 5,538 for foreign patents, a 2 percent increase over 1988. The number of applications for patents that were approved was 17,129, up 43.4 percent.

The technology market saw brisk business. Technological contracts signed in 1989 numbered 262,000, involving a business volume of 8.15 billion yuan, a 12.4 percent increase over the previous year.

In 1989, the contingent of scientists and technicians was further expanded. At the end of the year, there were 22.18 million professionals in China, of which 10.46 million were in natural science, an increase of 8.3 percent over 1988. There were 5,400 state-owned independent research and development institutions above the county level, with 400,000 scientists and engineers. Those engaged in scientific and technological activities in institutions of higher learning numbered 760,000. Of that number, 650,000, or 85.5 percent, were scientists and engineers.

### **VIII. Education and Culture**

Colleges and universities enrollment was cut down to size. In 1989, 29,000 postgraduates were enrolled throughout China, a drop of 19.4 percent from the previous year; and the total number of postgraduates on a degree at colleges and universities was 101,000, a 10.6 percent decrease. Regular colleges and universities enrolled 597,000 undergraduates and students in special courses, a drop of 10.8 percent over 1988. The total number of students enrolled was 2.082 million, an increase of 0.8 percent.

Vocational and technical secondary education also saw development. Various vocational and technical secondary schools had 5.807 million students (including 1.267 million students

in technical schools), making up 44.8 percent of the total senior middle school student body of 12.97 million.

There were 38.38 million junior middle school students, a drop of 4.4 percent from the previous year. And there were 123.73 million elementary school pupils, a decrease of 1.3 percent. A total of 1,389 counties measured up to requirements by the state for the popularization of elementary education, 63 more than 1988.

A total of 578,000 undergraduates and students taking special courses were enrolled in adult colleges and universities. Those working on a degree at adult colleges and universities were 1.741 million, a 0.8 percent increase over 1988. The number of students in adult vocational secondary schools amounted to 1.705 million, a drop of 5.2 percent from the previous year. The number of students in adult technical training schools was 12.69 million, an increase of 36.1 percent. Students in adult junior middle and elementary schools numbered 20.63 million, an increase of 19.4 percent. The various cultural undertakings continued to grow last year. A total of 136 feature films were produced, along with 217 other types of (feature-length) films. Twenty films received awards at international film festivals. Throughout the nation, there were 152,000 various movie projectionist teams, 2,864 art troupes, 3,002 cultural centres, 2,507 public libraries, 958 museums, 3,421 archive centres, 533 broadcasting stations, 657 radio transmitters and relay stations, 469 television stations, and 935 television transmitters and relay stations with a capacity of more than one kilowatt each. In 1989, China printed 15.5 billion issues of newspapers at the national and provincial levels, 1.9 billion copies of magazines and 5.82 billion books.

### **IX. Public Health and Sports**

Public health work and medicare continued to improve. By the end of 1989, the beds in hospitals throughout China numbered 2.568 million, a 2.6 percent increase over the previous year. There were 3.808 million professional medical personnel, an increase of 2.3 percent, including 1.718 million doctors. Of these, 1.259 million were doctors of traditional Chinese and Western medicines, an increase of

6.2 percent. Nurses numbered 922,000, an increase of 11.2 percent.

Prevention and health work were strengthened. In 1989, the incidence of infectious and contagious diseases decreased by 30.6 percent, and the total number of deaths by 9.5 percent, as compared with the 1988 figures.

There were great achievements in sports. In 1989, China's athletes captured 82 world titles, the most in one year since the founding of New China in 1949. A total of 23 athletes and two teams broke or surpassed 36 world records 47 times. Ninety-eight athletes and seven teams broke 95 national records 163 times.

## X. Living Standards

Consumer demand was properly controlled. According to a sample investigation, in 1989 spendable incomes for daily lives averaged 1,260 yuan per urban resident, an increase of 12.6 percent (If material goods and bonuses workers received from their work units are included, the actual income of urban residents was higher.) According to a survey carried out in 19 cities, the actual income of 35.8 percent of the families dropped because of inflation. Thanks to a stabilized buying psychology of urban residents, and a more normal economic structure, most families were able to balance their pocketbooks with expenses, with slight surpluses. However, actual per capita income of low-income families fell. Farmers' net income per capita was 602 yuan, an increase of 10.5 percent over the previous year. The actual income of a number of farmers dropped after deducting price increases in commercial expenses.

Urban employment increased. In 1989, more than 3 million urban people were employed. By the end of the year, the number of workers nationwide was 137.4 million. That was 1.32 million more than the previous year. Of these, workers working under labour contracts in state-owned enterprises reached 11.75 million in number, an increase of 1.67 million. Urban self-employed workers numbered 6.5 million, a drop of 90,000 from the previous year. However, because of a reduction in social demand and the fact that some enterprises were operating under capacity, the number of job seekers in urban areas increased.

In 1989, the total annual volume of wages

for workers nationwide was 264 billion yuan, an increase of 14 percent over the previous year. Included in that figure are bonuses, which amounted to 55 billion yuan, an increase of 23.6 percent. Workers' per capita income was 1,950 yuan, an increase of 11.6 percent over the previous year.

People were saving more money last year. By the end of 1989, deposits in savings accounts reached 513.5 billion yuan, 133.4 billion more than in 1988 and an increase of 35.1 percent.

Housing conditions also improved. New houses built in 1989 totalled 160 million square metres of floorspace in urban areas, and 710 million square metres in rural areas.

Social welfare undertakings developed as well. Throughout China in 1989, there were 707,000 beds in welfare homes of various kinds, caring for 538,000 people. State relief helped 53.01 million people. Rural social security networks covered 25.5 percent of the townships and towns. Social services in urban areas also developed rapidly. A total of 109,000 community service facilities were set up.

The insurance business also saw gains. In 1989, total assets of various insurance properties reached 2,310.9 billion yuan, an increase of 29 percent over the previous year. Property insurance covered 560,000 enterprises and 77.92 million families, and 175.36 million people had life insurance. Domestic property insurance dealt with 2.61 million compensation cases and paid out 3.82 billion yuan. A total of 1.37 billion yuan was paid out in life insurance indemnities to 4.81 million people.

## XI. Population

China's birth rate in 1989 was 20.83 per thousand, and the mortality rate, 6.5 per thousand. The natural growth rate was 14.33 per thousand, higher than the previous year's figure of 14.2 per thousand. By the end of 1989, the population was 1,111,910,000. This was 15,770,000 more than 1988. ■

### Notes:

(1) All the figures in this communique are preliminary. Taiwan Province is not included.

(2) The listed output value, gross national product (GNP) and national income are calculated according to prices in the same year, and the rate of increase, according to comparable prices.

(3) Base periods for the comparison of various indices are all official statistics published in *the Statistics Yearbook of China*.

deviate from serving socialism. We should laud, by making the most of literature and art, all the heroic deeds of the Chinese people which, performed under the leadership of the Chinese Communist Party, have led to the victory of the new-democratic revolution; all the great achievements made in socialist construction in the past four decades since the founding of New China, especially in the last decade since China began the reforms and opening up to the outside world; and the general trend

heroic deeds of the new socialist person and to demonstrate the revolutionary ideals, scientific approach, and lofty, yet down-to-earth spirit, of the new, modern day pioneers.

Serving the greatest number of people is not only the orientation but also the aim of art. Our writers and artists should focus their energy on that which appeals to the public and create literature and art coloured with rich national and local hues.

The principle of "letting a hundred flowers blossom and a

hered to: first, discussions must be held in a comradesly manner; second, the practice and the masses must be respected; third, there must be a good grasp of the dialectic between literature and arts serving the people and socialism on the one hand and the "two hundred" principle on the other; and fourth, literary and artistic methods must be respected. Leaders should maintain close ties with writers and artists, constantly heed their opinions and avoid dealing with artistic works in a crude and oversimplified way.

Carrying forward our national culture, fostering and increasing our respect and pride in our nation is a long-term, strategically important task. It must begin at kindergarten and primary school and have the concerted help of school, family and society. Children and teenagers must be educated, gradually and progressively, about our nation's history and culture.

We should endeavour to raise young people's understanding of our national culture by, for example, compiling various readings; gradually creating a cultural environment with distinctive national characteristics; and organizing their participation in activities centered on a sense of their national heritage. In this way, we can help them to develop not only knowledge and skills but, more importantly, give them the opportunity to inherit and carry forward the fine traditional morals of the Chinese nation and to represent the future national spirit of modern China.

The construction of socialist culture, carrying forward our national culture as the main content, involves many aspects of society and requires the mobilization and co-ordination of all social forces. It therefore requires overall planning and should be carried out under capable leadership and through sound organizational structure. ■



**The Horse Greet Spring made by Beijing February 7 Locomotive and Rolling Stock Factory on exhibition at the Beijing's Sixth Workers' Lantern Festival on February 3.**

YU HUIRU

of historical development that socialism is bound to replace capitalism.

It is only when the life and spirit of the socialist times, as discussed above, are displayed in creative ways that they become acceptable to the rank-and-file Chinese. Writers and artists should take part in social work, go among the masses to know how they live and how they work and learn their joys and their sorrows in order to absorb the material, themes, and language of real life. There is an unmet need to use literature and art to express the inner world and

hundred schools of thought contend" (the "two hundred" principle) is the principle behind a prosperous socialist literature and arts. In carrying out such a principle, we must do our best to create a democratic, harmonious environment in which writers and artists can work. Many years of practice has proved that whenever we adhered to this principle socialist literature and arts, full of vigour, flourished and that whenever we abandoned it the arts withered and became stagnant.

In carrying this out in practice the following points must be ad-

# Socialism Will Save China

by Wen Di

*This six-part article analyzing the current and future role of socialism in China was written by a Chinese student studying for a doctor's degree in the United States. In it, he discusses China's current historical period, the question of socialism's continued role in Chinese society, the leading role of the Communist Party and the process of democratic construction. The article will be published in four instalments beginning from this issue.—Ed.*

The year 1989 was unusual in that it marked both the bicentennial of the French Revolution, an event which had a profound impact on the progress of the world history, and the outbreak, 50 years ago, of World War II which brought great suffering to all the world's people. The slogan of "freedom, equality and universal fraternity" raised by the French Revolution was the ideal which sparked the capitalist society, the limitations of which were not to be overcome until the founders of scientific socialism put forward their own blueprint for an even more profound social reform. In a similar note of reflection on the past, the outbreak of the two world wars within a span of 20 years during a time when capitalism was predominant, gives pause for thought and raises questions in the minds of all people of good will. Although the world is now developing in the direction of detente, and leaving the cold war behind, politicians with foresight and sagacity will not forget to summarize the valuable lessons of these two extremely tragic episodes.

Not long ago, some Chinese political "elites," claiming to follow the enlightened sentiment of the French Revolution and the

May 4th Movement (an anti-imperialist patriotic movement which broke out in China in 1919—Ed.), launched a movement aimed at ending China's socialism and rebuilding capitalism. For a while, some young students and public figures took to the streets; the resulting turmoil emerged not only in Beijing but in other parts of the country. Slogans such as "Down with the government" and "Down with the Communist Party" were first heard at the time along with the goings-on of some people who were busily making preparations for the establishment of a new government. Such activity led many to wonder about the future of the country and brought to mind many urgent questions requiring practical answers and solutions. Does China really need the turbulence of a fundamental overhaul of the government? What sort of consequences would such an upheaval bring to China? While the people pondered the future of the nation and watched the turmoil in the streets, the Chinese government was forced to put an end to the turmoil with the suddenness of a thunderbolt. There isn't a panacea for such situations anywhere in the world and, so, for the stability of the country, the gov-

ernment had to adopt measures taken by other countries in similar situations. The final outcome of the events thus did not develop in accordance with the anticipations of the political "elites," a somber lesson for those who don't want to see China once again bogged down in turmoil.

Has China reached the crucial moment of its history?

Does China need a great upheaval of fundamental governmental change?

Has socialism failed in China?

Did the matter develop to such an extent that the Chinese Communist Party was impotent to lead China's construction and reform and had to be overthrown?

All in all, where will China go?

Such questions are, after all unavoidable for a society still in transition; like spectres, they are haunting the people across China, especially the intellectuals.

Twenty-three years ago, manipulated both by mistaken leadership and by those intent on causing the country difficulties, Chinese university students became involved in extremely "Left" turmoil. In contrast, in recent years, many college students led by political "elites" were stirred up by extremely Right



turmoil. Although the two periods gave voice to the cry of the young people who were worried about the Chinese nation, their participation in the turmoil was not a mature and constructive means of expression. While their obstinate pursuit of ideals is much to be admired, their lack of rigorous scientific spirit and correct approach show the weakness of their activity.

Since the time of the Greek Philosopher Plato, freedom has been regarded as a manifestation of obedience to the law of the development of history although how to recognize such a law among complex social phenomena was difficult. This is evident in the fact that many of the major events in history have been evaluated in different ways. People have not, for example, been unified in their appraisal of the French Revolution despite the passage of 200 years. Likewise, there are different views on the disturbances in Beijing. The Kuomintang authorities in Taiwan have spoken highly of the turmoil and held that it has added a new chapter to the annals of freedom and democracy. It seems that the hope of "recapturing the mainland" was rekindled in them. History, however, is often more tortuous, complicated and tricky than people might expect. History cannot be kept secret forever. The impact of a historical event will sometimes lay hidden for many years and then, suddenly, manifest itself. If the fond dream of the political "elites" to overthrow the Communist Party and rebuild capitalism had come true, then China's modern and contemporary history would have been reversed and rewritten.

It's an appropriate time to discuss the above-mentioned problems because if we don't have a consensus on these issues, and if we lack a system to solve differ-

ences, turmoil will surely occur once again.

### **In What Historical Period Does China Now Find Itself?**

The analysis of China's current situation by political "elites" is self-contradictory. They act as though they have been participating fully in the opening to the outside world and that they would vigorously defend the fruits of ten years of reform against the acts of those who wish to destroy it. The impression given is that all of the credit of the achievements of the past decade should go to them. Once they found there was a need to win the support of college students, however, they presented a different picture: prices are skyrocketing while the means of livelihood is ever shrinking; there is an imperious and despotic autocracy; profiteering by government functionaries is rampant; those with lofty ideals flee the country while officials loyal to the country are imprisoned; the Chinese nation is at a crucial moment concerning its life and death.... But if matters were really as bad as they described, then there would have been no fruit of reform. The fact is that they exaggerate in order to frighten the people. It seems that if we don't listen to them, the Chinese nation will be doomed. These antics, however, don't serve as a fitting example for any decent people.

Let's see, in fact, what historical period China now finds itself.

It was as early as 1971 that former US president Nixon made a famous speech in Kansas City in which he pointed out that there were five powerful economic entities in the world. In addition to the United States and the Soviet Union, there were also Western Europe, Japan and China. "These are the five that will determine the economic future and, because economic power

er will be the key to other kinds of power, the future of the world in other ways in the last third of this century." It was because economic strength was the motive force for other, less determinant, factors. Nixon was perhaps the first US president to recognize that China had begun to enter the ranks of the world's most powerful nations. Actually, China's economic strength was not strong at that time and, even today, although China's economic strength has quadrupled since that time, it is still not a world economic power. The nation's economic strength lies in the fact that in recent years it has maintained a higher growth rate than Western capitalist countries, and is in a good position to catch up with and even surpass them. Mr. Nixon, at the time, saw the trend, a trend which has remained unchanged to this date.

Nearly every patriotic student who took to the streets wished for a rapid development of the country; there was no fundamental conflict of interest between the government and the majority of those participating in the student unrest. Why, then, did the problem develop to the degree that it did? This question calls for deep thought. The amount of social upheaval experienced by the Chinese nation during this century is rare in world history. After the Qing Dynasty (1644-1911) was overthrown in 1911, disturbances and wars followed one after another, and it was not until the founding of the People's Republic of China in 1949 that the country began to stabilize. During the four decades under the leadership of the Chinese Communist Party, however, there was no chaos arising out of war and the majority of Chinese people had enough to eat and wear despite the fact that the nation's population doubled its size. The rapid growth in the strength of the nation, moreover,

and in the rising pride of being "Chinese" is an acknowledged fact. The appellation, "China-man," perhaps the most famous derogatory attribution of which is credited to President Roosevelt when he used it to criticize his staff for feeble-mindedness, aroused no sense of pride before the founding of the People's Republic. After the Korean War (1950-53) and the explosion of China's first atom bomb, however, "Chinamen" began to win respect because Americans could not have been defeated by feeble-minded people nor could the feeble-minded possess atom bombs—logic of the social Darwinists who recognize the survival of the fittest.

If history could be relived in order to allow leaders of the student unrest to receive a "reward" from Roosevelt or to witness the "contest" of two Japanese officials who each killed more than 100 Chinese people on a Nanjing street, they perhaps might understand the priceless value of the founding of the People's Republic proclaimed by Mao Zedong on the Tiananmen Rostrum; they might not be so impatient as to wish for replacement of the People's Republic with a Taiwan- or an American-type republic. No matter how many mistakes the Chinese government may have committed during its 40-year rule, the four decades represent years in which China achieved genuine independence and unity, a time when it began to enter the ranks of the world's strong nations. They are also years in which the Chinese step by step gained their dignity and found their living standards considerably improved. To advocate the overthrow of such a government requires the most compelling of reasons, reasons far exceeding in importance the sensational rumours thrown up during the student unrest.

Prior to the industrial revolu-

tion, the difference between China and Western countries in their level of productive forces was minimal. However, during the two centuries between 1750 and 1950, the gap between their per-capita gross national product expanded almost 100 times over. For instance, China's per-capita iron and steel output was only 2.5 kg in 1952. It only just recently topped 54 kg. This is in comparison to the per-capita iron and steel output of the United States which had already reached 350 kg by 1920. The gap thus formed after long-term accumulation of resources can not be eliminated overnight. Therefore, in terms of economic growth, China can only be called a secondary nation or a big regional country, while, in terms of living standards, China is still a low-income country. Although Chairman Mao Zedong urged the nation a long time ago to lift itself out of poverty, his ideal has still not been fully realized. Under such circumstances, China urgently needs a stable environment. Only through long-term steady, rapid development can the nation narrow its gap with developed nations, and establish, after several generations of effort, a new Chinese cultural circle embracing the world's latest scientific and technological results. By that time, when the nation meets Dr. Sun Yat-sen's ideal of catching up with the West, we will be able to feel an unflinching pride at being Chinese. How can such an environment of peace and progress, however, be achieved? The answer to this question is without a doubt a harsh challenge to the Chinese people and to our thinkers and politicians. As well, the historical opportunity to satisfactorily respond to the times is not always available and, if missed, may be gone for ever, gone as surely as the passing wind.

It can't be denied, moreover,

that no matter how poor China is today, compared with 40 years ago, the Chinese people are at a starting point, on the eve of a time of major development. China is able today to produce 1 billion tons of coal and 60 million tons of iron and steel annually, a feat which means that its current annual industrial output value exceeds the sum total of the entire 1950s. Of course, China does have problems and the Chinese government did make mistakes. But the distorted description of China's situation as one "at a critical moment which concerns the life and death of the nation" is not convincing. The difficulties of today are early warning signs and it is likely that the nation will come to grips with them successfully in the 1990s. One of the chief reasons for the recent difficulties is the number of setbacks which the country encountered over the past 40 years. If these experiences and lessons can be correctly summed up, much can be learned and many possible future mistakes prevented. Although China's history is long, neither its people nor state leaders have past experience in building a modern nation. The reform, like "crossing a river with one's feet stumbling about the stones on the river bed," may encounter inevitable disturbances if problems are mishandled. Last year's unrest, in particular, inflicted losses on the nation for which neither the state nor participating students can compensate. At the same time, the benefits expected out of the unrest by the political "elite" did not materialize.

The next 30 to 40 years are of crucial importance to China's development. The country desperately needs to become strong enough to face a variety of unexpected risks and challenges. The Chinese people's standard of living also needs to improve rap-

idly. The key to meeting this goal, unquestionably, lies in maintaining the political stability from which all political and economic reforms must proceed. If the Chinese people, particularly intellectuals, can agree on this common political requirement—sparing no effort to improve but not to overthrow China's socialist system in order to avoid a costly upheaval—the future of China's development will be bright.

But if, on the contrary, Chinese intellectuals turn to various political plots designed to overthrow the existing political power and rebuild capitalism, China is likely to be convulsed by both large and small disturbances. It will be unable to focus its strength on economic construction, or even deal with the tragedy of frequent civil wars, much like those that occurred in the first half of this century. If worst comes to worst, if, for example, the present-day "democratic fighters," those self-styled "political elites," were given the chance after a period of social upheaval to organize their own

government, promoting a "national salvation plan" in order to reinstitute capitalism in China, they would be besieged by insurmountable economic, political and social problems. Their inability to recover from the losses created by the turmoil could even lead to a civil war. Most of these political "elites" are self-promoting, Western educated people who do not understand China's national conditions at all and who lack a practical knowledge of society. It was perhaps this naivete more than any other factor which led them to accept the political risk involved in heading the student unrest, a step which resulted in the head-on confrontation with the machine of the state.

These political "elites" believe that, without reviving capitalism, China has no future and that the overthrow of the Chinese Communist Party and the Chinese government is the pre-condition for any political change. Their political aim, using the students as fodder of overthrowing the state or, barring

that, sacrificing the lives of the students in order to "awaken the masses," was clear. While the conflict between the political "elites" and the state could not be reconciled, the tragedy of the students lay in the fact that although they were unwilling to accept the political programme of overthrowing the Communist Party and rebuilding capitalism, they were unable to extricate themselves from the control of the political "elites" and, in the end, went against their own original intentions. Their political objective actually can be achieved through the gradual improvement of the socialist system. China needs constructive, rational, steady, and comprehensive insight and activity; at the same time, the nation needs to reduce destructive, shallow, rash and one-sided assumptions and blind actions. The country has experienced too much upheaval; no more is needed. This is the consensus to be reached by all patriots as they evaluate the nation's recent history. ■

(To be continued)

## On Taiwan's 'Elastic Diplomacy'



Li Jiaquan.

by Li Jiaquan

The Taiwan authorities, ignoring the people's repeated advice and relying on certain economic advantages they currently possess, have continued to obstinately push ahead with their "elastic diplomacy" policy during the the past two years. Last year, they established or restored "diplomatic" relations with, first, Grenada, then Liberia and Belize, smugly declaring that these were "flowers"

of Taiwan's foreign relations, and that "many more flowers would blossom." There was even speculation by some that Taiwan 'would return to the international community,' achieve "an independent international personality," and "re-enter the United Nations." The facts will demonstrate, however, that this is only the wishful thinking of a few people in the Taiwan government.

### Essential Elements

Taiwan's "elastic diplomacy" has gone through a period of change since it was first trotted out by the authorities. At first glance, the present "elastic diplo-

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macy" is seemingly a flexible application of their foreign policy and is, essentially, no different from their past practices. This is in fact, however, not true. The "elastic diplomacy" put forward first during Chiang Ching-kuo's time and the present "elastic diplomacy" are different from one another both in regard to their basic assumptions and to their objectives.

In the early 1970s, some Taiwanese authorities, in order to unite with the Communist Party of the Soviet Union against the Communist Party of China and out of purely tactical considerations, admitted that they "would not hesitate to make a deal with the devil." This idea, however, was soon dropped due to internal divisions. In the late 1970s, when diplomatic relations were established between China and the United States, the Taiwan authorities put forward the idea of "substantive diplomacy" by which they would develop non-governmental economic and trade relations with countries and regions with which they had no "diplomatic ties." This policy specifically excluded the Soviet Union and other socialist coun-

tries in Eastern Europe. An important reason for the smooth implementation of this policy lay in the tolerance expressed by the Chinese government.

In the past two years, the current Taiwan authorities, ignoring the need to reunify the country, have persisted in trying to create "two Chinas," or "one China, one Taiwan," and without any scruples whatsoever pushed their new version of "elastic diplomacy." The former "elastic diplomacy" was a prerequisite for "one China" while the current version, under the name of "one China," peddles the idea of "two Chinas" or "one China, one Taiwan." The core of this new "elastic diplomacy," then, is to promote "one China" in word but "two Chinas" or "one China, one Taiwan" in practice, a strategy which can readily be seen from reports in many foreign and Hong Kong newspapers and magazines.

As early as January 1989, Japan's *Tokyo Shimbun* pointed out: Taiwan's "elastic diplomacy" was, in essence, the tacit creation of "one China, one Taiwan." (January 28, 1989).

When "diplomatic relations"

were established between Taiwan and Grenada, the Hong Kong *Standard* commented: The Kuomintang is on its way to accepting double recognition" and is following the road of a "two-Korea" type of arrangement. (- See the July 28, 1989 issue).

When "diplomatic relations" were established between Taiwan and Belize, the Taiwan authorities repeatedly professed that they did not intend to create "two Chinas." Belze's foreign minister, however, let the cat out of the bag when he said, "We're pursuing a 'two China' policy." (Taiwan's *United Daily News*, October 15, 1989).

### The Record

That the Taiwan authorities are energetically pursuing their "elastic diplomacy" at this time is a result of both the international political climate and domestic events on Taiwan Island.

Internationally, there have always been those who have tried to create "two Chinas" or "one China, one Taiwan." During the 1950s, some people pressed Chiang Kai-shek to withdraw



A cheap magician's trick by Taiwan authorities.

● "There is only one China."

● ● But there are two in the cards.

ZHAO REN

from Quemoy and Matsu, and thus divide the Strait; during the 1960s, a "two Chinas" proposal was put forward more than once; in the 1970s, some people again advanced the proposal of "one China having double representation," stressing that Taiwan under the Kuomintang had a "de facto government"; and, in the past two years, there has been both overt and covert encouragement for Taiwan to achieve an "independent international personality," and "return to the international community." This is all a clear attempt to push for acceptance of a "two Chinas" or "one China, one Taiwan" policy. Wasn't "elastic diplomacy" and "double recognition" put forward specifically for this purpose? Despite clear evidence that this is the case, there was a recent article in a Taiwan newspaper denying that Taiwan's present "elastic diplomacy" had an international background. (Taiwan's *United Daily News*, October 12, 1989). Such attempts at deception, however, can deceive no one.

The domestic climate on Taiwan Island which bears on this question has been around for some time. In the past few years, various people have successively put forward such ideas as "confederation," "one nation, two countries," "one country, two state systems," "one country, two forms of government," "a multi-system country," "two Chinas for expediency," and "both are China." In the spring of 1989, a proposal was dished out for a "one country, two government offices," and "one China, two reciprocal governments." This view, though later publicly retracted because of internal opposition, was, actually, still pursued without public comment. The "elastic diplomacy," "double recognition" is thus only a means by which the Taiwan authorities can push their policy of "one

country, two government offices" and create "two Chinas" or "one China, one Taiwan."

It is particularly noteworthy that after the June 4 riot was put down on the mainland, some Taiwanese authorities and certain hostile, international forces expressed their rage at the outcome; their plans for the mainland had been shattered. In collaboration, they exerted pressure on the mainland, trying to hamper its economic construction and its reform and open policy, and thus force the Chinese government to yield to their demands. Taking advantage of the opportunities which presented themselves in the spring of last year, the Taiwan authorities redoubled their efforts to achieve the policy of "two Chinas" or "one China, one Taiwan." The goal, however, was and is unattainable. This is partly because the Taiwan authorities, long dependent on foreign forces, are content with their sovereignty over China's island of Taiwan. Moreover, they refuse to accept peace talks because they are a tool of those foreign forces which oppose reunification with the motherland. This, in and of itself, is a great national tragedy.

### A Blind Alley

Although the idea of "elastic diplomacy" is apparently well received in some circles, and will possibly meet with some success, it can be said with certainty that the strategy to divide China will never succeed. The reasons are as follows:

(1) There is only one China in the world, the People's Republic of China, the government of which is the sole legal representative of the Chinese people; this fact is unanimously recognized by the overwhelming majority of the world's governments.

Similarly, although Taiwan, an inalienable part of China, is

now temporarily separated from the mainland, it will ultimately be reunited with the mainland. This is an undeniable fact, the trend towards which is irreversible.

(2) The temporary success in a few countries of the Taiwan authorities' "elastic diplomacy" is the result of their "financial-aid offensive" towards those countries which are having economic difficulties. It simply takes advantage of the mainland's temporary difficulties and relies on their foreign exchange reserves to buy off countries in need. The mainland's difficulties, however, will soon be overcome. Our nation's status and influence as a sovereign power, its sympathy with and support for the small and medium-sized third world countries are unshakable now and in the future. Consequently, the profound friendship forged by the Chinese government and people with these countries and peoples can never be truly bought forever. Even though certain countries, because of temporary difficulties, have made an unwise choice, they will some day change their position and correctly judge their relationship with the mainland. The Taiwan authorities have been told that "friendship" and "diplomatic relations" bought with money will not last long.

(3) The "elastic diplomacy" designed to split China, is bound to encounter strong opposition from people on the island, on the mainland and from all patriotic overseas Chinese.

First, the overwhelming majority of people of Taiwan, we believe, are patriotic. Although currently they worry about reunification of the country, once they see through the scheme designed to separate Taiwan forever from the motherland, they will certainly rise up in struggle against the schemers.

Likewise, the overwhelming

## Tourism in Southeast Yunnan Province

by Our Staff Reporter Li Rongxia

*The subtropical forest of Xishuangbanna and other regions of China's southwest border area in Yunnan Province leave a deep impression on tourists from at home and abroad. The article introduces some newly opened scenic spots southeast of the province.—Ed.*

China's southwest border area in Yunnan Province, its Xishuangbanna subtropical forest and the local minority nationalities with their rich and colourful clothing, ornaments and living legends, is a beautiful, yet mysterious place. Each year, both domestic and foreign tourists are attracted to the countryside, first to the area surrounding the capital, Kunming, and then, by excursion, further to the southeast, to the world-famous Stone Forest and the many other little-known

areas of breath-taking scenery.

### Source of Pearl River

It takes about three hours by bus to reach Qujing from Kunming. The Zhujiang (Pearl) River, one of China's four largest, originates here at the eastern foot of the Maxiong Mountain.

The Zhujiang River crosses Guangzhou and stretches over the six provinces of Yunnan, Guangxi, Guizhou, Guangdong, Hunan and Jiangxi as well as one corner of Viet Nam. The drain-

age area is some 453,700 square kilometres, and the river's length is 2,214 kilometres. Its source is called the Nanpanjiang River and flows from the two levels of a water cave at the eastern foot of Maxiong Mt. In dry seasons, the water flows out of the lower cave and in rainy seasons, from both. The area around the cave mouth is very scenic, with fresh air and a luxuriant forest containing plants of every description.

The geologist Xu Xiake of the Ming Dynasty (1368-1644) went twice to the area in search of the source of the Zhujiang River, and wrote the book or essay *Investigation on the Panjiang River*, a valuable source of information for later researchers. A tablet noting that it is the source of the Zhujiang River was placed in 1985 at the cave entrance.

The Zhujiang River's starting

majority of 30 million overseas Chinese will not tolerate the attempt by a few unworthy descendants of China.

The 1.1 billion people of the mainland will also never permit such an action to be taken. The mainland will provide a strong backing for the anti-splittist, patriotic forces on the island, and will adopt all necessary means of support to safeguard the country's territorial integrity. For more than a century, the Chinese people had tasted the full bitterness of imperialist aggression and humiliation. The Taiwan issue and the present separation of

the people across the Taiwan Straits are the scars left by imperialist invaders. An early reunification of the motherland through peaceful negotiation is the aspiration of all Chinese people and any attempt by some at splittism can only leave them to be adjudged guilty of crimes against the nation and to be spurned by the public.

Not only will "elastic diplomacy" fail, it will also create a dangerous situation if it is pursued. It will damage the hard-won atmosphere of peace which now exists across the Strait, increase tension and hostility and hamper

further improvement of relations and the eventual peaceful reunification of the motherland; most pernicious of all, it will encourage the development and spread of the forces advocating the "independence of Taiwan." While those in power are advocating an "independent Taiwan," those not in office are preaching "the independence of Taiwan," and between the two pronouncements it is hard to draw a clear distinction. One views state sovereignty as the main goal while the other advocates relations between both sides. A case in point is the tolerance by Taiwan authorities of



**The Coloured Sand Forest.**

point is also at the northern end of a 70-square kilometre stretch of scenic area running from north to south. In the north, there are the Maxiong Mountain and the Huashan Lake which are known for their natural beauty; in the south there are the Three-Treasures Hot Spring and the Forest Park of Liaokuoshan Mountain, as well as the site of the prehistoric fish fossils and the section of the Devonian Period. The Three-Treasures Hot

Spring, open to tourists earlier than the other sites, has a flow volume of some 2,400 cubic metres every 24 hours. The water is colourless and tasteless, contains 30 or so beneficial minerals and has a temperature between 40° and 50°C. Over 95 percent of the area is covered by forest and grassland, containing more than 200 species of plants. It is an excellent place for travel, conduct scientific research or to simply relax.

### The Sand Forest

In an area 18 kilometres from Luliang County, south of Qijing, one can visit a rare and colourful sand forest, the uniqueness of which is its colourful sand structure.

Occupying an area of six square kilometres, the sand forest, formed in the shape of a "Y," is a kaleidoscopic world of yellow, white, red and grey sands, with a sprinkling of black, blue and green. Various sand dunes, the highest reaching some 20 metres, form a huge, intoxicating labyrinth.

All about the sand forest are flowers, evergreen and wild fruits such as azalea, camellia and red bayberry, a variety of trees and many springs and streams. It is surrounded by five, large reservoirs.

Archaeologists say that the Luliang area, once a vast ocean and the site of the present sand forest, was an expanse of sand and stone under the sea. With the upward movement of the earth's crust, the seabed gradually appeared above the water's surface, leaving the colourful sand forest to be brushed for many years by wind and rain.

the forces clamouring for "the independence of Taiwan" during the recent election on the island.

It is particularly noteworthy that certain aggressive foreign forces have always coveted China's Taiwan Island. As the saying goes, "Flies do not land on uncracked eggs." Since some have pushed the idea of "elastic diplomacy," "double recognition," and "political entity," hostile foreign forces have been quick to spot the means by which to exploit differences between the mainland and the island.

Clearly, "elastic diplomacy," if continued, will inevitably shar-

pen existing contradictions; it is bad for Taiwan, the mainland, for rejuvenation and development of the whole of China and for peace in the Asia-Pacific region and the world. "Elastic diplomacy" and "double recognition" are by no means reasons for good cheer by the the Taiwan authorities, but rather are as dangerous as playing with fire. The words of Mr Qiu Hong-ta, a noted Taiwanese scholar in the United States, which he gave at a time when "diplomatic relations" were established between Taiwan and Belze are worth remembering. He advised the Taiwan au-

thorities not to make a big fuss about this and not to consider such an action as the first step towards their goal of "two Chinas," or of "one China, one Taiwan," otherwise they would provoke opposition from the Communist Party of China (Taiwan's *United Daily News*, October 14, 1989).

I think Mr Qiu's words are worth heeding. Not only would such a step invite opposition from the Chinese Communist Party, but also from the people on both sides of the Strait, from overseas Chinese and from all patriotic Chinese people. ■

### The Stone Forest

The Stone Forest is noted for its pronounced karst topography, the best example of such formations in the world. Since China opened itself to the outside world in 1978, about one million tourists, some 60,000 foreigners included, have visited the country.

The continuing development in recent years has allowed a larger area, currently 400 square kilometres, to be opened for tourism. The area has seven scenic spots—the Large and Small Stone Forests, the Naigu Stone Forest, the Zhiyun Cave, the Great Waterfall, the Long Lake, the Moon Lake and the Strange Cave—the first four of which are now open.

Each of the seven scenic spots has its own special attraction. The Large and Small Stone Forests are examples of karst topography, seen at a glance in the Sword Peaks. The rock body is densely packed, dark grey in colour and has a smooth surface. When viewed from a small pavilion set in the centre of the Large Stone Forest, the surrounding slender stone pinnacles look like a stand of splendid forest.

The newly opened Naigu Stone Forests, 10 kilometres northeast of the Large and Small Stone Forest, is 10.25 square kilometres in size, and is situated at over 1,700 metres above sea level.

The rock formation in the Naigu Stone Forests is noted for its size and cohesion, each stone interconnected with another. Despite its grandeur, however, the Naigu is appealing to visitors because of its rough, simplicity and lack of sophistication.

The Zhiyun Cave, located about 5 kilometres to the north of the Stone Forest, is over 370 metres deep. The surface terrain has a steep gradient therefore one of the cave's openings is found at the top of a north peak,

providing a full view of the surrounding stone peaks.

The Great Waterfall, about 38 kilometres from the Stone Forest, is more than 30 metres wide, has a drop of 82 metres, and is especially spectacular in the rainy season.

Long Lake is about 3,000 metres long, 40 metres wide and has a surface area of about 80 hectares. It's known for its crystal clear water through which one can see down to a depth of about three metres. Around the lake, many varieties of plants

grow in abundance.

Moon Lake and Long Lake are topographically identical, the major difference being that the former is larger. The attraction of the Strange Wind Cave can be guessed at from its name—gusts of air spurt outward and are sucked inward with steady regularity—much like a person's breathing. If one places a straw hat at the mouth of the cave, it will be blown two metres high. Like the Great Waterfall, the natural quirks of the Strange Wind Cave are most readily and dra-

The Stone Forest.





matically displayed in the rainy season.

### Caverns

In addition to the Stone Forest, other locations are also noted for karst topographical features, part of which is the formation of many caves. At present, three such caves are open for visitors—the Ancient Alu Cave, White Dragon Cave and the Swallow Cave.

#### The Ancient Alu Cave.

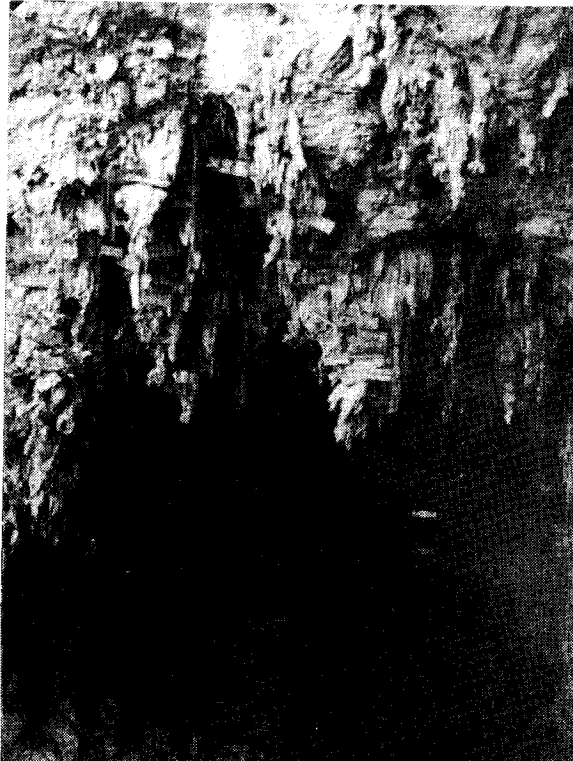
In the Yi nationality language, Alu Cave means a mountain cave of water and stone. Transportation to the 1.5 kilometre Alu Cave area, located within Luxi County, about 200 kilometres from Kunming and 80 kilometres

from the Stone Forest, is convenient. The many caves, springs and winding rock channels which began their slow formation 20 million years ago, criss-cross each other underneath the Alu Mountain and create an intricate network of nine peaks, nine rivers and 18 caves.

The main part of the Alu Cave, composed of the Lu Yuan, Yuzhu and Biyu caves along with the Yuxun River, covers a total length of 3,000 metres. Since its opening to tourism in January 1988, about 923,000 tourists have visited Alu, including some 1,400 from Hong Kong, Macao, the United States and Japan.

**The White Dragon Cave.** This is another scenic spot in Mile County about 60 kilometres from the Stone Forest and the Alu Caves.

This cave, about 1,500 metres long, has two levels and over 40 natural halls which were formed



Mouth of the Swallow Cave.

225 million years ago. Cave sights include great numbers of stalactites, stalagmites, stone pillars and stalactite curtains of golden, yellow, brown black and grey white colour.

The wide and deep White-Dragon Cave is, overall, a spectacular underground scene but one sight in particular is worth noting—an extremely large, white as jade stalagmite, 15 metres in height with a diameter around its lower end of 3.6 metres. It has a slope of about 20 degrees which, compared with the Leaning Tower of Pisa in Italy, is 5.3 degrees steeper.

Another notable feature of a the cave is the concentration of myriad shapes, each of which has a legend to describe its history.

The third feature of the cave is its open roof to the sky. From the natural window, old vines stretch straight down to the cave's bottom and, at noon, sunshine streams in.

**Swallow Cave.** Situated in Jianshui County, about 250 kilometres from Kunming, this site is worth visiting to see the dry and water caves as well as the surrounding natural forest. The Swallow Cave is so-called because of the 1 million or so swallow nests there.

First explored in 1986, the Swallow Cave's water cave, more than 4,000 metres in length, was officially opened in February 1989. Formed about 3 million years ago, the cave contains nearly 100 large and small halls, the biggest of which is some 20,000 square metres.

The dry cave, located above the water cave, is in the shape of a bridge, and can accommodate

several thousand people. Set into the mountain cliff, it contains a group of stone halls and platforms with a narrow stone walkway spanning one section. Stone carvings and inscriptions are common.

One of the most interesting aspects of the Swallow Cave are the hanging stalactites; thousand of which, with inscriptions thereon, have been horizontally hung, some recently, some many years ago, at more than 50 metres above the waters' surface by local people in order to climb the cliff face.

More than 1 million tourists from China and foreign countries have visited the Swallow Cave since its opening in 1987. After a visit, one famous cavern expert from Bulgaria expressed the opinion that the Swallow Cave is one of the most magnificent and largest not only in Asia but in the world. ■

# BFTCC—A Friend of Foreign Businessmen

by Our Staff Reporter Han Guojian

**W**hen the eight-year contract to manage the Beijing Air Catering Co. Ltd., a Sino-foreign joint venture, expired in April 1988, both parties, satisfied with the company's past performance, agreed to renew it. They consulted the Beijing Foreign Taxation Consultative Corp. (BFTCC) to find out about tax liability on their reinvestment, and later applied for an exemption on certain items which they had formerly thought taxable. For their efforts in seeking out the assistance of the BFTCC, they gained a tax advantage for some 46,000 yuan of income.

BFTCC, a non-governmental agency, is located in a quiet building under the shadow of the Jianguo and Beijing-Toronto hotels. Set up in January 1985, it has a staff of eight people including the general manager, Liu Jie, and two senior tax managers, Yang Shunlin and Li Shize, all of whom have served in Chinese tax organs for decades and are therefore quite knowledgeable about Chinese tax laws and regulations. By the end of 1989, the company had provided legal services to some 58 foreign-funded enterprises in Beijing.

## Friend of Foreign Businessmen

Since China's door suddenly opened in 1979, more than 40 countries have invested in the country. By the end of 1989, some 20,000 foreign-funded enterprises were set up, including a few hundred in the capital city of Beijing.



Liu Jie.

"Taxation has a direct bearing on the income of foreign investors," said Liu recently. "Legal services in this regard therefore is very important for them. Our company, still the only one in Beijing today, is able to meet their needs."

According to Liu, publicizing China's laws on foreign taxation and lending a helping hand to foreign investors as they figure out what taxes they should pay according to the law is the aim of his firm.

"We provide consultancy on all tax problems which may confront foreign-funded enterprises and foreign businessmen," said Liu. "The legal procedures which we can handle for them include tax registration, declaration of taxable items, application for tax exemption or reduction, and arranging talks between foreign businessmen and the Chinese tax bureau."

## A Helping Hand

The Beijing Adler Camco is a joint-venture fashion store fund-

ed with West German capital. On October 18, 1989, in preparation for reinvestment in a new store outside Beijing, the German partner sent Mr Furchtegott, senior advisor to the joint venture, to inquire at BFTCC into the details about China's tax laws and regulations.

Although Mr Furchtegott had studied an English copy of

China's laws governing taxation, it, unfortunately, lumped Sino-foreign joint ventures and solely foreign-owned enterprises together.

In a meeting with Mr Furchtegott, Yang Shunlin from BFTCC explained that the two types of enterprises are taxed differently. When remitting their profit earnings outside China, solely foreign-owned enterprises pay no tax while the foreign side of a Sino-foreign joint venture has to pay income tax on the remitted sum at the rate of 10 percent. With regard to local income tax, the solely foreign-owned enterprises enjoy a 10 percent rate of income tax while the Sino-foreign joint venture must pay the local income tax only on 10 percent of its income. The talk lasted three hours and Mr Furchtegott left very satisfied with the explanations he received.

China revised its tax regulations regarding the scope and methods for tax collection in the last few years. For example, the Beijing municipal government

stipulated in 1987 that foreign-funded production enterprises which are technology-intensive or involve a foreign investment of more than US\$30 million are entitled to the reduced income tax rate of 50 percent; production enterprises which are export-oriented and use advanced technology shall, with the approval of the Chinese authorities concerned, continue to enjoy a 50 percent reduced rate upon the expiration of the tax exemption or reduction. Although this revision has been announced in the newspapers, some foreign businessmen still are not clear about the change. The BFTCC, which will explain such changes in clear language to investors, has thus been a great help to many foreign businessmen.

### Sound Advice

In some cases, however, some foreign businessmen went to BFTCC with the idea of finding means by which to avoid taxes. They received, instead, legal explanations on the penalties for such actions.

A Hong Kong company which had contracted to install elevators for a Qingdao hotel was required to pay taxes on the total income from the sales and installation of the elevators. The company, however, intended to pay taxes only on the income resulting from their installation business. When the Hong Kong contractor went to the BFTCC, he was advised that such practice was against Chinese law, the discovery of which would result in additional fines. He accepted the sound advice and duly noted all taxable income on his report.

The Beijing Lufthansa Centre Co. Ltd. planned to employ two technical advisors from a foreign

company and went to BFTCC for information about what amount of their income was taxable. Prior to this, the company had consulted an American lawyer stationed in Beijing, who said that to avoid individual income tax, the Chinese company would be better off signing two separate contracts for the payments, one



Answering questions concerning taxation raised by the German representative (first left) of the Beijing Adler Camco.

with the two foreign advisors and the other with the foreign company.

The BFTCC, however, disagreed. "The American lawyer's suggestion should not be accepted," said BFTCC people. "The Chinese tax authorities levies taxes in accordance with the law, which stipulates that the two outlays must be listed in the same contract."

Understanding the reasons behind the BFTCC's explanation, the Beijing company did as it should have done according to Chinese law.

In those cases where foreign businessmen had avoided taxes because of an ignorance of the Chinese law, they found reasonable advice on how best to correct their reporting at the BFTCC.

In November 1988, some office staff of a Japanese company stationed in Beijing didn't pay taxes on the individual income they received from Japan to the Chinese tax authorities. Unsure as to their legal standing, they asked the BFTCC for advice.

During an investigation, it was clear to the BFTCC that taxes

weren't paid because the people knew very little about China's tax law. When the details were explained to them, they paid the overdue tax and avoided the possible fines which could have been levied against them.

### Future Plan

All who have gone to the BFTCC speak highly of its service and many foreign investors, such as the Tokyo Maruichi Shoji Co. Ltd. and the Casio Computer Co. Ltd., use the non-governmental agency as its regular tax advisor.

As a sign of the times, Liu Jie, general manager of BFTCC, recently announced that his company planned to serve business customers in the coastal open cities. ■

## 5 Principles for Enterprises

XINXI RIBAO  
(Information Daily)

The Chinese government is currently drafting a document on the closing down of some enterprises. The following five principles will serve as guidelines:

**Economizing key energy resources and raw materials.** Those township enterprises that are high energy consumers but do simple processing will be closed down.

**Market demand.** Township enterprises that use scarce supplies of raw materials to produce goods not in great demand will be closed down.

**Economic efficiency.** Losing enterprises will be closed or suspended, or will merge with other enterprises and shift their lines of production.

**Product quality.** Enterprises that operate only on the basis of profit rather than producing quality goods will be forced to stop operations and under a shale-up.

**Pollution control.** Enterprises that are economically efficient but heavily pollute the environment will be forced to close down.

(October 27, 1989)

## Progress, Problems in School Work

ZHONGGUO RIBAO  
(China Daily)

The State Education Commission, entrusted by the State Council, has completed an investigation of middle and primary schools in

26 provinces, autonomous regions and municipalities.

The main points of the investigation included:

1. The implementation of a Party Central Committee circular on the improvement of moral education in middle and primary schools;

2. The policy of increasing educational fees and teachers' pay;

3. Rebuilding of dangerous classrooms;

4. Reducing the number of dropouts from middle and primary schools; and

5. Rectification of extra charges.

The findings show that governments of the 26 localities have attached importance to education, recognized its strategic position in socialist construction, and adopted measures to strengthen it, although levels of awareness and implementation were uneven.

The State Education Commission said the circular on the improvement of moral education in middle and primary schools has been implemented and the ideological and political education of students has been strengthened. Local Party committees and governments have set up leading groups or co-ordination committees to strengthen leadership on moral education.

On the policy of increasing educational funds, the commission said 23 of the 26 provinces, autonomous regions and municipalities had increased their educational allocations faster than their financial revenues grew between 1985 and 1988. But although allocations have been raised, education funds remain strained because of the increase in the numbers of teachers and students, the rise in teachers' salaries and inflation.

Various policies on increasing teachers' salaries have been implemented in Beijing, Tianjin, Shanghai, Zhejiang, Guangdong and Xinjiang. But, in some areas, the shortage of housing and medicare fees has not been solved completely.

Handling dangerous classrooms has made remarkable progress. In 1980, dangerous buildings amounted to 17 percent of the total floor space of schools throughout China. By the first half of 1989, they had been reduced to 4.7 percent.

The rate of dropouts from primary schools has been brought under control but it remains high in middle schools. In the 1987-88 school year, the drop-out rate of primary schools averaged 3.3 percent while that of middle schools was 6.9 percent. In the autumn of 1989, the dropout rate of primary schools was 3.2 percent and that of middle schools was 7.3 percent.

Local governments have paid attention to the question and adopted legal, administrative, economic and educational measures to check dropouts.

(February 6)

## Tibetan Farmers Modernize

RENMIN RIBAO  
(People's Daily)

In 1980, the Chinese government implemented a policy of rehabilitating and developing the Tibetan economy. The policy allows individuals to lease plots of land and raise cattle for private use and go in for long-term independent management. Since then, farmers in Tibet have extricated themselves from pover-

ty and enjoyed the first taste of prosperity.

Gama Sangzhu, a farmer from Gyesa Village by the Yarlung Zangbo River was the first among local farmers to mechanize farm work and have electric appliances in his home.

In 1982, Gama contracted one hectare of farmland. Thanks to agrotechniques he adopted, his annual output of grain was raised to 9,000 kilogrammes, the highest in the county. During the past seven years, he sold nearly 20,000 kilogrammes of surplus grain to the state. Gama's family now has a walking tractor, a small-harvester, a thresher, a sold drill, a winnowing machine and a flour-milling machine.

Another farmer Nima Ouzhu lives in a township of Xigaze. His 12-member family contracted 3.5 hectares of land and turned it into a family farm. They have handed more than 50,000 kilogrammes of commodity grain to the state and own more than 120 head of cattle and sheep. Family members share all the chores on the farm, including carpentry, stone masonry and transportation. The family also contracted the village's water mill. They bought an oil press and flour-milling machine and run a workshop. They also built a two-storey building with 30 rooms.

Qi Zhuma and his family live in a mountainous region beside the Sichuan-Tibet Highway. His family is well-known throughout Tibet as a big grain producer. It has almost all the machinery required for a highly mechanized farm. Years earlier, farmers drove oxen-pulled wooden plows, but now they use large tractors and harvesters.

In the past 30 years, there have been 130 privately owned large-, small- and medium-sized tractors and 5,000 harvesters and threshers in Tibet. Tibetan farmers' income has increased year after year. Private households have bought more than 1,000 pieces of farm machinery. Some chores that had been done by hand are now done by machine. Tibetan farmers are truly on the road to mechanized farming.

Since Tibet was peacefully liberated 38 years ago, the region has undergone major changes in agriculture, including the modernization of farming equipment and different systems of production. Tibetans have experienced serfdom (which had no personal freedom), co-operatives, people's communes, the contract system and self-management.

*(November 30, 1989)*

## Less Dust in Beijing

JINGJI CANKAO  
(Economic Reference)

**I**n the early 1950s Beijingers choked on dust an average of 57 days of the year. But by planting trees over the years, the number of dusty days in China's capital has decreased.

Between 1976 and 1980, statistics showed that the wind whipped up dust clouds an average of 26.5 days a year. But in the past three years, Beijingers have endured only 11.3 days of dust per year.

"It was too windy to open your eyes in spring in Beijing in the early days of liberation," recalled a veteran soldier who entered Beijing with

the People's Liberation Army in 1949. "The wind rose every two or three days. Thick dust formed on the windowsills if not cleaned in time."

Following the founding of New China in 1949, there were few trees in the countryside surrounding Beijing. Only a few scenic spots in the capital had trees. On the outskirts of Beijing there were a mere 60,000 trees, 20,000 hectares of natural secondary woods in mountain areas and 200 hectares of man-made woods throughout Beijing. Only 1.3 percent of the total area of Beijing was green.

There were five places in the Beijing area hit the hardest by the wind. They were Kangzhuang Village, Nankou district and along the Chaobai, Yongding and Dasha Rivers. Whenever the wind blew, there was choking dust.

Now the five windy places have been brought under control. In the summer, vegetation covers the banks of the Yongding River. According to an official the Daxing County Forestry Bureau, 20 percent of the county, a suburban county of Beijing, is covered with forest. In the early 1950s, only 0.8 percent of the county had trees. Sandy area covers 2,000 hectares, a big decrease.

Through the decades people have planted trees along the roads and around the fields. A bird's-eye view of Beijing shows the five main highways flanked with tree belts and fields of trees. The prevention and control of the dust and sand has expanded from suburban Beijing to scenic spots along mountains and to protected nature areas in the mountains.

*(December 9, 1989)*

## China's Foreign Debt OK

The steady improvement of China's foreign exchange balance, the improved scope and structure of foreign loan, and the debt and repayment rates which are well within the internationally acknowledged debt security line demonstrate that any foreign anxiety about China's ability to pay its debts is groundless, according to Li Guixian, state councillor and president of the People's Bank of China at a conference held in mid-February.

Li said that in 1989 China strengthened management of its foreign exchange and foreign debt. Foreign exchange reserves gradually increased while expenditures were restrained, generating an annual net income of US\$2.17 billion. Although it was faced with the difficult situation resulting from the economic retrenchment policy and the economic sanctions imposed by some Western countries, China's debt repayment was reported to be normal last year.

At present, the scope of China's foreign loans is under effective control, and a rational time limit for loans established. Statistics show that by last November the proportion of China's medium- and long-term debts comprised 89 percent of the total, and short-term debts only 10.9 percent, well below the international short-term debt security line. Foreign loans were mainly for investment in basic economic sectors such as agriculture, transportation, energy, electric power and communications. This is in accord with the economic development strategy.

China still needs foreign loans to help with its future construction. However, it will maintain a proper balance and structure and strive for efficiency in its use of loans. At the same time, China will strengthen management of

requests, use and repayment of foreign funds. ■

## Enterprises Fined For Trade Mark Abuse

On January 17, the newly appointed director of the State Administration of Industry and Commerce, Liu Minxue, announced to the press that several Chinese enterprises in Zhejiang and Guangdong provinces were recently fined because of their use of patented foreign trade marks.

The Zhejiang Textile Import and Export Co. (ZTIEC) signed a contract to export 10,000 yards of printed cloth with a private limited company of Malaysia. Some 20,000 yards of the cloth were printed with Mickey Mouse and Donald Duck logos provided by Malaysian businessmen. The Hangzhou Printing and Dyeing Mill thus violated patents held by the Walt Disney Co. of the United States. Accordingly, the Administration of Industry and Commerce of Hangzhou City, Zhejiang Province, ordered the ZTIEC to stop any activity which violated the patents and fined the mill 3,000 yuan.

The Ningbo Sanlian Food Co. in Zhejiang Province produced a candy whose arrangement of four letters on its packaging were exactly the same as a United States corporation trade mark and thus liable to confuse consumers. Sanlian was ordered to stop using of the trade mark.

From May to August of 1989, some enterprises and individuals in Guangzhou City, Guangdong Province, manufactured and sold large quantities of machine oil under an imitation trade mark of the Mobil Oil of the United States. The city's Administration of Industry and Commerce investigated their action and fined the

companies involved as much as 94,000 yuan, ordering that profits totalling 7,660 yuan should be paid to the Mobil Oil.

After the Administration of Industry and Commerce in Shenzhen City, Guangdong Province, fined five enterprises for violating the trade mark of IBM in February 1989, another six enterprises were fined 950,000 yuan for assembling and selling 336 imitation IBM computers.

The director of the State Administration of Industry and Commerce said that the legitimate rights of foreign businesses would be protected in accordance with both international law and China's relevant domestic law. He assured international companies that they could carry on their normal economic co-operation and trade with China in confidence. ■

## Shanghai Exports Stay Strong

When Shanghai exporters announced a target of US\$60 million exports at the recent Hong Kong Export Fair but produced a total of US\$150 million in contracts, no one else, if any, was more confident in the quality and competitiveness of Shanghai's export goods than Shen Beizhang, director of the Shanghai Municipal Commission for Foreign Economic Relations and Trade (SMCFERT).

After the Hong Kong fair, the confident SMCFERT director told the press both in Hong Kong and Shanghai that the fair was a promising beginning for the city's foreign trade in 1990, and that Shanghai would fulfill the year's export quota.

His confidence in the city's foreign trade success is due in part to the experimental system of foreign trade agents first introduced last April. By the end of 1989, the

system helped the city's foreign trade industries to realize a total annual export target of US\$5 billion.

The new system fully demonstrated its effectiveness in the period from September to December, when some countries imposed economic sanction against China and export businesses subsequently faced many new obstacles. Despite the difficulties, export volume increased by 46 percent over the first half of the year.

As part of the system, local financial institutions offered special loan arrangements and issued various securities for export trade. With such assistance, foreign trade companies were able to raise a total of 100 million yuan (some US\$20 million) by selling export goods previously kept in stock.

The recent changes in the mix of the city's export goods are obvious. The proportion of agricultural and related products decreased from 22.8 percent in 1985 to 12.72 percent in 1989 while the share of machinery and electric equipment increased by 15.4 percent from 1988.

Light industrial and textile products, however, still hold the lion's share of trade. Last year, the city's more than 300 export-oriented textile enterprises generated over US\$1.1 billion from export and, by November's end, Shanghai's textile industry had already surpassed its annual export quota by 10.21 percent.

In the second half of 1989, SMCERT missed no opportunity to build up the prestige of Shanghai's export trade. It urged enterprises to reinforce quality control and to better package their products. Several trade promotion delegations, some led by Shen Beizhang, were dispatched by SMCERT to North America, Europe and other parts of the world to advertise Shanghai's products to the world market.

Shanghai now has trade and

economic relations with more than 170 countries and regions and its export commodities appear in almost every corner of the world. According to a SMCERT spokesperson, the United States and Japan, traditionally Shanghai's two largest markets, will remain the city's major trade partners even as it begins to explore new markets in the Soviet Union and Eastern Europe.

by Dai Gang

## Trade Talks With USSR, Europe

China will hold an economic and trade symposium with the Soviet Union and East European countries in Harbin, Heilongjiang Province, on June 6-15.

According to the Ministry of Foreign Economic Relations and Trade, the major topics of the symposium include barter trade to be conducted not within the framework of inter-governmental agreements, as well as other forms of economic and trade relations between China and these countries. Accounts on the coming transactions at the symposium will be settled either in cash or according to established practices. In addition to a Chinese commodities exhibition, the symposium, covering a floor space of 20 square metres, will also showcase commodities from the Soviet Union and East European countries.

Apart from trade conducted according to inter-governmental trade agreements, China's non-governmental trade with the Soviet Union and East European countries have also developed rapidly in recent years. China hopes that the trade talks will further strengthen and expand its economic and trade co-operation with the Soviet Union and East European countries.

The talks will be attended, on

the Chinese side, by national and regional companies.

by Yao Jianguo

## Shenzhen to Set Up Bonded District

The Shenzhen municipal government recently approved the establishment of the Futian Bonded Industrial District (FBID). The decision was made in order to attract foreign investment and initiate the introduction of enterprises with advanced technology and sound economic efficiency.

This district will be put under the exclusive supervision of the customs. The entry and exit formalities of personnel, materials, funds and vehicles will be simplified; production materials, machinery and equipment used in the district will be free of customs duties; and daily necessities used in the district will be provided by Shenzhen tax-free companies.

The district is located to the west of the Huanggang Highway Terminal, the largest of its kind in China, and covers some 1.67 square kilometers. It is separated from the New Territories of Hong Kong by a river and borders, to the north, upon the Guangzhou-Shenzhen-Zhuhai Freeway now under construction, having convenient transportation.

Land requisition and geological survey work have been completed. According to the general plan, the industrial district's population will reach 100,000 and the total construction area will encompass 3 million square meters. Two 10,000-channel programme-controlled telephone exchanges rooms will be set up; the planned electricity load is 230,000kw.

The Shenzhen government has entrusted the FBID Development and Investment Corp. to make overall arrangements for interested foreign investors. ■

## Artists Across the Straits Collaborate

**H**ong Kong conductor Mr. Yao Di and Taiwan soprano Madame Lu Lili collaborated with the Central Opera House in a well-received production of Puccini's *Madama Butterfly* during the second half of January in Beijing.

The performance marked the first time that an artist from Taiwan had appeared on the mainland at the invitation of a state-level cultural troupe and with the agreement of the Ministry of Culture.

The presence of artists from both sides of the Taiwan Straits added a special charm to the production of *Madama Butterfly* which has been in the Central Opera House repertoire since 1958 and had been performed at last autumn's Second China Arts Festival.

Maestro Yao, chairman of the Board of Directors of the China Arts Trading Co. of Hong Kong, laid a solid instrumental foundation to the opera with his precise but imaginative interpretation of the score. As well as conducting the Central Opera House orchestra, Yao was also the organizer of the three parties that co-operated on *Madama Butterfly* and he was praised for his role in the exchange between artists from both sides of the Straits.

Lu, Taiwan's outstanding opera soprano, performed the leading role of Cio-Cio San with a sweet, sonorous and natural voice, winning warm applause from Beijing audiences. The role is a familiar one for her. Her first performance of it several years ago in Taiwan was hailed as a milestone in her singing career.

Lu is a graduate of Taiwan's Special Practical Music School and the Verdi Music Institute of

Italy. She has performed in more than 10 countries and won awards in Taiwan, Greece, Italy and the United States.

China has a long and rich history of traditional opera but the writing and performance of Western-style operas did not begin until the late 1920s, when Li Jinhui's children's song-and-dance drama *Little Painter* appeared. Later, some returned overseas Chinese and visiting troupes performed a few operas in big cities like Shanghai.

After the founding of New China in October 1949, professional opera troupes and song-and-dance ensembles were established in various large cities and technical standards were raised with the introduction of such operas as *Wang Gui and Li Xiang Xiang*, *Liu Hulan*, *Song of the Grasslands*, *The Red Guards on Honghu Lake*, *Sister Jiang*, *The Marriage of Xiao Er Hei*, *Mid-Summer Snow*, *Love Under the Chinese Scholar Tree*, *Ashima*, and *A Yiguli*. In 1956, China's opera troupes began performing classical Western-style operas, including *La Traviata*, *Madama Butterfly* and *Eugene Onegin*. Opera companies in Shanghai, Wuhan and other cities also did work in this field.

Since the end of the 1970s, many new operas have appeared. The Chongqing Opera House staged *The Torch Festival*; the Shenyang Opera House, *Sweetheart*, the Nanjing Opera House, *Twin Sisters*; and the Central Opera House, *The One-Hundredth Bride* and others. Their style ranges from opera aria to operetta or musical comedy.

In recent years, musically more mature works with a wider

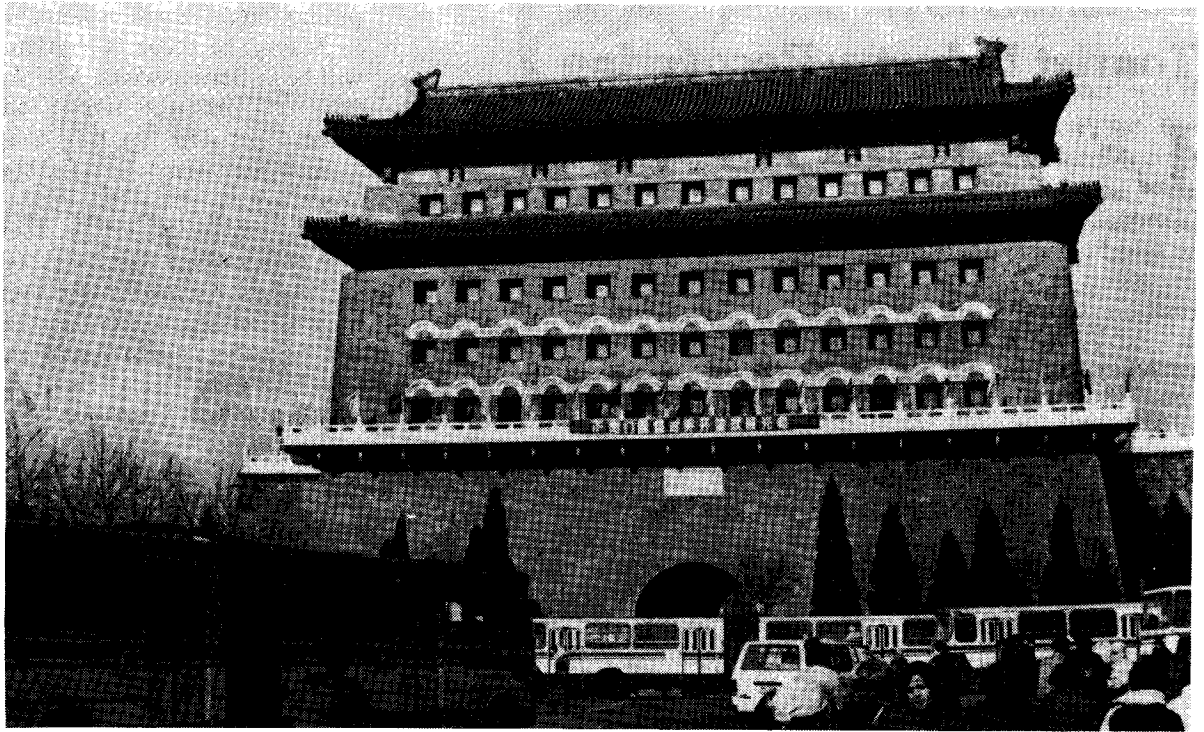
range of topics such as *Passion in the Royal Family* and *The Wilderness*, and those using electronic accompaniment, like *The Cowboy and the Weaving Girl*, have been produced. Now, because of China's open policy, more foreign operas have been staged and the artistic level has been raised. Through these activities, exchanges with artists of opera companies from other countries have developed. Between 1978-88, the Central Opera House performed *The Twilight Crane* with the co-operation of Japanese artists; *Carmen* with French artists; *I Pagliacci* and *Gianni Schicchi* with Italian artists; and *The Music Man* and *The Fantasticks* with American artists. The live recording of *Carmen* performed by Chinese opera singers under the guidance of French artists won the "Charles Cros Grand Prix International Du Disque" Award of France in 1983.

Wang Shiguang, director of the Central Opera House, said: "The aim of our opera house is to learn traditional European singing style and instrumental music while retaining the Chinese way of presenting operas. By so doing we will be able to create and perform operas of Chinese characteristics and also introduce both classical and modern operas from various countries to enrich the cultural life of the people and strengthen cultural ties with other countries. Of course, we hope to have closer co-operation and relations with artists from Taiwan. Now that Madame Lu has come here from the other side of the Straits, we are willing to go over to the other side of the Straits as early as possible."

Director Wang also said that this year the Central Opera House will perform *Xu Han Ji* and *Qu Yuan*, the latter by Chinese composer Shi Guangnan.

by Feng Jin





The Zhengyangmen Archery Tower.

YANG LIMING

## Zhengyangmen Archery Tower Opens

Beijing's Zhengyangmen Archery Tower, known as Archery Tower of "Qianmen Gate," is one of the four rostrums remaining from the city wall that surrounded Beijing 500 years ago. It was formally opened to the public in January after six months of renovation and is now on the list of state-protected historic sites.

The tower sits in a prominent position on the southern side of Tiananmen Square, close to the thriving business district of Qianmen.

In his book on Beijing's walls and rostrums, Osvald Siren, a Swedish expert on ancient Chinese art, said, "Qianmen, referring to Zhengyangmen, is the most important rostrum in Beijing, for it is located in front of the Imperial Palace. Its magnificent scale has made it of huge

architectural and historical value. It is quite possible for one to write a book dealing solely with the rostrum and events related to it."

According to historical records, a large-scale construction work on the walls around Beijing was done after Ming Emperor Zhu Li (1360-1424) designated the city as the capital. Among the nine city gates built at that time, Zhengyangmen Gate was situated at the centre of the southern side of the city wall. It was also the most magnificent. To reinforce the defences of the city, a semi-circle section of wall was built on the outer side of Zhenyangmen Gate, on which stood the Zhengyangmen Archery Tower. The sloping wall is about 12 metres high, with a large gate of two doors. The Archery Tower is another 16 metres

high and built of brick. It is the largest of its kind remaining in Beijing.

Since the tower was built, it has been damaged by the fire many times and was almost destroyed in 1900 when hit by artillery fire from the Temple of Heaven during the the Eight-Power allied force invasion of Beijing. It was rebuilt in 1903. In 1949, when Beijing was peacefully liberated, several generals of the People's Liberation Army reviewed the people's army entering the city of Beijing from the rostrum.

The Archery Tower contains a small museum dealing with the history of Beijing. There are paintings showing the ancient city gates and the customs of old Beijing native. Works by the master artist Qi Baishi are also on display, the Qi Baishi first exhibition in recent years.

by Wei Liming

## Tourist Industry Recovering

**L**iu Yi, director of the China National Tourism Administration, announced at a National Meeting on Tourism in mid-February that tourist departments in China received 3.24 million tourists in 1989 and earned US\$1.8 billion in foreign currency, almost 80 percent of the 1988 figure.

Although the 1989 target had not been met, Liu said the results were satisfactory. "China's tourist industry took its most severe downturn in business after the June turmoil in Beijing last year," Liu said. "During that month, the number of tourists decreased by 64.6 percent compared with the same period of the previous year." However, Liu said, the situation began to take

a turn for the better in the following months and there was an obvious increase in the number of tourists, especially those from Taiwan, South Korea, the Soviet Union and Eastern Europe.

When martial law was imposed during the turmoil in parts of Beijing was lifted, Liu said, the situation became favourable for China's tourist industry. "Taking advantage of the opportunity, we should strive to highlight China's unique tourist attraction," Liu said.

Since China opened its door to the outside world in 1979, the number of foreigners visiting China has increased at an average annual rate of 16.3 percent. In order to have more foreign tourists, Liu said a gigantic

promotion drive will be launched in May. The focus of activities will be in Beijing which will play host to a big exhibition of cultural relics and the 11th Asian Games in September. In October Shanghai will host the International Tourist Trade Fair; there will be a Beijing Tourist Goods Festival in Guangzhou, Shanghai and Beijing; and Guangzhou will host the Tourist Arts Festival. These are just a few of the events planned, Liu said.

Vice-premier of the State Council, Wu Xueqian warned at the national meeting that to vigorously promote tourism, it is important to raise the level of management and administration.

He also emphasized the necessity of improving transportation, accommodation, food and entertainment services.

by Han Baocheng

## Beijing Hotels' Spring Festival Boom

**S**pring festival usually does not mean good business for Beijing's hotels, because even permanent guests left to spend their holidays elsewhere. But something different happened this year. During the festival, which fell on January 27, many tourists from such places as Hong Kong, Taiwan and Southeast Asia came to the Chinese capital, so that during the slack winter season hotels that don't usually have many guests did quite well. It is a good sign that the tourist industry is recovering.

The Lunar New Year is an important traditional festival in China. Big hotels in Beijing organized many activities from the last ten days of January to the first ten days of February in celebration in order to attract

guests. The Xinhua Tourist Group Co., for example, organized the "Beijing Warmly Welcomes Spring" event at the Heping (Peace) Hotel, conveniently situated in Beijing's bustling downtown area. The programme included folk dances, Peking Opera, *quyi* (folk art including ballad singing, story-telling, comic dialogues, clapper talks, cross talks, etc.) conjuring, on-the-spot painting and dough figurine-making. The entire event exuded a rich flavour of the folk culture of north China. Enthusiastic guests from Hong Kong, Macao, Taiwan, Japan, South Korea and Southeast Asia enjoyed the performance as they tasted Beijing's traditional snacks. The Xinhua Tourist Group Co.'s public relations manager Mrs. Wang Jiakun said, "This type of

concert enriches tourists' cultural life. By introducing Beijing's customs to tourists in this way, we are deepening understanding and friendship.

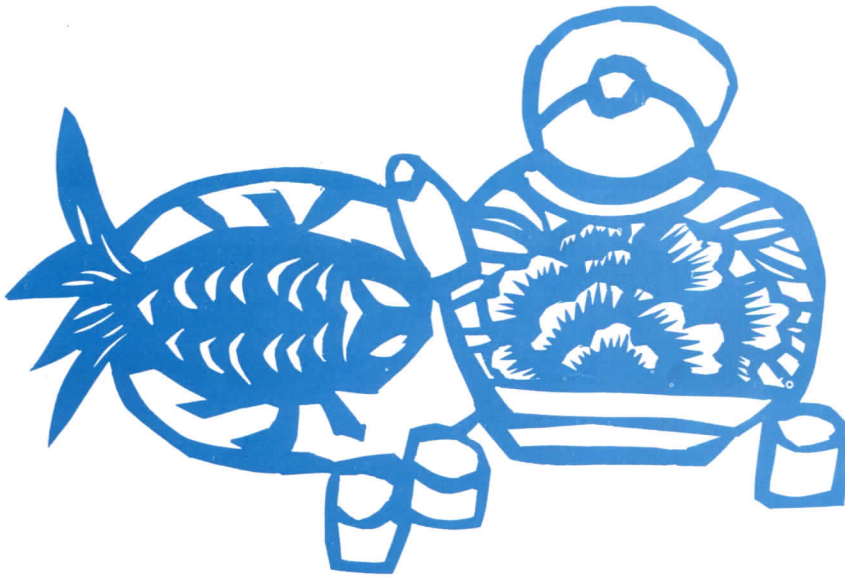
The Palace Hotel, opposite the Heping Hotel, is by far the city's most luxurious tourist facility. During the Spring Festival, it offered both Cantonese and Sichuan cuisine banquets in celebration for 15 days running. Banquet guests were entertained by folk lion dances and traditional folk music.

On January 28, Bo Xicheng, director of the Beijing Municipal Travel and Tourism Administration, hosted nearly 400 guests from abroad at a reception held at the newly completed Chang Fu Gong Hotel to celebrate the first 10 days following Lunar New Year. Zhang Jianmin, vice-mayor of Beijing, was also present. He gave his congratulations and presented souvenirs to those born in the Year of the Horse.

by Han Baocheng

## Papercuts by Wei Gensheng

Born in Shanghai in 1948, Wei Gensheng is now an art editor with the *Art Circle* magazine of Anhui Province. His papercuts are the combined product of folk and modern art while he pursues using various decorative, local and black-white styles.



A Still Life.

A Mare and Two Colts.

### ART PAGE



Goldfish and pomegranate.



Oxen.

# Plum-Brand Glassware

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