

A CHINESE WEEKLY OF NEWS AND VIEWS

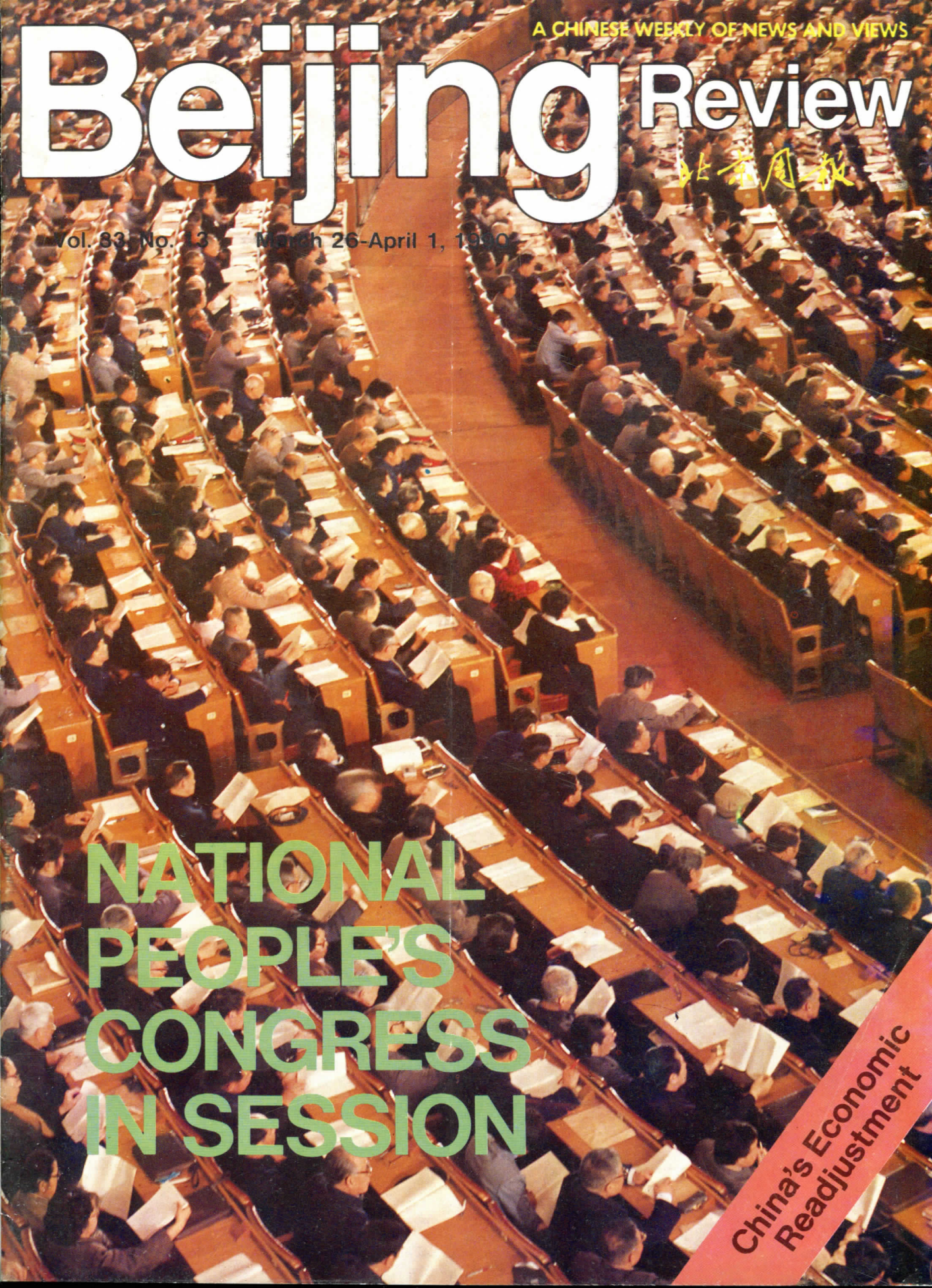
Beijing Review

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NATIONAL PEOPLE'S CONGRESS IN SESSION

China's Economic
Readjustment





Old men enjoy their pet birds.

—Many retired workers in Chengdu, Sichuan Province like to keep pet birds. They often gather to chat about their mutual interests in raising birds during their leisure time.

Photo by Chen Jie



3rd Session of 7th NPC Opens

□ The nation is confronted with the task of overriding importance to maintain its hard-won political, economic and social stability as the 16-day Third Session of the Seventh National People's Congress opens on March 20 in Beijing. In his report at the opening meeting, Premier Li Peng elaborates the government's work in the past year, its plans for this year and its policies in regard to world affairs (p. 5).

Why Economic Retrenchment Is Necessary

□ Some Chinese and foreigners are worried about China's ongoing campaign to improve the economic environment and rectify the economic order. The article explains in detail the need for the campaign and the relationship between the economic readjustment and the deepening of the reform. It will enable readers to arrive at a fuller understanding of China's current economic policies (p. 26).

Characteristics of China's Multi-Party Co-operation

□ The system of multi-party co-operation and political consultation under the leadership of the Communist Party is a socialist political party system which conforms with China's national conditions. In China, the Communist Party is the party in power while the democratic parties participate in state and government affairs. The democratic parties accept the leadership of, and exercise mutual supervision with, the Communist Party. All parties devote their efforts to the cause of socialism (p. 16).

Bribe-Taking Minister Sacked

□ The State Council recently removed Luo Yunguang from his post of deputy minister of railways for bribe-taking and dereliction of duty in connection with an embezzlement scandal. This and many other cases exemplify the nation's determination to crack down on corrupt government functionaries and build up a clean government (p. 9).

Struggle Against Colonialism Continues in Africa

□ Namibia was the last country on the African continent to gain its independence. But African nations still face arduous tasks to completely eliminate the influence of colonialism. Their next step is to become economically independent (p. 11).

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COVER: Deputies from all parts of the country to the National People's Congress gather at the Great Hall of the People to discuss state affairs.

Photo by Chen Zonglie

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

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Stability and Development

by Ge Wu

The Third Session of the Seventh National People's Congress (NPC), China's highest organ of power, opened on March 20 and was immediately the focus of world attention.

It convened in an atmosphere of political, economic and social stability and during a time when the nation's citizens are working and living in peace and contentment.

Last spring and early summer, both domestic and foreign hostile forces, taking advantage of the student unrest, managed to create political turmoil which later developed into a counter-revolutionary rebellion in Beijing. Their aim was the overthrow of the leadership of the Chinese Communist Party and subversion of the socialist system: At this crucial moment, the Party and government adopted resolute measures to quell the turmoil and rebellion, safeguard the socialist system in China, and prevent the nation from sliding back economically and socially. This correct decision by Chinese authorities, supported by the masses of the Chinese people, quickly restored order in Beijing and the nation.

Although the event inflicted considerable losses on China's economy, the quick restoration of political stability, ensured by the support of the Chinese people, enabled China to markedly improve the economic environment and rectify the economic order. The problem of inflation, in particular, which seriously disturbed China's economic development and aroused much public concern, has been brought under control. Beginning last October, the rise in the price index dropped to the single digits. The 1989 inflation rate was 17.8 percent, lower than that of the previous year.

While such weak areas of the economy as agriculture, energy, critically under-supplied raw materials, transport and communications and other basic industries were strengthened, redundant processing industries were scaled down. This helped to ensure that the national economy developed at an appropriate speed. Compared with 1988, the country's total agricultural output value rose 3.3 percent and its total industrial output value, 8.3 percent. The country's total grain output amounted to 407.4 billion kg, an all-time high and the world's largest. Coal output hit 1.04 billion tons, again the world's largest. The output of steel and electricity reached 61.24 million tons and 582 billion kwh respectively, ranking fourth in the world. The past year also witnessed significant development in the nation's science and technology, with some achievements approaching or meeting advanced international level. The country's foreign economic and technological exchanges continued to grow, and its total import and export value reached US\$111.6 billion, up 8.6 percent on 1988.

Moreover, bourgeois liberalization which has run

amuck in China in the past few years began to be checked during the second half of 1989. This was due, in part, to strengthened education in patriotism, collectivism and socialism among the people and encouraging them to emulate advanced personages. In the meantime, the CPC Central Committee and the State Council made a series of popular decisions, including cleaning up the companies, banning children of high-ranking officials from involvement in commercial business, suspending "special rationing" of special foods for leading cadres, prohibiting imports of limousines, limiting the number of leading cadres going abroad, and punishing such corrupt acts as the acceptance of bribes and profiteering. All of these measures have laid a solid foundation for construction of clean government.

Experience has proved the utmost importance of stability. The normal life of the people, the socialist modernization construction, the improvement of the economic environment and the rectification of the economic order and the reform and opening up all call for a peaceful and stable environment. Nothing can be accomplished if there is chaos.

After more than 100 years of seeking a path to national strength and prosperity, the Chinese people have concluded that in China, so densely populated and with so backward an industrial base, only socialism will guide them to their goal. The practice of capitalism, on the other hand, will inevitably lead to polarization between the rich and the poor and to social upheaval. It would, moreover, reduce China to a dependency of Western financial powers. To uphold the socialist road in China, however, we must adhere to the Communist Party leadership for only the powerful party can take on the nation's heavy task.

This NPC session will deliberate Premier Li Peng's report on the work of the government and other reports, sum up last year's experiences and lessons, confirm the principles, policies and tasks for the coming year, and call on people of the whole nation to strive for further political, economic and social progress.

Another topic on the agenda of the NPC session is discussion and approval of the Basic Law of the People's Republic of China on the Hong Kong Special Administrative Region (draft). The document, drafted after five years of work, is based on the concept of "one country, two systems," and hence is of important historic and international significance. It will certainly play a positive role in maintaining Hong Kong's prosperity and stability.

The NPC session will also review the Revised Law of the People's Republic of China on Chinese-Foreign Joint Ventures (draft). This revised law will contribute to the further improvement of the investment environment and the introduction of more foreign capital. ■

NPC Session Examines China In Retrospect and Prospect

The Chinese people have had their fill of political and social turmoil and will not tolerate anyone bent on plunging their socialist country into disturbances again and dashing their hope for a very bright future. Maintaining the current hard-won stability at a time when the nation is confronted with difficulties from within and pressure from without has thus become a task of overriding importance.

Naturely, political, economic and social stability was stressed repeatedly in a report on the work of the government Premier Li Peng delivered on March 20 at the opening meeting of the Third Session of the Seventh National People's Congress in Beijing. Li's report also gave an overall retrospect-and-prospect overview on the nation's work in a number of key fields of endea-



Premier Li Peng.

XUE CHAO

our. The 16-day session, attended by about 3,000 deputies from all corners of the country, is designed to lay out the nation's tasks for 1990.

A Year to Remember

The year 1989 was an unusual

one for China, said Li in his report. During the year, China went through a soul-stirring struggle and withstood a severe test.

Around last spring, the premier reviewed, some people took advantage of student demonstrations and provoked a counter-revolutionary rebellion in Beijing. In essence, the rebellion manifested a sharp conflict between bourgeois liberalization and the four cardinal principles*, and an acute struggle between infiltration and anti-infiltration, subversion and anti-subversion, and peaceful evolution and anti-peaceful evolution.

Under the leadership of the Communist Party of China (CPC), China stood the test and avoided a major political, economic and historical setback, he said.

Though the rebellion brought losses to China, achievements were still made last year, said Li.

Inflation, for instance, was brought under control and the strained relationship between supply and demand started to ease up. The level of retail prices increased 17.8 percent, a rise that was lower than the previous year, he said.

China's national economy maintained a moderate growth rate. In 1989, the gross national product was 1,567.7 billion yuan, an increase of 3.9 percent over the year before. National income was 1,300 billion yuan, an increase of 3.7 percent.

The total export and import volume reached US\$111.6 billion, an increase of 8.6 percent, including US\$52.5 billion in export which went up 10.5 percent, the premier went on.

A total of US\$9.6 billion in foreign capital was imported and

*The four cardinal principles are adherence to the socialist road, Communist Party leadership, the people's democratic dictatorship and Marxism-Leninism and Mao Zedong Thought.



Deputies to the NPC filing into Beijing's Great Hall of the People to attend the 3rd session of 7th NPC.

CHEN ZONGLIE

absorbed across China, and 5,784 projects were approved to be directly invested by foreign businesses.

Li also listed improved work to foster socialist moral values as one of the country's achievements made last year. The work, which had been neglected in recent years, was revived in 1989 along with some efficient systems and methods.

In the latter part of 1989, Li said, education in patriotism, collectivism and socialism was strengthened; model workers were honoured, and activities such as learning from Lei Feng, a young soldier whose name is synonymous with selflessness and utter devotion to socialism, and Lai Ning, a schoolboy who died while recuring state property during a forest fire, were organized.

Tasks for 1990

The guidelines for the govern-



Some NPC deputies visiting Quanlu Duck Farm in Shunyi County in Beijing.

ZHENG SHUFU

ment's work in 1990 include adhering to the Party's basic line in the primary stage of socialism and striving for steady political, economic and social development, declared the premier.

To improve the national economy, he said, the State Council and governments at various levels will work on the following key areas: market, agriculture, industry, science and education, finance, economic reform, open-

ing to the outside world, democracy and legal systems, the building of socialist culture and ethics and family planning.

According to Li, the state's investment in agriculture will increase about 30 percent over last year, an all-time high in the last 10 years.

The basic agricultural policy will remain unchanged. Where conditions allow, a proper collective economy will be developed



Chinese leaders Li Xiannian, Jiang Zemin, Yang Shangkun and Li Peng entering the meeting hall when the CPPCC opens its annual session on March 18.

MENG RENQUAN

to improve productivity and turn more farm products into commodities, he said.

The reform of the economic system in 1990 will focus on the deepening of reform in enterprises.

During the process of promoting socialist democracy and politics, Li stressed, a clear distinction between socialist democracy and bourgeois democracy must be drawn. Preaching political pluralism in China is to separate the people from democracy, deny the leading position of the CPC and replace socialism with capitalism, he said.

Schools at all levels must carry out the principle that education serves socialist construction and must be combined with physical labour. Schools must uphold the correct political orientation.

Foreign Affairs

As a socialist country, said Li, China is deeply concerned with the situation in Eastern Europe, but it will never interfere in the internal affairs of other countries.

As for the unification of Germany, one of the hottest topics worldwide, Li said the unification should benefit not only the two Germans and their people, but also peace and stability of Europe and the world.

He pointed out that the Sino-US relationship is now experiencing a difficult time. Only by abiding by the principles defined in the three communiques, especially the principle of non-interference in each other's internal affairs and non-hegemonism, can Sino-US relations be resumed and continue to develop.

China regards Viet Nam's withdrawal from Kampuchea under the supervision of the United Nations and establishing a provisional quadripartite coalition government headed by Prince Norodom Sihanouk as the

guarantees of peace in Kampuchea. And any methods designed to resolve the Kampuchean issue should be approved by Prince Sihanouk and the four parties, the premier said.

On March 18, the Chinese People's Political Consultative Conference (CPPCC) held its annual

session in Beijing. Qian Weichang, vice-chairman of the CPPCC National Committee, called on CPPCC members in his work report to assist the CPC and the central government in a joint effort to maintain domestic stability and to promote economic rectification and reform. ■

Jiang Reiterates Policy on Reunification

The mainland and Taiwan can practise different social systems as part of the same country after the reunification, top Chinese Party leader Jiang Zemin reiterated at a meeting last month with a group of visitors from Taiwan.

"We can practise two different systems in one country," he told a delegation from the Taiwan Alliance for the Reunification of China, led by its chairman, Chen Yingzhen.

The mainland has been practising socialism for more than 40 years as the result of an inexorable choice for the social development on the mainland, Jiang said. However, Taiwan can continue its capitalist system, he assured the delegation.

As far as the use of military force, Jiang reiterated that the Communist Party would not promise to abstain from resorting to force against Taiwan.

"But we will strive to realize the reunification of the two sides in a peaceful way," he said.

"Not to make such a promise," he pointed out, "is directed against the interference by force of foreign countries and those seeking a separate Taiwan."

The Party's general secretary also said he believes Taiwan compatriots would not oppose the Party over its decision regarding military force when they become aware of the reason.

Discussing the handling of international affairs, Jiang said

China will never impose its own ideology upon others, nor will it export revolution.

"We practise our socialism and you practise your capitalism. One should not interfere with the other."

Referring to the newly completed draft of the Basic Law of the Hong Kong Special Administrative Region, Jiang said: "We have a very clear attitude towards Hong Kong. That is, we hope Hong Kong will retain its capitalist system and remain stable and prosperous after it returns to the motherland."

On the question of the treatment of intellectuals after last June's quelling of the anti-government rebellion in Beijing, Jiang said: "We seek to unite with all intellectuals. But, while showing warm regard for them we need to set strict requirements on them as well."

As for overseas Chinese students who were misled by false media reports, Jiang said, the government welcomes them home and understands their predicament.

"I have to point out that some Chinese students have supported the American Congress in its efforts to impose sanctions on China simply because they want 'green cards' (permanent residence in the United States)," Jiang said. Even so, "we still welcome these people if they wish to return to the motherland." ■

Jiang, Kim Renew Sino-Korean Ties

The friendship between China and the Democratic People's Republic of Korea has stood the severe test of history and is deeply rooted in the hearts of the two peoples, said Chinese Communist Party General Secretary Jiang Zemin.

Jiang, who arrived in Korea on March 14 for a three-day goodwill visit, made the remarks at a banquet given in his honour by Kim Il Sung, general secretary of the Korean Workers' Party. The visit marked Jiang's first trip abroad since he became general secretary of the Communist Party last June.

Both leaders spoke highly of the deepening Sino-Korean friendship. Kim Il Sung said that Jiang's visit would serve as an important occasion to refresh the comradeship and elevate the friendship between the parties and peoples of the two countries to a new high.

Jiang said it was the firm policy of the Chinese Communist Party and the government to consolidate and develop this friendship constantly.

Speaking of the situation on the Korean peninsula, Jiang said he firmly supported the Korean Workers' Party and the people in their unremitting efforts to ease tension in the area and in realizing the independent and peaceful reunification of the country.

"We support Kim's new proposal earlier this year for national salvation that calls for the removal of barriers between the north and south of Korea to facilitate unrestrained contact and travel between the people of the two sides and open the doors wide to each other," he said.



Chinese Communist Party General Secretary Jiang Zemin (left) arrives in Pyongyang on March 14 and is warmly welcomed by Korean leader Kim Il Sung and the Pyongyang people.

LI SHENGNAN

Jiang also suggested the United States withdraw all its troops and military installations from South Korea and stop any action that might aggravate the situation on the peninsula.

China is in favour of holding tripartite talks among the United States and the northern and southern parts of Korea to explore a reasonable solution to the Korean issue, he added. This would create favourable conditions for the Korean people to solve the problem of peaceful reunification among themselves, he explained.

Jiang also briefed his Korean host on the current situation in China, which he described as good. He said that China would continue its readjustment effort to seek a sustained, stable and co-ordinated development of the national economy.

"We are full of confidence in gradually solving the problems left over from previous years and

new problems that have cropped up, so as to achieve further political, economic and social stability and development," Jiang said.

Kim Il Sung spoke highly of the Chinese people's achievements in their economic construction and in attaining nationwide stability and unity.

He told Jiang that the Korean people today are working hard to build socialism and to achieve the independent and peaceful reunification of the country under the difficult situation in which their country is divided and they are directly confronted with US imperialism.

"Our people," he said, "united closely around the Party, are pressing ahead with the three revolutions — ideological, technical and cultural — and are registering brilliant feats of labour in the struggle to fulfil the Third Seven-Year Plan ahead of schedule."

AALCC Calls for New International Order

Chinese Premier Li Peng has called on Asian and African countries to contribute to the establishment of a new international political and economic order on the basis of the Five Principles of Peaceful Coexistence.

Li noted that under the new order, all countries, big or small, strong or weak, rich or poor, should be equal and respect one another irrespective of political system and ideology, and that no country should impose its own will on other countries, seek hegemony in any region or practise power politics against any country.

In his opening speech at the 29th Session of the Asian-African Legal Consultative Committee (AALCC) in Beijing's Shoudu Hotel on March 12, Li pointed out that tension, turbulence and conflicts still remain on the global scene despite new prospects for world peace under the joint efforts of the people of various countries.

In international relations there are occasional cases of gross encroachment upon the sovereignty and territorial integrity of other countries and wanton interference in their internal affairs, the premier said, and hegemonism and power politics are unwilling to leave the historical arena. "This cannot but arouse universal concern," Li added.

The new international political order, he said, brooks neither interference in the internal affairs of developing countries nor power politics in the name of "human rights, freedom and democracy."

"The internal affairs of a country should be dealt with by the country itself, and all international disputes settled through peaceful negotiations without resorting to the use or threat of force," the premier said.

The Five Principles of Peaceful Coexistence should also be observed in international economic affairs, Li said.

As long as these principles are strictly followed, even countries with different political systems, ideologies or levels of economic development can co-operate equally and benefit mutually, he said.

China is ready to continue to work with countries in Asia, Africa and other parts of the world to develop friendly relations and co-operation among states on the basis of the Five Principles of Peaceful Coexistence, establish a new international political and economic order, and promote world peace and development, Li added.

The six-day annual session of AALCC was attended by about 200 deputies and observers from 70 countries and 10 international organizations. The AALCC, founded in 1956, is a legal consultative body among the governments in the Asian-African area. ■

Vice-Minister Sacked in Scandal

The State Council recently sacked its deputy railway minister on charges of bribe-taking and dereliction of duty in connection with an embezzlement scandal.

Luo Yunguang, deputy minister of railways since 1986, was removed from his post earlier this year. His dereliction of duty had led to serious economic offences committed by the ministry's transportation department, of which he was in charge. Luo himself had accepted bribes, including 2,000 yuan in cash, a gold ring and a freezer worth 2,345 yuan.

Luo, along with a number of transportation officials, was suspected of involvement in a major bribery case after a deputy director of the Zhengzhou Railway

Bureau was arrested last July on embezzlement and bribery charges.

The ensuing investigation found that the director and two deputy directors of the ministry's transportation department had in the past few years extorted several hundred thousand yuan from railway clients and subordinates under various pretexts and pocketed much of the money themselves.

Due to an inadequate transportation capacity, cargo transport by train was extremely difficult to obtain in China. This has prompted many clients to grease the palm of railway officials in order to have their goods shipped to the destination.

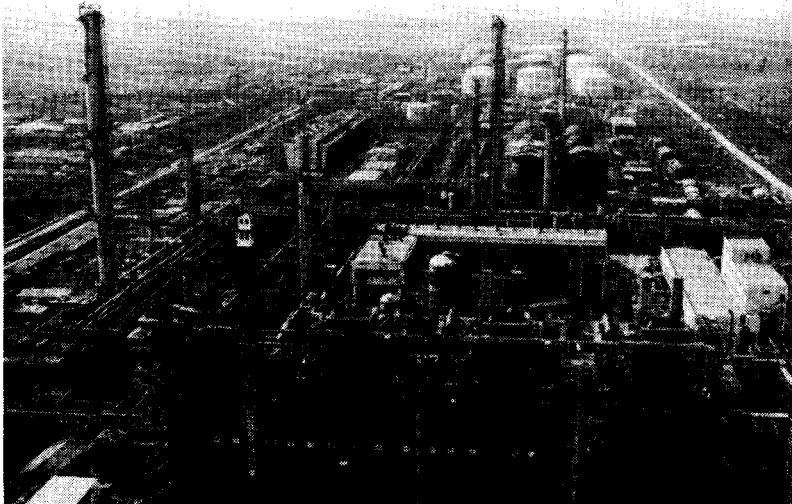
The three have been arrested along with two other officials in the transportation department.

Being in charge of railway transportation and directly responsible for the transportation department, Luo Yunguang has been found accountable for the serious offenses committed by leading members of the department.

Luo also took more than 2,000 yuan, a gold ring from a Zhengzhou railway official in 1988, a freezer from a company under the Zhengzhou bureau, and 950 yuan as parts of the illegal money obtained by the ministry's transportation department.

Reporters were told that Luo might receive a severe disciplinary penalty from the Party's Central Commission for Discipline Inspection and possibly face prosecution. The Supreme People's Procuratorate is reviewing Luo's case before deciding whether to turn him over to court.

In a related development, procuratorial bodies across the country handled 224 major embezzlement and bribery cases that occurred in the railway system last year. Eleven railway officials at the bureau level were involved, according to *People's Daily*. ■



A bird's-eye view of the Yangtze Ethylene Project of the Nanjing Petrochemical Corporation. CHEN ZONGLIE

Leading Ethylene Plant Opens in Nanjing

After five years of construction, the Yangtze Ethylene Project in Nanjing, capital of Jiangsu Province, recently went into operation.

The 6.68-billion-yuan project consists of 10 large chemical installations, of which six were imported. The last part of the project, which is the biggest of its kind in the world, capable of producing 450,000 tons of hydrocarbon arene a year, was commissioned on March 14.

The ethylene project is designed to produce 300,000 tons of ethylene and 450,000 tons of arene from three million tons of crude oil annually. The project can also produce more than 230,000 tons of other chemical raw materials as well as finished products badly needed in China and previously had to be imported.

Thus the project has become a key petrochemical raw material production base in China — a "giant" in the country's petrochemical industry. Its comprehensive utilization rate of crude oil is as high as 75 percent. When in full operation, it is expected to generate an annual output value

of 4 billion yuan and make 2 billion yuan in profits every year.

The first stage of the project, the construction of an installation capable of producing 300,000 tons of ethylene a year, was completed and put into operation in 1987. ■

Officials Blamed for Deaths of Gold Miners

A number of senior Chinese officials have been disciplined or prosecuted on charges of financial corruption resulting in the deaths of 42 gold miners in a sudden snowstorm in Qinghai Province last May.

A spokesman for the Ministry of Supervision announced on March 9 that the State Council had decided that Song Ruixiang, governor of Qinghai Province at the time of the tragedy, and Ma Yuanbiao, the vice-governor, needed to be disciplined for dereliction of duty.

The two were responsible for allowing gold mines employing far more miners than permitted to operate on a 40-square-kilometre patch of land in a frigid and oxygen-deficient area west of Golmud. Song was given a disciplinary warning and Ma had a demerit recorded against his name, the spokesman said.

The judicial department had already prosecuted Hang Dexiang, former mayor of the city of Golmud in Qinghai Province, and Yang Wenshan, former vice-mayor and director of the city public security bureau, the spokesman added. They were accused of embezzlement and taking bribes.

Last May 25, a severe snowstorm hit the Hohxil region in western Qinghai, leaving 42 miners dead and stranding 8,000 others and 400 trucks.

The Ministry of Supervision and other relevant departments have investigated the tragedy since last September.

They found that the tragedy, aside from the weather, was the result of a dereliction of duty by a number of local government officials, including the Golmud mayor and vice-mayor who had issued 28,000 individual gold mining licences, far more than the 10,000-limit set by the province. They also violated a State Council decree published in 1988 that bars any unit or individual from mining gold without the permission of the State Gold Administration and no licences can be issued to individual miners. Investigators discovered that the number of individual miners in the Hoh Xil region was out of control, running as high as 30,000.

When the snowstorm struck, the disaster was made even worse because of the vast number of miners. There were tremendous difficulties in rescue operations.

Because of disorder and poor management in the mining sector, many foremen were found to have taken every opportunity to exploit and blackmail the miners. Embezzlement, bribery and other dirty deals were rampant.

A total of 41 people including 37 officials were charged with economic offences related to the gold rush. Embezzlement and bribes involving 1.53 million yuan were cited. Twenty of the officials face criminal charges. ■

Africa's Struggle Against Colonialism Continues

by Sun Qiaocheng

On March 21, Namibia formally announced its independence after a long struggle against colonialism.

To help the Namibian people on their independence course, the United Nations has been handling Namibia's matters over the past year. During the independence process which started April 1 last year, South Africa's governing bodies were dissolved, general elections were held, an independent constitution was formulated, a president elected, a government set up and a date of independence decided on. By the beginning of 1990, all preparations for Namibia's independence were completed smoothly.

However, after independence Namibia still faces the arduous task of further eliminating the influences of colonialism and racism. Currently, Namibia's economy relies heavily on South Africa. The evil effects of South Africa's apartheid policy exist throughout Namibia. Walvis Bay — territory that belongs to Namibia — continues to be occupied by South Africa, which has refused to return it.

The independence of Namibia, the last colony on the African continent, marked a successful ending to the African people's struggle for national liberation. Their next task is complete economic independence and eradicating the influences of colonialism. The African people's struggle against colonialism has entered a new stage.

As a result of Namibia's independence, all the African countries, with the exception of some islands, have become independent. Independent countries in Africa now number 52.

Colonial System Collapses

Western colonialists entered Africa in the 15th century. By the beginning of the 20th century, the continent had been carved up completely, with only two countries — Ethiopia and Liberia — remaining independent in name only.

As soon as the colonialists moved in, the African people began their brave struggle against invasion and plunder. The modern national independent movement materialized after World War I. Before World War II, only Ethiopia, Liberia and Egypt were independent states. After World War II, the national liberation movement developed vigorously and climaxed in the 1950s and 1960s. In 1951, Libya was the first to win its independence. After 1956, independent countries appeared one after another. And from 1956 to 1968, 39 countries in all announced their independence. In 1960 alone, 17 countries won their independence.

There were several ways African countries went about winning independence. Algeria, Kenya, Angola and Mozambique used armed struggle. Ghana and Guinea chose the referendum route. Most of the others forced

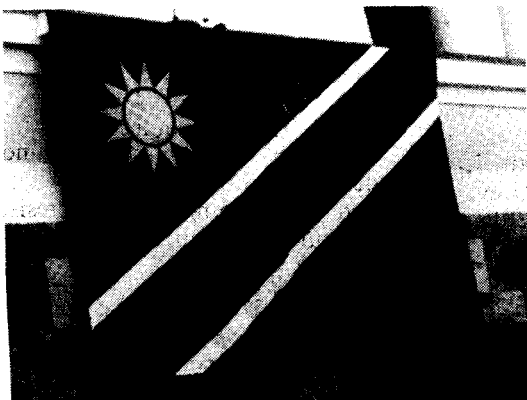
the colonialists to recognize their independence on the basis of mass movements. In the struggle for independence, many nationalist political parties, which represented national interests and were supported widely by the people, were established. Some of the parties accepted socialist theory. Outstanding leaders that emerged included Kwame Nkrumah, Ahmed Sekou Toure, Patrice Lumumba, Julius Nyerere, Adrien Senghor and Felix Houphouet-Boigny. These revolutionary parties and leaders have made lasting impressions on Africa's national liberation movement.

As for the political systems of African countries, Morocco, Lesotho and Swaziland practised a constitutional monarchy or traditional monarchy after independence; Libya and Burundi set up kingdoms at first and then established a non-party Jamahiriya or republic. Most of the other countries set up one-party or multi-party republics, but only some of them practised the multi-party system. The one-party system became an outstanding characteristic of Africa's political development after independence was attained. In economics, most countries practised a market economy which encourages private capital. Many countries nationalized some major sectors in their economies and possessed a considerable number of state-run enterprises.

Although most African countries have been independent for a

quarter of a century, the influence and disastrous effects of colonialism are still found in the economic, political, cultural and ideological fields. Completely removing colonialism, especially its

Flag of the Republic of Namibia.



influence on the economy, is a long, arduous task.

Struggle Continues

Several centuries of Western colonial rule destroyed Africa's original economy, turning most countries into raw material producers or single industry nations. Major plantations, mines and enterprises were all under foreign ownership and most products were exported. The result was severe shortages of grain in countries that had been self-sufficient. Industry

and transportation were underdeveloped, and foreign trade was completely controlled by the imperialists. Therefore, their economies were characterized by a lopsided development and heavy dependence on suzerain states. This economic structure did not fundamentally change after countries gained their political independence. Today, half of the countries of Africa have only one, two or three products for export — coffee, cocoa, peanuts, cotton, diamonds, copper, petroleum and so on. Such a lopsided economic condition continues to develop and in some cases is even expanding. This is the worst effect of colonialism, resulting in the failure of African countries to be independent in their economies.



On February 9, Namibian President Sam Nujoma (right) attends a meeting in Windhoek at which the constitution for an independent Namibia was adopted.

The imperialists' carving up of the African continent and wilfully changing the boundaries of each country have seriously harmed the traditional borders which had been delimited according to natural conditions and ethnic distributions. Of the current state boundaries, 44 percent were demarcated according to longitude and latitude and 33 percent in straight lines and geometric curves. Only 26 percent of them were demarcated according to the location of rivers, lakes and mountains. Artificially changing African countries' borders has served to sow the seeds of discord among these countries that have suffered a great deal under colonial rule. As a result, territorial disputes, border wars, ethnic conflicts and civil wars have often broken out, causing an unstable political situation and economic difficulties in these countries.

The national cultures of African countries were also seriously harmed, even strangled, by the imperialists and deeply influenced by the Western cultures of their suzerain countries. The high rate of illiteracy caused by colonial rule lowered the cultural level of the African people, putting them in a position of ignorance and backwardness and making them incapable of developing their own national cultures.

Furthermore, there are still some territories in Africa that are occupied by the colonialists, such as the Walvis Bay of Namibia, Ceuta and Melilla of Morocco and Mayotte Island of the Comoros. The final victory in the peoples' struggles in these countries for territorial integrity has not been won. In some countries, such as Djibouti, the Central African Republic, Senegal and the Ivory Coast, troops from their former suzerain countries are still stationed.

African countries have tried hard to obtain complete economic independence after winning polit-

ical independence.

Most African countries have relied upon their own strength in adjusting the imbalance in their economic structures and developing their national economies. Many countries have made plans to develop agriculture, with the goal being self-sufficiency in grain production. They have made every effort to diversify the economy, with emphasis on food production. These efforts have proved to be successful. The United Nations honoured Robert Mugabe, president of Zimbabwe, for his achievements in developing agricultural production, especially in making his country self-sufficient in grain. However, some countries still suffer from grain shortages because they neglected to develop agriculture and they had to deal with such natural disasters as droughts and insect infestations.

After independence, some countries confiscated farms, mines and enterprises owned by colonialists and nationalized them. They have encouraged private investment, absorbed foreign capital, trained their own technical personnel and applied advanced technologies. These measures have helped in the development of their economies, especially industries, increasing the proportion of industries in the gross national product and initially transforming the situation of sole dependence on the export of raw materials.

African countries have established regional political and economic groups with the aim of eliminating colonial influences by joint efforts. Their co-operation is based on their common need to oppose imperialism, colonialism and gain economic independence. In 1963, the Organization of African Unity was established and has since played a leading role in supporting national liberation movements, safeguarding African unity, solving contradictions

among some countries and ending boundary clashes and civil wars. Since the 1970s, some other regional or special economic organizations have been established, such as the Economic Community of West African States, Preferential Trade Area for Eastern and Southern Africa, Southern African Development Co-ordination Conference and the Maghreb Arab Union. They have succeeded in eliminating contradictions among African countries, promoting the economic stability and development of African nations and encouraging them to resist pressures from abroad.

African countries have also made great efforts to promote South-South co-operation and North-South dialogue. They have come to realize that third world countries must strengthen their unity and co-operation if they want to heighten their position in talks with developed countries and achieve victory in their struggle against imperialism and colonialism. For many years, African countries have actively participated in the work of the 77-Group and the organizations of raw material producers and exporters. They played a major role in negotiations on the signing of Lome Conventions. In 1987, a new organization called the South Committee was established. Under the chairmanship of African statesman Julius Nyerere, it aims to increase the strength of developing countries and promote South-South co-operation. The contributions made by African countries in promoting South-South co-operation have strengthened their position in North-South dialogues, improving their position in international trade.

However, the influence of colonialism is still strong and the economies of most countries have not greatly improved although much progress has been made. It will take some time for the African people to eliminate the vestiges of colonialism completely. ■

Syria Deals With the Trend Towards Detente

As a medium-sized country in the Middle East, Syria plays an important role in the political arena of that part of the world. Without its participation, the Arab-Israeli dispute could not be resolved completely.

by Jiang Dadin

For more than a decade Syria has been renowned for its hardline policy. It has repeatedly said that it does not oppose working with Israel for a comprehensive solution of the Arab-Israeli conflict. But it wants a strategic balance with Israel. And if Israel rejects a comprehensive settlement of the Middle East question, Syria has said it will resort to the use of force.

In November 1977, Syria broke off diplomatic relations with Egypt because of Egyptian President Anwar Sadat's peace initiative with Israel. Syria strongly condemned the Camp David Accord signed in September 1978 between Egypt and Israel.

In the spring of 1976, Syria sent troops to Lebanon. Today more than 30,000 Syrian troops remain entrenched in Lebanon, and Syria actually dominates Lebanon's internal and foreign affairs.

Syria's ties with the Palestine Liberation Organization (PLO) have experienced ups and downs. At first, Syria actively supported the PLO. Later, it appeared that Syria thought that the PLO was blocking it from implementing its policies in Lebanon. Syria was also discontented with the PLO's stand of seeking a peaceful solution to the Arab-Israeli dispute. Therefore, it turned against the organization.

Syria was the sole Arab country supporting Iran during the Iran-Iraq war.

In recent years, however, the

international climate and the changing situation in the Middle East signalled Syria to change its policy. During the past year, in particular, Syria has largely readjusted its foreign policy and taken a flexible, realistic and co-operative stand in dealing with its links with other Arab countries. Last May, Syrian President Hafez Al-Assad attended the Extraordinary Arab Summit in Casablanca and welcomed Egypt's return to the Arab League. Syria agreed with the resolution of the meeting, putting an end to the 10-year-old rift in the Arab world, which had started over the Camp David Accord.

Late last year, Syria resumed its diplomatic relations with Egypt, which had been suspended 12 years earlier. There have also been indications that Syria's tense relations with the PLO may be eased.

As for the situation in Lebanon, Syria has changed its rigid stand and has made some compromises.

However, the main reason behind Syria's decision to readjust its policy is the changed situation in the Arab world. The changes included normalization of relations between Egypt and various Arab countries, and the rapid development of regional economic co-operation among Arab countries. Last November, South and North Yemen began preparations to reunite. Regarding the Arab-Israeli conflict, the Arab moderates that have advocated for a peaceful settlement have gradual-

ly become the mainstream. With the strengthening of Arab solidarity and co-operation, Syria realized that it was in danger of being isolated from the Arab world, and thus excluded from Middle East peace talks.

The ending of the Iran-Iraq war was another factor that influenced Syria to change its policy. Syria supported Iran throughout the war. After the war ended, Iran no longer paid attention to Syria. In order to expand its influence in Lebanon, Iran actively supported "Hezbollah" (Party of God), which vied with the pro-Syrian Amal movement for leadership over Lebanon's one million Shiite Muslims.

Readjusting its foreign policy to be in line with other Arab countries was not a completely passive response on the part of Syria. It plans to keep tabs on Egypt and the PLO in the process of finding a peaceful settlement of the Arab-Israeli dispute, play its role and watch out for its own interests.

Syria has also made efforts to readjust relations with the Soviet Union and the United States. Currently, the Soviet Union and the United States hope to promote peace talks and stabilize the situation in the Middle East.

After Mikhail Gorbachev came to power in 1985, the Soviet Union adopted diplomatic "new thinking" in the Middle East. It disagreed with Syria's suggestion of reaching a strategic balance with Israel, reduced its military aid to Syria and limited the flow of offensive weapons to Syria. On the Middle East question, the Soviet Union urged Syria to heal its rift with Iraq, Egypt and the PLO. The Soviets actively supported Yasser Arafat's peace initiatives and opposed Syria's attack on the PLO.

In recent years, although Syria endeavoured to keep its allied relations with the Soviet Union, it developed relations with other countries, including some West-

ern European countries, in order to avoid succumbing completely to the Soviet Union.

Syrian-US ties have fluctuated for more than a decade. The United States has pressured Syria continuously because it believes Syria backs terrorist activities. The United States also opposes Syria's policy in Lebanon.

For its part Syria has waged a tit-for-tat struggle against the United States. In 1984, Syria forced the Lebanese government to cancel US-sponsored agreements on the withdrawal of Israeli troops from Lebanon, demonstrating its role in the Middle East.

In 1986, however, when Syrian-US relations neared the breaking point because of Syria's suspected terrorist links, Syria adjusted its

policy. In June the same year, Syria closed the Damascus office of the Abu Nidal faction and its training camps on Syrian territory. Meanwhile, because the United States and some Western countries need Syria's help to resolve the hostage crisis in Lebanon, Syria has used the issue to relax its tense relations with them by mediating the release of one or two hostages.

While the trend towards detente prevails in the Middle East, sharp and complicated contradictions remain. It is hard to predict the changing situation. Arab-Israeli reconciliation faces many difficulties and has a long way to go. Under such circumstances, Syria will continue to readjust its policy to keep its own position in the Middle East. ■

eign capital, simplifying investment procedures, reducing government intervention in economic affairs and encouraging private businesses to play a bigger role in industrializing the country.

Government statistics showed that last year's industrial output increased by 7.1 percent over the previous year and tax revenue increased to US\$441 million from US\$327 million in 1988.

In foreign relations, the Bhutto government maintained that keeping on good terms with Pakistan's neighbours, the biggest being the Soviet Union, China and India, was not only in the interests of Pakistan but also conformed to peace and stability in South Asia. Therefore, while continuing Pakistan's traditional friendship with China, Bhutto made efforts to improve ties with India and the Soviet Union.

Bhutto chose China as the first country to visit in her role as prime minister. In June 1989, Pakistan expressed support for China's quelling of the counter-revolutionary rebellion in Beijing. Bhutto invited Chinese Premier Li Peng to visit Pakistan, which he did in November. It was his first trip abroad since the June turbulence.

In July 1989, at the invitation of Bhutto, Indian Prime Minister Rajiv Gandhi paid an official visit to Pakistan, the first such trip in 29 years. Both leaders held in-depth discussions on removing differences, promoting mutual understanding and strengthening co-operation.

Following the visit, both countries' foreign ministers, defence ministers and other officials met to further discuss and implement the understandings reached between the two prime ministers.

Pakistan's relations with the Soviet Union have also improved. Soviet Foreign Minister Eduard Shevardnadze visited Pakistan early in 1989 to discuss the Afghan question and economic co-operation. Both countries exchanged visits by trade delegations.

Friendly relations with Iran and other South Asian countries have further developed, contributing positively to peace and progress in the region. ■

Bhutto Leads Pakistan On Road to Prosperity

by Zhong Xin

March 23 marked the 50th anniversary of the founding of Pakistan. Over the past five decades the sub-continental Muslim nation has achieved considerable progress in both its economic development and political stability.

In December 1988, Benazir Bhutto became Pakistan's first woman prime minister after national elections. Her victory marked the first time in the Muslim world a woman had achieved the status of prime minister. This won her international respect and prestige, but at the same time presented a challenge over whether she could manage Pakistan, a nation tormented by religious clashes, economic woes, political complexities and a difficult diplomatic situation.

Bhutto's predecessor, General Zia ul-Haq, left behind a ruined economy, with a US\$87 million deficit, soaring inflation and dwindling foreign exchange reserves.

To surmount these difficulties, the Bhutto government, while keeping the defence budget intact, decided first to halve the financial budgetary deficit by reducing government spending by US\$143 million.

Taxes were also increased by 16 to 20 percent to enlarge revenues. Household supplies were multiplied to ease inflation. As a result, the inflation rate was brought down to 5.8 percent from 16 percent.

Measures were also taken to encourage exports. Traditional export products have been cotton and rice and efforts were made to expand their production. The government increased investment in agriculture and raised prices for farm produce. At the same time it successfully tried to increase the variety of exports. Now Pakistan exports goods ranging from such raw materials as cotton to mechanical products like tractors, to clothing.

Other steps taken to boost the economy included introducing for-

Characteristics and Advantages of The Multi-Party Co-operation System

by Lu Yun

The system of multi-party co-operation under the leadership of the Communist Party is a socialist political party system which is in conformity with China's national conditions and fundamentally different from the multi-party system or the two-party system of the West. In China, the Communist Party is a party in power and the democratic parties are parties participating in state and government affairs. The democratic parties accept the leadership of and conduct mutual supervision with the Communist Party, and both devote their efforts to the cause of socialism.

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 Communist Party summarizes the successful experience and fine traditions of the past four decades since the founding of New China, methodizes and institutionalizes them and, at the same time, by drawing lessons from curbing the turmoil and quelling the rebellion in 1989, clearly defines the basic principles which should be followed. As its guiding ideology, it proposes, in accordance with the requirement of the four cardinal principles and perfecting socialist democracy, to further bring into play the democratic parties' role of participation in and discussion of state and government affairs and their exercise of democratic supervision, and to perfect the system of multi-party co-operation and political consultation under the leadership of the CPC. Drafted under the guidance of the CPC Central Committee and formulated after repeated consultations and dis-

cussions with the democratic parties, this document sets up the norms for long-term co-operation to be complied with by both the CPC and the democratic parties.

Basic Characteristics

The system of multi-party co-operation and political consultation under the leadership of the CPC has grown on Chinese soil. It is the result of integrating the fundamental tenets of Marxism-Leninism with China's concrete practice, and is a socialist political party system which suits China's conditions. As one of the basic political institutions of China, it has displayed the following fundamental characteristics in the course of taking shape and gradually perfecting itself:

—All the democratic parties accept the leadership of the CPC and conduct mutual supervision with the Communist Party. The leading role of the CPC has been established through long years of revolutionary struggle and is the historical choice of the people of various nationalities in China, including that of the democratic parties. The CPC's leading position has been affirmed in China's

Constitution. China's political party system is one of multi-party co-operation under the leadership of the Communist Party, not one of many parties ruling in turn which rejects the leadership of the Communist Party.

—Under the leadership of the CPC, the democratic parties devote themselves to the socialist cause. They are political alliances of some of the socialist workers and some of the patriots who support socialism, with whom these parties maintain their respective ties, and are political parties serving socialism.

—In the people's government, the CPC is the party in power while democratic parties are parties participating in state and government affairs. They participate in the organs of state power; in consultations on the major principles and policies of the state and on the choice of state leaders; in the administration of state affairs; and participate in the formulation and implementation of the principles, policies, laws and decrees of the state. In China, among the political parties, the distinction between a party in office and a party not in

office does not exist. There are no opposition parties in our country.

—Political consultation is an important method of multi-party co-operation. Through political consultations, the principles and policies put forward by the Communist Party are consented to and accepted by the democratic parties. At the same time, the Communist Party pays much heed to the opinions and suggestions made by the democratic parties so that decision-making becomes a democratic and scientific process.

—The CPC and the democratic parties must take the Constitution as their basic code of conduct. The democratic parties enjoy political freedom, organizational independence and equal legal status within the scope of their rights and duties as stipulated in the Constitution.

Why Accept Communist Party Leadership

Foreigners who are unfamiliar with China's multi-party co-operation system often ask: Since the democratic parties are political parties themselves, how is it they can accept the leadership of another political party—the Communist Party?

In answering this question, leaders of the democratic parties invariably give an account of the emergence and development of the system of multi-party co-operation under the leadership of the Communist Party, explain that the position of the CPC as the core of leadership which has been established in the protracted struggle of the Chinese revolution, is the historical choice made by the people of various nationalities and the democratic parties in China. The long-term co-operation system in which the democratic parties accept the leadership of the Communist Party and practise mutual supervision with the Communist Party is the objective necessity independent of man's will. Chu Zhuang, vice-chairman of the China Association for Promoting Democracy, has made a specific analysis of this question from three angles:

—Historically speaking, no democratic party is in a position to match the Communist Party in its experience and ability to take cognizance of an over-all situation, to manage state affairs and to exercise political power—an experience and ability built up since 1927 in the course of several decades of arduous and complicated struggles. Most of the

democratic parties were set up, before or after the victory of the War of Resistance Against Japan under the influence or support of the CPC, as allies of the democratic revolution under the leadership of the CPC, and since then they have become close comrades-in-arms of the CPC and stuck together with the CPC through thick and thin.

—Politically speaking, at each critical historical juncture in the Chinese revolution, it was the CPC that put forward the correct political line, which was in conformity with historical development and the fundamental interests of the people, and under the guidance of this line, organized the people to seize victories in the Chinese revolution and construction. No other political party in China can match the political guiding role of the CPC and its ability to mobilize the people of various nationalities in the country.

—Organizationally speaking, the CPC, with a membership of 48 million, is the vanguard of the working class, and its Party organizations can be found throughout the country. Members of the CPC comprise advanced elements at various levels in the Party, the government and in military, industrial, agricultural, commercial, scientific, educational and cultural circles, as well as leaders of generation after generation with the ability to call on the entire people and to grasp the overall situation. No other political party in China can match the CPC in having built such a strong and broad organizational base in the course of its historical practice in leading the revolution and construction over the past 50 years.

Conformity With China's National Conditions

The system of political parties in modern China has a history of

On September 27, 1989, the National Committee of the Chinese People's Political Consultative Conference (CPPCC) held a meeting in Beijing attended by its chairman and vice-chairmen to examine and discuss recommendations submitted by the economic committee of the CPPCC for developing agriculture.

QI TIEYAN



80 years. Since the founding of the Republic of China (1912-1949) in the wake of the Revolution of 1911, three kinds of political party systems have been set up. The first was modelled on the multi-party system of the West and practised for some time in the early period of the Republic of China. The number of political parties totalled more than 300. They attacked each other and campaigned for seats in the parliament. It was in fact, however, only an outward show put on by Yuan Shikai, a

broad ranks of workers, peasants, petty-bourgeoisie and national bourgeoisie by the big landlords and big bourgeoisie, and it did not allow the lawful existence of other political parties. This one-party dictatorship was overthrown in 1949 by the people's revolution led by the CPC. The third political party system is the multi-party co-operation system under the leadership of the Communist Party after the founding of New China in 1949. It is the political party system which is in conformity with Chi-

cratic revolution period, the national bourgeoisie, the urban petty-bourgeoisie and their intellectuals who constituted the basis for the democratic parties, generally cherished strong patriotic feelings and opposed imperialism and feudalism because they themselves were oppressed and exploited by imperialism, feudalism and the bureaucrat comprador forces. But because of social and historical limitations and their own weaknesses (mainly the frailness of the national bourgeoisie and the aversion to discipline of the petty-bourgeoisie), they could not become a powerful political force. In the fierce struggle between the revolutionary classes of workers and peasants represented by the CPC and the big landlords and big bourgeoisie represented by the reactionary Kuomintang, they had no room for their independent development and they could only choose the path of siding with either the Communist Party or the Kuomintang. During the period of the founding of the democratic parties, their political programme of anti-imperialism, patriotism and demand for democracy determined that they appeared on the political stage not as opponents but as allies and co-operators of the Communist Party. In the revolutionary struggles, these co-operative ties of varying strength gradually developed, so that the democratic parties came to accept the leadership of the Communist Party and greeted the victory of the democratic revolution. After the founding of New China in 1949, they continued to co-operate with the Communist Party and gradually have embarked on the road of serving socialism. There are many reasons for this. On the one hand, the Communist Party has continued to sincerely co-operate with them in the nation's political life and construction, gradually esta-



Pu Jiexiu (second left) and Qian Chuntao (third left), members of the Beijing Municipal Committee of the China Democratic National Construction Association, discuss 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 Communist Party. They also discussed measures for leaders to strengthen relations with the grass-roots units and maintain close ties with the masses. YANG LIMING

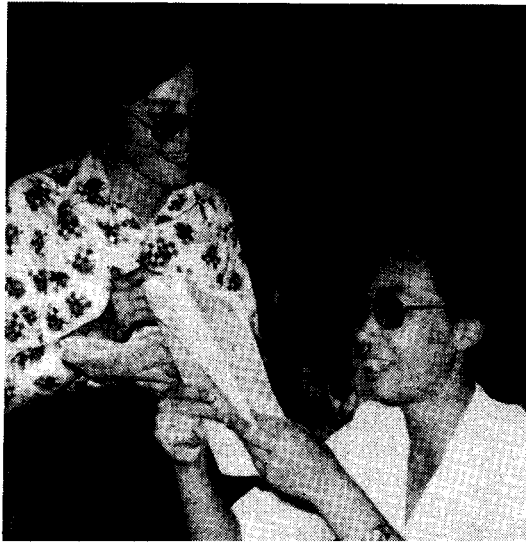
feudal warlord who had usurped the fruits of the 1911 Revolution. When the implementation of this multi-party system threatened Yuan Shikai's rule, he resorted to assassinating his political opponents in 1913, and that form of political party politics completely vanished. The second political party system was the one-party system implemented by the Kuomintang after it seized political power in 1927. It was actually a system of oppression and exploitation of the

na's national conditions and is the inevitable result of the historical development of modern China's political party system.

As explained above, the political party system of multi-party co-operation under the leadership of one party gradually took shape in the struggle of the CPC, in the alliance of the democratic parties, against the one-party dictatorship of the reactionary Kuomintang. Old China was a semi-colonial and semi-feudal society. During the demo-

blished ties of "long-term coexistence, mutual supervision, treating each other in all sincerity, and sharing weal and woe together" and has guided them step by step to make progress. On the other hand, their history of long-term, common struggle with the Communist Party, their position as the Communist Party's allies taking part in the political power of the people's democratic dictatorship, their ideological basis of patriotism, the superiority of the socialist system they learnt from their own experience and the necessity to take the socialist road, have linked their fate with the leadership of the Communist Party and the socialist cause of the motherland.

The most basic conditions of China are that, first, it is a socialist country and second, it is a country with a comparatively backward and unevenly developed economy and culture. Among its 1.1 billion people, more than 800 million are living in the countryside. Some cities and the economically developed regions coexist with the semi-natural economy of the vast rural areas and the remote regions. The most sophisticated science and technology coexist with manual work found in vast areas. Intellectuals who have mastered modern science and culture coexist with large numbers of illiterates and semi-literates, and the demands for socialist democracy coexist with a reality lacking in democratic traditions. It is a herculean task to build socialism under these specific historical conditions. It is necessary to have a centralized and unified leadership; otherwise, with the 1.1 billion people going their own ways, the country will be thrown into



Li Xiaotong (left), member of the Revolutionary Committee of the Kuomintang, is a part-time teacher of Guangdong-dialect class at the Zhongshan party-time school in Beijing. In the past seven years, she has trained 500 students and thus made important contributions to Beijing's foreign affairs activities and tourist trade. Li is daughter of Li Jishen, late chairman of the Central Committee of the Revolutionary Committee of the Kuomintang.

ZHENG SHUFU

chaos or even fall apart. At the same time, because there are differences in nationality, regions, economic well-being and cultural attainment in the country, there are also different classes, strata and social groups among the labouring people. Specific differences and contradictions exist among the people in regard to their particular interests, on the basis of their common basic interests. This calls for not only centralized and unified leadership, but also fully developed democracy which can extensively elicit and heed the opinions of the masses so as to make possible due consideration for all through unified planning and to harmonize various kinds of social contradictions. The multi-party co-operation system under the leadership of the Communist Party has become one of China's basic political institutions capable of maintaining strength and vitality; this is because it can meet the needs of China's national conditions.

China's system of multi-party co-operation differs from the one-party system practised in some socialist countries. Whether the one-party system or the multi-party co-operation system under the leadership of the Communist Party is implemented in a socialist country is determined by the country's own history and particular national conditions. China's system of multi-party co-operation is also fundamentally different from the multi-party system and the two-party system in Western capitalist countries. In socialist China, a capitalist political party system under no circumstances should be practised. A handful of people adhering to bourgeois liberalization have advocated

political pluralism, a multi-party system and the establishment of opposition parties in China. The political turmoil which erupted last year fully shows that their aim is not to realize genuine democracy, but to overthrow the leadership of the CPC, and subvert the socialist system, reducing the socialist People's Republic to a vassal of capitalism. Their scheme has naturally been opposed by the people throughout the country, the various democratic parties included.

The system of multi-party co-operation and political consultation under the leadership of the Communist Party has taken root on Chinese soil. China will constantly perfect this basic political system and advance democracy and the legal system further along the socialist orientation in an orderly way.

Important Democratic Channels

Practice over the past several decades has proven that the

multi-party co-operation system under the leadership of the Communist Party is a strong point of China's political system. The democratic parties provide an important channel for conveying the opinions of the masses and thus play a major supervisory role.

China is a socialist country devoted to the building of a higher level of democracy. This kind of socialist democracy is one which is enjoyed by the majority of the people and which adheres to the socialist orientation under the leadership of the Communist Party. China is a country under a people's democratic dictatorship led by the working class and based on the alliance of the workers and peasants. China's socialist democracy consists of three parts: democracy within the Communist Party, democracy of the workers and farmers and democracy in the patriotic united front. The democratic parties are an important force in China's patriotic united front. To promote the democratic parties' participation in and discussion of state and government affairs and to bring democratic supervision into play provides an important channel for developing socialist democracy.

Chairman of the Chinese Peasants' and Workers' Democratic Party Lu Jiayi, a noted chemist, who has a deep appreciation of the system, said that dialectics stresses the doctrine that everything has two aspects. Modern sciences cannot progress without the development of the cross science and socialist democracy also cannot develop without the doctrine that everything has two aspects and the cross views. This requires a system of one-party leadership and multi-party co-operation. As co-operative, friendly parties of the Communist Party, the democratic parties are by no means unimportant and attempt and accomplish their

thing. "In my opinion," Lu said, "persisting in the multi-party co-operation under the leadership of the Communist Party, giving fuller play to the democratic parties' role of participation in and discussion of state and government affairs, and of their democratic supervision, and constantly providing the democratic parties with the conditions for participation in and discussion of state and government affairs are correct, effective and important channels for developing socialist democracy in China."

Lu Jiayi further explained that the ongoing political structural reform in China is to strengthen the building of socialist democracy. The degree of democracy is bound to be restricted by the cultural and educational level. It goes without saying that it would be very hard to let China's 200 million illiterates directly take part in elections and effectively discuss and participate in state and government affairs. But we must never bar these people from access to democracy simply because of their low cultural level. The fundamental difference between China's socialist democracy and Western democracy lies in the fact that democracy is being enjoyed by the overwhelming majority of people in China. In present-day China, it can be said that there will be no economic stability without agricultural development, and no prosperity without a developed industry. The country will be powerless without the progress of technology. It will be perplexed without the advances of sciences and it will be in danger without the development of education. Members of the democratic parties are people with a higher level of knowledge than the ordinary masses. They have developed fairly high political and cultural qualities and serve as the backbone force on various fronts. They have wide social connec-

tions and can play a role in maintaining close links with the masses. Through the practice of discussing and participating in state and government affairs and exercising democratic supervision, the democratic parties can convey the wishes of the people, implement policies, and serve as an important channel for transmitting opinions from the lower levels to the higher, and those from the higher levels to the lower. The democratic parties have maintained wide contacts and are on very good terms with broad sections of the intellectuals, with people in Hong Kong, Macao and Taiwan and some personages overseas. They can play an irreplaceable role and have a unique impact. Their participation in state and government affairs can help expand the social basis of the state power and the scope of unity. It can thus be seen that to uphold and perfect the system of multi-party co-operation and political consultation under the leadership of the Communist Party, to give full play to the role of the democratic parties and to enhance it as they participate in and supervise state and government affairs is of great importance to the strengthening and improvement of the CPC leadership, to the development of socialist political democracy, to the maintenance of the country's long-term stability as well as to the development of reforms and opening up, China's modernization, and to the reunification of the motherland.

Multi-Faceted Co-operation

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 Communist Party stipulates some major points for the CPC-

democratic party co-operation in the social and political fields and formulates feasible measures in such spheres as the following: strengthening CPC-democratic party co-operation and consultation; allowing members of democratic parties and people without party affiliations to play a bigger role in the people's congresses; recommending members of democratic parties and people without party affiliations for leading posts in government, procuratorial and judicial organs at all levels; enhancing the role of the democratic parties in the CPPCC; and supporting the democratic parties in their efforts to improve ideologically and organizationally.

In the past decade, the CPC Central Committee has engaged in consultations with the democratic parties and non-party patriotic personages on major decisions and important arrangements in personnel affairs. This has, by and large, become a system. The CPC Central Committee has held meetings for democratic consultation and discussion with non-party personages on 40 occasions; this has led to more democratic and scientific decision-making. In the past year the CPC Central Committee formulated the decision on further improving the economic environment, straightening out the economic order and deepening the reform at the Third Plenary Session of the 13th Party Central Committee; it issued 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 Communist Party, the speech made by Jiang Zemin, general secretary of the Central Committee of the CPC at the meeting marking the 40th anniversary of the founding of the People's Republic, and the

important decisions on economic work made at the Fifth Plenary Session of the 13th Party Central Committee. Prior to this, the Party Central Committee had listened to and highly valued the opinions of the democratic parties as well as suggestions from other quarters.

Many of the main leaders of the democratic parties have held the post of vice-chairman of the Standing Committee of the National People's Congress and of vice-chairman of the National Committee of the CPPCC. Many members of the democratic parties have held leading posts of the national people's congresses and the Chinese people's political consultative conferences at all levels and 780 members of the democratic parties have held leading posts in government organs above county level. Three of them have become vice-ministers of the State Council; 11 have become deputy provincial governors, vice-chairmen of autonomous regions or deputy mayors of municipalities directly under the central government; eight have become deputy mayors of cities that have the power to work out their own development plans independently; 116 have held leading posts of departments, or have become leaders at prefectural and city levels; and 643 of them have become deputy county heads or deputy district heads. On the whole, they perform their official duties honestly and efficiently and work diligently. They are pragmatic and enterprising and have developed their abilities in the course of their work.

Most members of the democratic parties are high and medium-grade intellectuals. Since China adopted the policy of reform and opening to the outside world, they have brought the functions and intellectual resources of their political parties into play. While reporting on op-

inions from the masses, they have organized a number of experts to investigate and study special problems, offered suggestions for reference during government decision-making and provided feedback while major decisions were being drawn up. In July 1988, for instance, the Central Committee of the China Democratic League made a proposal to the Central Committee of the CPC and the State Council for the establishment of a multi-national economic development zone in the upper reaches of the Huanghe River. The Central Committee of the CPC and the government have accepted the proposal and begun to implement it. In December 1988, the China Democratic National Construction Association, the Chinese Peasants' and Workers' Democratic Party and the All-China Federation of Industry and Commerce submitted to the State Council a proposal for perfecting the managerial system of traditional Chinese medicines and strengthening the management of the traditional Chinese medicine market. Their proposal has been included in a State Council document on solving problems of traditional Chinese medicine. In 1989, the Central Committee of the China Democratic National Construction Association sent out some investigation groups which spent six months making special studies together with the association's local organizations. They put forward proposals for solving some problems in large and medium-sized enterprises owned by the whole people. The proposals, discussed by the plenary session of the Central Committee of the China Democratic National Construction Association and then submitted to the Central Committee of the CPC and the State Council, are highly valued by the central authorities and the departments concerned.

In the past decade, the demo-

cratic parties have, giving play to their strong points, offered consulting and other services in economics, science and technology, education, law, medical and health work, and cultural undertakings. Democratic parties, in line with the policies and stipulations of the state, have developed contacts and friendship with compatriots in Taiwan, Hong Kong and Macao, Chinese nationals residing abroad and foreigners of Chinese descent, helped to introduce funds, technology and qualified personnel into the country and promoted economic ties as well as scientific, technological, cultural, academic and sports exchanges between the mainland and Taiwan, Hong Kong and Macao, and between China and foreign countries. They have made contributions to socialist modernizations and the cause of reunification of the motherland. According to reports, the democratic parties and the All-China Federation of Industry and Commerce have handled more than 7,000 economic, scientific and technological, cultural and educational, medical and health consulting services for the country, and have set up about 1,000 schools with a total enrolment of several million people. They have provided the border areas with educated personnel for 300 projects and attracted foreign capital amounting to several billion US dollars. Publication and implementation of the document—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 Communist Party—is an inspiration to the democratic parties in their co-operation with the CPC and will enable them to better play their unique historical role in invigorating the Chinese nation and reunifying the motherland.

Participating in State Affairs —Sidelights on the Beijing CPPCC Session

by Our Staff Reporter Lu Yun

The Chinese People's Political Consultative Conference (CPPCC) is a broad patriotic united front organization led by the Communist Party of China (CPC). It is composed of various democratic parties, persons without party affiliations, people's organizations, members of minority nationalities and patriots of various circles, including compatriots from Taiwan, Hong Kong and Macao and overseas Chinese. In addition to the National Committee, there are 2,930 local CPPCC organizations at or above the county level with a total membership of 410,000 people. The Beijing Committee of the current CPPCC has 684 members.

In China, decisions on major issues concerning the national economy and the people's livelihood are made by the National People's Congress (NPC), which exercises the nation's highest power on the basis of discussions and consultations with the CPPCC, after wide solicitation of opinions from representatives of various democratic parties and social quarters. The CPPCC provides an important means for the CPC and government to accept democratic supervision. This consultation and supervision is of great importance to the construction of socialist political democracy and to the realization of democratic and scientific decision-making.

Speaking Out Freely

The Third Session of the Seventh Beijing CPPCC, held

from February 26 to March 2 this year, examined and discussed the work report of its Standing Committee. Participants also discussed the draft report on the work of the government to be delivered by Chen Xitong, mayor of Beijing, at the Third Session of the Ninth Beijing Municipal People's Congress, listened to an explanation of the report by Deputy Mayor Zhang Jianmin, and made proposals for revisions. Leaders of the Beijing municipal Party committee, the municipal government and leading members of the departments concerned made reports at the session, listened to opinions and participated in discussions on special issues. At the session, as well as at three-day panel discussions and forums on special matters, the participants freely aired their views, affirmed the achievements made by the municipal government and offered their criticisms. Those in attendance demonstrated the spirit of working with one heart and mind and forging ahead in unity.

On March 1, more than 60 CPPCC members and leaders of the municipal government put forward their opinions and suggestions at a forum on Beijing's current economic situation and the campaign to improve the economic environment and straighten out the economic order. Qian Chuntao, deputy director of the Beijing municipal committee of the China Democratic National Construction Associa-

tion, noted that Beijing had an annual income of 7.1 billion yuan, while subsidies paid by the government amounted to 4.5 billion yuan. The money was used to subsidize the purchase of cereals, oils, and non-staple foods sold to residents at low prices, as well as water, electricity, housing, commuting public traffic and other daily necessities. Qian likened the subsidy to giving athletes a shot of stimulant, which, as time passes, Qian said, the government will find it hard to afford. He offered some substantive suggestions for reducing the burden.

Gan Peigen, deputy director of the Beijing municipal committee of the Revolutionary Committee of the Kuomintang and vice-president of the China Finance Institute, suggested that the municipal government pay close attention to the sluggish market, shortage of enterprise funds and decreasing economic returns. He proposed four measures for improving enterprises' economic results. Other members spoke out on such questions as the improvement of economic planning and management work, popularization of new science and tech-

nology in agriculture, the control of population growth, water conservation and a halt to the indiscriminate fees charged by primary and middle schools. Deputy Mayor Zhang Jianmin, who was present at the session, indicated that the opinions, suggestions and measures put forward by CPPCC members were highly practical and that the municipal government would discuss them as special issues at its standing committee meetings so as to incorporate them into the government work plan.

CPPCC Members' Motions

Submitting motions to the government is an important aspect of the CPPCC's participation in state and government affairs and supervision over the work of government. CPPCC members may present their written proposals and opinions on various issues at all times including during the plenary session itself.

According to an analysis of a report made by the motion committee, of the 956 motions made in 1989, 920 were put on the record and 36 were dealt with as letters from the people. Except

for 16 motions still being processed, the rest have already been handled by the departments concerned and confirmed in letters of reply. Some 23.5 percent of the motions were accepted and the problems involved were resolved. The problems found in 5 percent of the motions have not been settled or have not been handled in such a way as to satisfy the CPPCC members. The remaining were included in the plan for settlement or shelved temporarily with the consent of CPPCC members involved.

Because the CPPCC members are specialists in their respective fields, have a wide range of social contacts, quick access to information and advanced and thorough studies at their disposal, many of their motions are of high quality, especially those which concern the improvement and rectification of the economy, the cleaning up of cultural garbage and the promotion of clean government; they all have received special attention from departments concerned. Some motions, based on investigative reports, provide useful facts, data, analyses and suggestions. For example, the motion presented by

Fan Zichang, (first, left, front), member of Jiu San Society speaks at a panel session.



Shan Ke, member of the Chinese Peasants' and Workers' Democratic Party, on the basis of the materials provided by his party's branch in the State Building Materials Bureau, proposed that a policy of priority for the supply of funds and technology be introduced in order to benefit large and medium-sized enterprises. The motion, regarded as both scientific and feasible, was favourably commented on by the department concerned.

In April 1989, the municipal government drew up temporary measures for handling proposals from deputies to the people's congress and motions from CPPCC members, which was promulgated as the municipal government's Decree No. 9. The result was a marked improvement in the work. In the past year, the Beijing Municipal Public Traffic Corp. received a total of 142 proposals from the people's congress deputies and CPPCC members. Officials of the corporation, studied them one by one and, in the end, accepted 65 motions. On this basis, they added six items to the existing regulations concerning the

improvement of service quality, extended the running time of nine routes, increased the length for seven routes, readjusted the routes for 16 lines and opened seven new routes. The deputies and CPPCC members were satisfied with this response while the masses felt the direct benefits of the change.

Yue Tong, chief doctor of the Beijing Union Hospital, said that his opinions on reorganizing the private medical business and collectively run clinics, advanced last year had been accepted and these businesses are now placed under the unified management of the departments concerned. As a consequence, notable results have been achieved in the past year.

Wang Shaojin, a worker technician of the Beijing state-owned 503 Factory, offered the criticism that, although the replies from the departments concerned to some CPPCC members' motions were positive, they had not yet been put into practice. The departments concerned should study the CPPCC members' motions and see how to effectively solve the problems.

Investigations of Special Subjects

During ordinary times, the CPPCC's work also includes organizing members for inspections, holding forums, report and study meetings, collecting and studying cultural and historical data, and carry out fellowship activities for Hong Kong and Macao compatriots, overseas Chinese and other people residing abroad. Many CPPCC members agreed that the most obvious improvement in the city CPPCC's work last year was that four of its special committees had each respectively organized members to investigate special subjects, on the basis of which they had submitted valuable opinions and recommendations to the government. For example, the Urban Construction and Management Work Committee's proposals for reducing the scale of Beijing's fixed asset investment, the Scientific, Educational, Cultural, Public Health and Physical Culture Work Committee's proposal on strengthening ideological and political work among university and college students, as well as investigations into non-governmental scientific research institutes, have all played a positive role in broadening government decision-making and improving its work.

The Economic Work Committee conducted a special investigation for half a year on the readjustment of Beijing's industrial structure and product mix. Participating in the investigating group were members of democratic parties, experts and scholars long engaged in economic work and leading cadres of economic departments who had stepped down from important government posts. They listened to reports by 13 government economic departments in charge, conducted on-site investigations of 12 different types of enterpris-

Some CPPCC members meet with municipal government leaders at a forum on special issues.



es, and held a series of forums on special aspects of the question. Such activities provided them with a lot of first-hand materials. Their conclusions affirmed Beijing's initial achievements in industrial readjustment, while pointing out, at the same time, that the industrial structure is very irrational, and that there is a series of serious, deep-level defects in the industrial structure. They noted, therefore, that the task of readjustment remains very arduous. To deal specifically with these problems, the CPPCC members presented an investigative report, expressing the opinion that the work is key to whether the industrial economic sector can maintain a sustained, stable and balanced development and to the success of the campaign to improve the economic environment and rectify the economic order. The Beijing municipal committee of the CPPCC, after examining and discussing a five-point proposal they put forward, submitted it as the standing committee's motion to the municipal government. Deputy Mayor Wu Yi, after listening to the opinions at the standing committee meeting, pointed out that the CPPCC members had chosen the key topics and had grasped the important problems relating to the city's industry. She pointed out that the proposal was of timely help to those working in the forefront of different fields.

New Forms of Supervision

The Beijing municipal committee of the CPPCC has, since last year, adopted a variety of means by which members can participate in state and government affairs and supervision. For example, 18 CPPCC members, either democratic party members or people without party affiliation, took part in the city's large-scale check-up on taxation,

finance and pricing and in cleaning up and reorganizing companies; three CPPCC members served as deputy heads of the leading group in charge of the foregoing work; and five CPPCC members were invited to act as special supervisors of the Municipal Supervisory Bureau. This work received the full attention and was widely welcomed by various social quarters.

Fan Zichang, deputy director of the Beijing Municipal Committee of Jiu San Society, is a senior engineer who has long

report; some of the departments have put forward new suggestions on how to handle the problems.

The five municipal CPPCC members, invited as special supervisors, include a lawyer, a researcher of law, a chief engineer, a chief accountant and an imam. In a jointly prepared speech at the meeting, they pointed out that the Chinese Communist Party was conscientious in promoting clean government and was able to eliminate corruption among the small number of cadres. According to a woman



CPPCC members chat during a break.

Photos by LU YUN

been engaged in the work of municipal construction. He served as the deputy head of the leading group in charge of supervising taxation, finance and price and was recently invited to be a member of the municipal government special advisory group. When they learnt that some economic cases, related to departments under the State Council, were improperly handled or left without resolution, they summed up 11 outstanding problems of the cases and sent them to the higher authorities. When leaders of the office in charge of check-up under the State Council learnt of their action, they immediately organized the concerned ministries and commissions to investigate and prepare a written

lawyer, Liang Wenqian, the method of inviting special supervisors is very effective in instituting democratic supervision. In about two months after she was invited, she said, she had received many letters, visits and cables from the public who advanced their opinions and demands. She directly reported these opinions to the municipal supervisory bureau and to the leaders of departments concerned for study and solutions. She noted that they were very warmhearted and sincere in their response; they seriously studied the public's demands and, accepting reasonable proposals, promptly put them into practice. Liang proposed giving fuller play to the role of the special supervisors. ■

Why China Needs Economic Readjustment

by Dai Jiahong

Some Chinese and foreigners do not understand China's on-going campaign to improve the economic environment and rectify the economic order. They worry that the country will slip back to the old rut. This article explains why the readjustment is necessary and the relations between the campaign and the deepening of China's reform. It will enable the reader to get a clearer picture of China's present economic policies and its economic situation.—Ed.

Improving the economic environment and order and deepening the on-going reform are two major tasks of China's current economic work. To improve the economic environment requires three or more years to ease the problem of demand outstripping supply, gradually lower the inflation rate, improve the industrial structure, increase financial reserves, and raise economic returns. These changes in the national economy will mean a return to sustained, steady and co-ordinated development and lay a foundation for achieving the strategic objective of quadrupling China's 1980 gross national product (GNP) by the end of this century. To accomplish the task of economic readjustment not only concerns the success and failure of China's reform but is also an important guarantee of the country's future economic development and political stability.

Straightening out an Overheated Economy

Since the Third Plenary Session of the 11th Party Central Committee held in late 1978, while persisting in the central task of economic construction, China has introduced reform and opening of its doors to the outside world and achieved world-acknowledged achievements. In the past decade, moreover, profound changes have taken place in China's economy

and society. During this time the nation registered its most vigorous economic development, the quickest growth in national strength and the most handsome benefits for its people. Between 1979 and 1988, the nation's GNP grew, on an average, 9.6 percent annually, exceptionally fast even by international standards. In 1988, the country's total value of import and export rose five times over 1978, showing an average annual growth of 17.4 percent and exceeding the average annual growth of 10.9 percent during the previous 26 years. The country's average per-capita income and the residents' consumption level also increased considerably. In 1988, the average per-capita income in the rural areas rose 3.1 times over 1978 (allowing for price rises), an average annual growth of 11.8 percent. The actual consumption level of urban residents rose an average 7.6 percent a year in real terms.

Owing to run-away development, many economic problems and difficulties emerged in the decade and manifested themselves in inflation, the imbalance between the overall demand and overall supply, the irrational industrial structure and a chaotic economic order. These problems reflect the concentration of deep, underlying problems which had been accumulating for many years.

In regard to the relationship of supply to demand, as the overall social demand outstripped overall

supply, the country's existing national strength and productive capacity could hardly sustain the excessive scale of construction and meet the bulging consumer demand. Between 1984 and 1988, while the national income increased by 70 percent, investment in fixed assets rose 214 percent and the cash incomes of urban and rural residents grew by 200 percent. Given this situation, the issuance of more banknotes and the incurrance of more domestic debt would only further aggravate inflation.

In regard to the economic structure, imbalances appeared between industry and agriculture and between the basic industry and infrastructure on the one hand and the processing industry on the other. Agricultural production remained stagnant for four years' running, leaving it with a weak foundation and inadequate reserves for further development; it could not compete with the excessive scale of the country's industrial production. The slow development of the energy industry, transport and communications, the basic raw materials industry and infrastructures could no longer support the burgeoning processing industry. Moreover, in the processing industry, the problem of unplanned and overlapping construction was quite serious. Many products, poor in quality, required high consumption of materials. The situation not only put undue strain on farm produce,



Party General Secretary Jiang Zemin talks to banana growers in Zhangzhou, Fujian Province last December.

XU YIMING

energy, raw materials and transport and communications but also seriously affected the good use and rational deployment of production resources.

The macro-economic regulatory capability of the state was weakened and, with the dispersal of power over when and how funds, foreign exchange and materials are distributed, the state income was distributed in favour of enterprises and individuals. Funds and materials allocated by the state were decreasing. Between 1984 and 1988, China's financial revenue as a proportion of its national income dropped from 26.7 percent to 22 percent, the central government's financial income as a proportion of the nation's income decreased from 56.1 percent to 47.2 percent, and the foreign exchange controlled by the central authorities accounted for only 40 percent of the nation's total foreign exchange earnings. These factors weakened the state's macro-economic regula-

tory capability. Given such scattered powers to distribute finances and materials, the state was unable to control the bulging demand or readjust the worsening economic structure.

Prices were yet another glaring problem; the price index rose from single digits in 1986-87 to double digits in 1988-89.

The economy was in disarray. In production, construction and circulation, the problems of high consumption, low efficiency, and huge input but low output have existed for quite some time. The many enterprises in poor economic shape have become a heavy burden on the state. On the other hand, tax evasion is serious. This is especially true with those individual and private businesses which are estimated to have earned one-third of their present income from tax evasions.

Although these difficulties occurred while progress was being made, failure to overcome them

promptly will hamper China's economic development. Only by rectification can we curtail excessive social demand, eliminate the factors fueling the overheated economy, and establish a rational economic structure and industrial mix to bring about better economic returns. Thus, the only solution to the chaos now found in the economy is to develop the economy in an orderly manner under state macro-economic regulation. The economic rectification programme is the fundamental way by which China's national economy can overcome its difficulties and achieve sustained, steady and co-ordinated development.

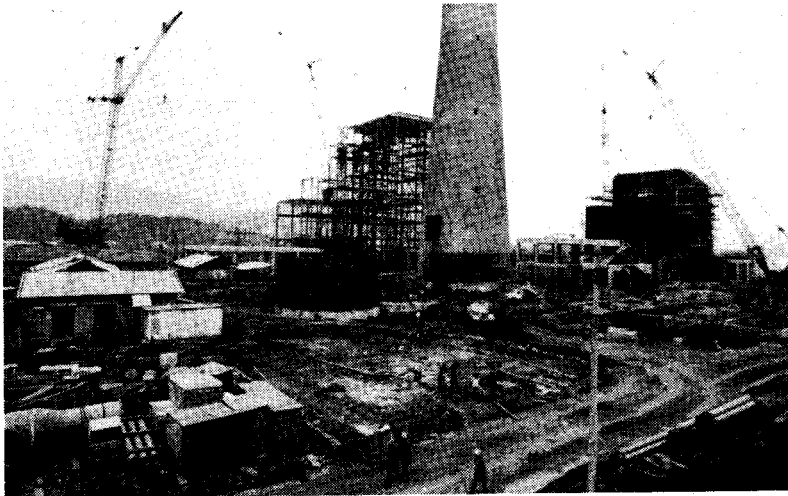
The Conditions for Reform

The policy of improving the economic environment and rectifying the economic order and deepening the reform was set forth at the Third Plenary Session of the 13th Party Central Committee

held in 1988, and was endorsed at the National People's Congress in 1989. The Fifth Plenary Session of the 13th Party Central Committee adopted the Decision on Further Improving the Economic Environment, Straightening Out the Economic Order, and Deepening the Reforms. This, however, does not mean a halt to the ongoing reform. On the contrary, the improvement and rectification programme, set forth under the prerequisite of upholding reform and opening up, aims to create a better environment and conditions for China's reform and opening. The imbalance between total supply and total demand, the structural imbalance, inflation, chaotic order and other problems built up over many years can only be overcome through this programme. If these problems could not be solved, then any progress for China's reform would be out of the question. The programme's success calls for coordinated reform, and, in fact, some of the measures for rectification are themselves major parts of reform. For example, in order to readdress the industrial imbalance, it is necessary to work out the sequence of development of various industries and a catalogue of those industries whose development needs support or restriction. It is also necessary to make an



Farmers on their way to a local grain purchasing station in Bayannur League, Inner Mongolia, following a bumper harvest last year. *SHI CHANGJIANG*



Luohuang Thermal Power Station is now under construction as part of Chongqing's effort to develop its basic industry. *CHEN ZONGLIE*

analysis of both internal and external factors that hamper optimization of the industrial structure and, at the same time, explore an effective method for a better industrial structure. This constitutes the question of how best to deepen reform and reflects the fact that the rectification programme and the deepening of reform do not contradict but rather complement each other.

In the past year since the improvement and rectification programme was announced, there has been initial progress. The ov-

erheated economy has begun to cool down and the momentum of the rising commodity prices has slowed. The situation is also encouraging with regard to the recovery of currency and agricultural production. In all these fields, a solid foundation for deepening reform has been laid. However, as some outstanding problems have not been solved, new ones have cropped up. While pressing ahead with the economic rectification programme, reform must be further deepened so as to eliminate unfavourable factors hampering the economic development.

Presently, we must emphasize the following work in order to deepen and improve the reforms. First, based on the principle of combining the planned economy with market regulation, we must improve upon the reform measures taken in the previous years; second, in accordance with the demand for increased planning during the economic rectification period, we should appropriately strengthen centralization. This is based on fueling the enthusiasm of the localities and enterprises, not on negating appropriate concentration of the necessary decision-making powers enjoyed by the localities and enterprises; and, third, while continuing to invigorate micro-economic activities, we should gradually establish a macro-regulatory system to facilitate sustained economic development. Only when the economic environment has been demonstrably improved through rectification can we deepen the reform.

A Favourable Cycle

Neither the rectification programme nor the deepening of reform is an objective. Rather, they are the means by which to bring about a sustained and co-ordinated development of the national economy and realize China's modernization.

In the last 40 years since the founding of the People's Republic, China's economic development

has undergone several twists and turns. It has not yet embarked on the road of sustained and co-ordinated development and so an overheated, inflationary economy has occurred time and again. An objective analysis shows that the reasons include mistaken guidelines for economic development and the failure to set up regulatory mechanism.

Guidelines for economic development were often divorced from

of economic rectification but also during future economic development.

The key to a sustained and co-ordinated development of the national economy lies in overcoming the drawbacks in the economic system. During reform, while reviving micro-economic activities, no relevant mechanism was set up for self-restriction and macro-economic regulatory control. When new, indirect regulatory



Businessmen from Chongqing Foreign Trade Co. negotiate with foreign counterpart.

CHEN ZONGLIE

reality. The pace of development was too fast and the scale of construction too large, leading to a regression of the national economy. When the situation improved, decision-makers became overly optimistic and there emerged the cycle of "expansion— austerity—expansion again— austerity again." After summing up these experiences and lessons, the Fifth Plenary Session of the 13th Party Central Committee called for general revamping of the guidelines characterized by an impatience for success and the establishment of a concept of sustained and co-ordinated economic development. This new concept should be upheld not only during the period

means are not available, the original method of direct regulation and control was prematurely dispensed with. All this is behind the economic difficulties and the chaos in the economic order. Therefore, while fostering the correct guidelines for economic development, we need to continue to develop new operational mechanisms for a socialist commodity economy, a system which combines the planned economy with market regulation in an organic way and is in conformity with the Chinese reality. Only in this way can we direct our economy onto the road of sustained and co-ordinated development. ■

Power Switches Win UL Recognition

The push button power switch produced by the Huafeng Electronic Equipment Co. Ltd., jointly funded by the Zhangjiagang Electronic Equipment Plant in Jiangsu Province and the Hong Kong Wah Mau Industrial Co., passed the standard appraisal of the Underwriters Laboratories Inc. of the United States on February 23, thus making Huafeng Co. Ltd. the first Chinese enterprise of its kind to be granted an UL certification for power switches.

The push button power switch is one of the more important components of colour television sets. The present power switch used in exported colour television sets have been imported from abroad because domestically produced switches are below the UL standard. Last November the Huafeng Electronic Equipment Co. Ltd. imported key facilities, production technology and complete sets of testing equipment up to UL standard with an investment of US\$1.9 million, and set up a production line capable of manufacturing 3 million push button power switches annually.

The product passed appraisal after being tested by the Underwriters Laboratories Inc. and on-the-spot checking at the factory.

The success will help increase the proportion of domestically produced components of colour television sets and play a positive role in helping China's electronic products enter the international market. Seventy percent of the joint venture's annual output will be sold in the international market.

The Underwriters Laboratories Inc., set up in 1894, is an independent, non-profit institution specializing in inspecting the safety of machines, packages

and components in the fields of electronics, building materials and fire-proof products from other countries. The UL standard appraisal is virtually an internationally acknowledged licence for safety production. At present, only those products which receive UL standard certificates can be sold in most countries and regions.

by Han Baocheng

Attracting Foreign Funds

Northeast China's Liaoning Province is devising a series of new policies to encourage large state-run enterprises to absorb foreign funds and establish Sino-foreign joint ventures, said an official of the Liaoning Commission for Foreign Economic Relations and Trade in early March.

The preferential policies pertain to land use fees and bank loans. For example, large enterprises establishing Sino-foreign joint ventures will be given priority in bank loans. After fulfilling the required payment of taxes, profits and contract quotas to the state, they are allowed to withdraw a certain proportion of the surplus to finance joint ventures to be established with foreign partners. Large enterprises will also have the right to examine and approve projects. As China's largest base of heavy industry, the province has more than 280 state enterprises. Their annual output value makes up 38 percent of the province's total, and their contribution in profits and taxes delivered to the state represents more than 58 percent of the province's total. Some enterprises, however, are poorly equipped and require technolog-

ical updating.

Large enterprises, the official said, plan to introduce foreign investment to establish Sino-foreign joint ventures and cooperatively managed enterprises through the use of existing factory equipment and land use rights as investment. A whole factory may join the co-operation if the foreign partner's terms are favourable. Such forms of co-operation as compensatory trade are also desirable. ■

More Cities to Be Opened

More than ten harbours, airports and border trade cities will be opened before 1992, according to Ye Qing, head of the State Council leading group in charge of ports.

Ye said that opening more sea ports, airports and frontier cities is aimed at implementing the policy of opening to the outside world, promoting the development of foreign trade and tourism, and strengthening the cultural exchange and scientific and technological co-operation with foreign countries.

Twenty-seven deep-water berths with an investment of 3 billion yuan were set up in 1989 in the major coastal harbours. A number of airports were either built or expanded along the coast and in the interior. Moreover, Jinzhou, Lanshan, Harbin, Xunke harbours, Meizhou Airport and eight other sea and air ports were opened last year. By the end of 1989, there were 139 first-class open ports, 2.7 times more than the pre-reform period's 51. These include 81 sea ports, 25 airports, 10 railway stations and 25 highway stations. In

addition, there are 213 second-class ports opened by local governments.

In 1989, the export and import volume through the open ports nationwide reached 195 million tons, 10 percent more than the planned target for the year. Passengers through these ports totaled 60 million and customs duties collected at these terminals reached 30 billion yuan.

by Li Ming

Hotel Equipment Exhibition

The tourist administrations of Beijing, Shanghai and Tianjin held the first Exhibition of Chinese-made Equipment and Goods for Tourist Hotels at the Beijing International Exhibition Centre in late February.

About 300 Chinese enterprises and companies from 20 provinces and cities put on exhibit 3,000 kinds of light industrial, textile, building material, machinery and electrical industrial, foodstuff and the interior repair industry products. Most items exceeded the international level of similar foreign products. Many managers of Sino-foreign joint-venture hotels and many representatives from trading companies in China visited the exhibition. The goal of the exhibit was to guide hotel administrators in the purchase of domestic rather than imported products.

There are now more than 1,500 luxury and economy hotels in China, all of which have imported facilities and articles. The use of domestic products has received little attention and has been less desirable than imports.

by Han Baocheng

Longxiang Beer—the Pride of China's Beer

Hua Du Brewery Beijing, listed as the state's key project and Beijing's key construction engineering project, took only three years from the start of its construction on April 22, 1986 to formal production of beer on April 22, 1989. The factory is China's only large beer production enterprise with an annual production capacity of 100,000 tons of high-grade beer and 20,000 tons of grist, as well as a Sino-foreign cooperative enterprise producing beer, the largest ever in China. The brewery was designed jointly by China and Denmark and is being operated with main technology and equipment imported from Denmark and the Federal Republic of Germany. In addition, the brewery has a grist-manufacturing workshop, brewing workshop, packing workshop and an energy centre—all up to advanced world level.

Hua Du Brewery Beijing, situated in the east of Xisanqi in Qinghe, Beijing and covering a floor space of 198,000 square metres, possesses technology and equipment of the 1980s advanced world level, which are prerequisites for the brewery to produce high-grade and fine-quality beer. The grist production line uses the Lausmann grist-manufacturing technology commonly used in the world, which can turn out high-quality grist and thus can guarantee the quality of beer. The equipment, such as stainless steel saccharifying equipment and fermentation equipment imported from the Steinecker Company of the Federal Republic of Germany, is so far the largest in China.

Guaranteeing quality is key to the brewery's production of fine-quality beer. Each working procedure from raw materials to production and packaging is placed under strict examination and laboratory test. With the complete set of quality test system for the beer of Denmark's Carlsberg, a world famous brewery, provided by Denmark's expert, the quality of the brewery's beer has reached international standard. The brewery pays great attention to improving the quality and ability of workers and staffs who can be placed at work posts only after two to three years of technical training and after going through three strict examination by experts.

"Longxiang" used as the trademark of the brewery's quality beer is full of meaning. "Long" (dragon) is the symbol of the Chinese nation; and "Xiang" (Elephant) the symbol of the Kingdom of Denmark. "Longxiang" beer sets up a bridge linking China and Europe in beer trade. Hua Du Brewery Beijing uses rich domestic materials and advanced imported technology to turn out high-grade beer.

Import and export business and domestic special supply business are being handled by China National Cereals, Oils & Foodstuffs Import & Export Corp. on a commission basis. It is believed that with such an advanced beer production enterprise and its fine-quality beer and the strong selling ability of China National Cereals, Oils & Foodstuffs Import & Export Corp., "Longxiang" Beer will definitely be liked by consumers both at home and abroad.

by Ge Yuzhe

Asian Games Projects Progressing Smoothly

After nearly five years of preparation and four years of construction by 30,000 workers, most of the facilities for the 11th Asian Games have been completed and some have even been put into use, according to the latest report by the Games Organizing Committee.

These include key sports venues, the Athletes' Village and various electronic systems. Work on other facilities for the September 20-October 7 Games is progressing smoothly.

Gymnasiums and Stadiums

Of the 33 stadiums and gymnasiums and 46 exercise sites, 27 have been completed and 18 put

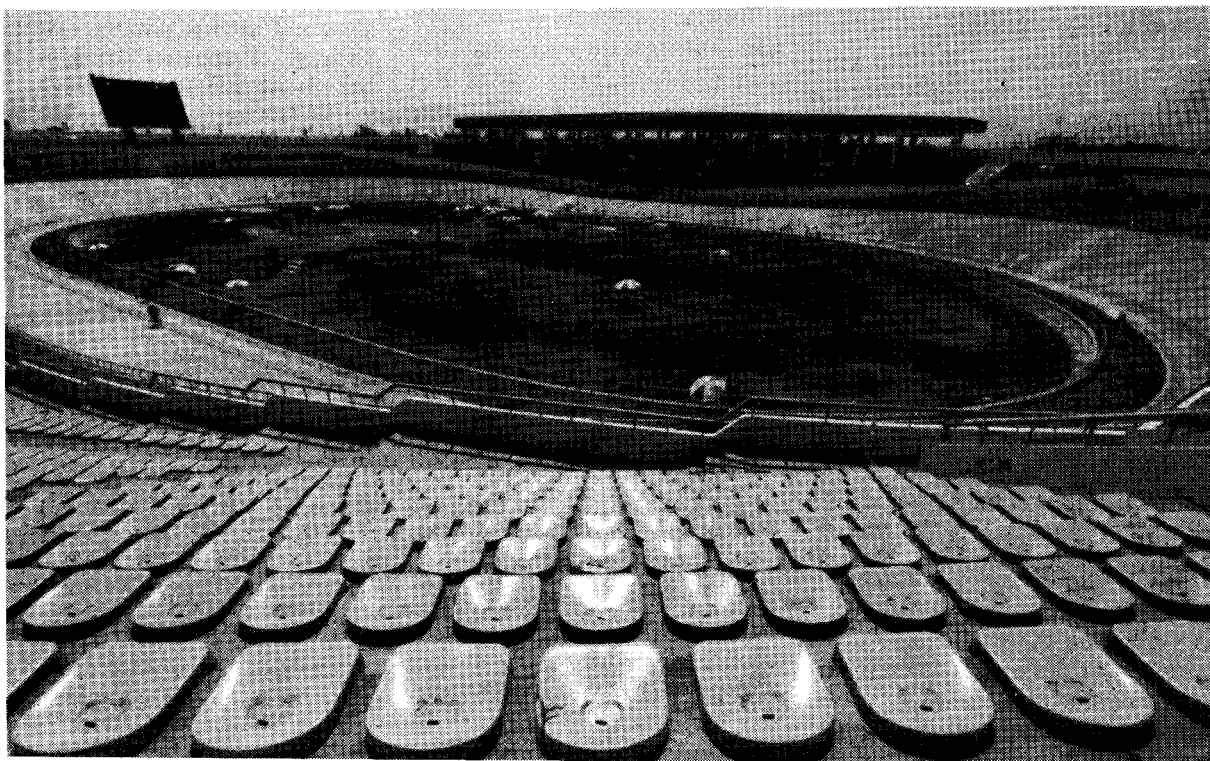
into use. These include Beijing Workers Stadium, which will be the site of the opening and closing ceremonies; the 6,000-seat Changping Cycling Stadium; Chaoyang Indoor Stadium, which will be used for volleyball competition; Beijing University and College Students Stadium, which has 4,000 seats, most of them moveable; the octagonal Judo Competition Hall; Muxuyuan Indoor Stadium, which will be used for fencing; Ditan Indoor Stadium, which will be used for weightlifting; the indoor stadium at the Beijing Institute of Physical Culture for boxing; Haidian Stadium for *wushu* (martial arts), which is being held for the first time in the his-

tory of the Asian Games; Shijingshan Stadium for wrestling, and the Beijing International Tennis Centre.

These facilities are scattered throughout urban Beijing and surrounding counties, while sailing will be held at Qinhuangdao. Some of these venues will also be suitable for other uses, such as art performances.

As for architectural style, the new buildings broke with traditional square and circular shapes. Designers considered not only the individual building but also the local environment.

Silhouetted against the busy Yuting overpass, the Beijing International Tennis Centre looks like a tennis ball. There is no



Changping Cycling Stadium.

entrance on the road side of the building but, by going along two wide stairways outside the hall, one can see that there is an open-air competition ground below. The tennis courts are thus designed to shelter from the noise of traffic along one of Beijing's busiest roadways.

Under a wide path leading to the indoor courts are offices, reception rooms, sauna and gymnasium. From the ceiling above the indoor courts, 64 white sound-absorption blocks hang from a blue framework, creating the impression of white clouds in a blue sky. The walls are dark green and the seats yellow, blue and red, just like flowers. No wonder one architecture critic praised the decoration and colour scheme as the best in all of

the new sports complexes.

The Changping Cycling Stadium, the first of its kind in China, up to international standards, offers excellent sight lines for spectators.

The new Yuetan Gymnasium has wide eaves, a green roof, dark-brown glass walls and cherry-red granite steps. The main hall is square shaped and the walls are covered with light-green tapestry. The ceiling, carved with clouds, contains high-grade sound-absorption material and ingeniously arranged mercury-sodium lamps, creating the impression of clouds shimmering in light. The result is a successful combination of decoration and acoustical design. There is a large underground training facility beneath the

competition hall, a clever use of space.

Asian Games Village

The Asian Games Village include Athletes' Village, apartment buildings, an entertainment centre, a shopping centre, the Organizing Committee office building, the media centre and other facilities. The construction of five tall apartment buildings, the Wuzhou (Five Continents) Restaurant, the International Primary School and networks of power, heating and gas have already been completed. The International Conference Hall, office building and athletes' dining halls are being fitted and decorated. Work is expected to be finished before May 1.

The eight-storey International Conference Hall has a total of 40 conference halls, the largest of which has 3,000 seats and is equipped with an eight-language simultaneous translation system, computer management system and other modern communication facilities. The Organizing Committee and news centre will be located here during the Games.

Occupying an area of 22,000 square metres, the Kangle Palace is China's first comprehensive, indoor entertainment centre up to international top-notch standards. Liu Daolan, 66, former general engineer of the Beijing Municipal Construction Committee, is general manager of the project. Liu made bold improvements on the original design, which just consisted of several tennis courts. Now badminton and basketball can also be played there, a stage for art performances is available and there are even facilities for roller skating.

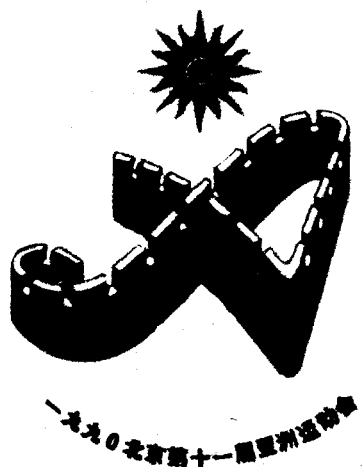
The Wuzhou Restaurant covers 87,000 square metres spread between two buildings of 13 and 17 storeys. Such a project would normally have taken four years to be completed but this one was

Logo and Mascot of the 11th Asian Games

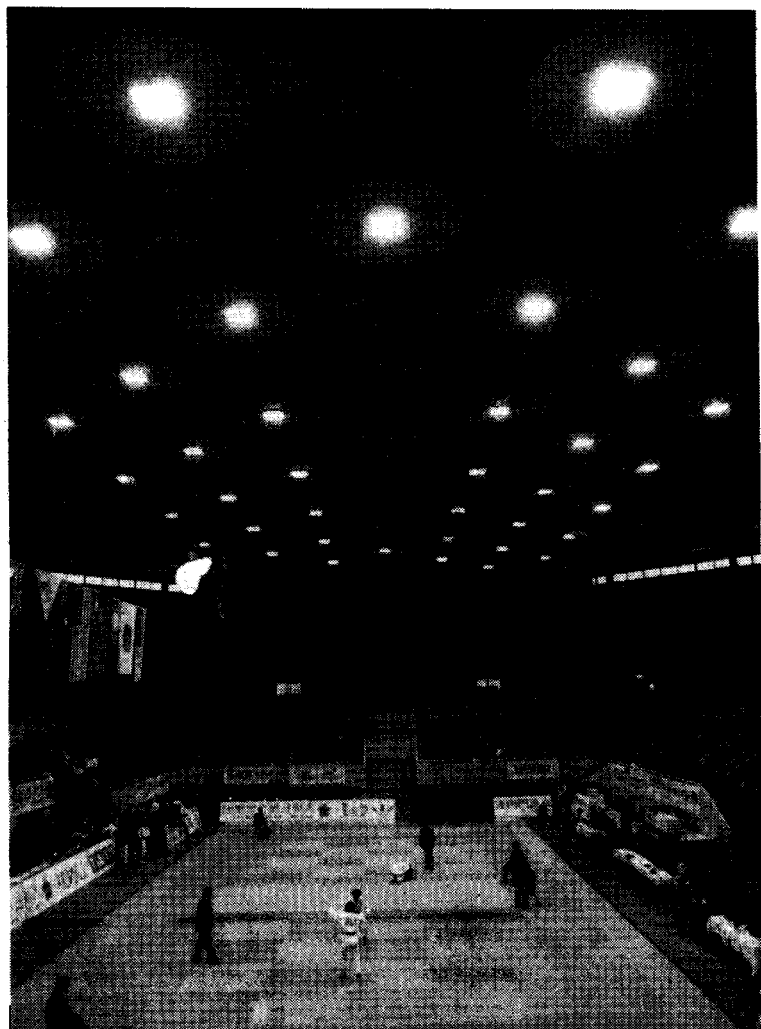
On September 9, 1986, the logo of the 11th Asian Games was unveiled in Beijing by the Organizing Committee.

The upper part of the logo shows the sun, the emblem of the Asian Olympic Council. The lower part contains a stylized rendering of the Great Wall forming the letter A and the Roman numeral XI. The logo thus symbolizes the ties of friendship between all Asian nations competing in the 11th Asian Games in China.

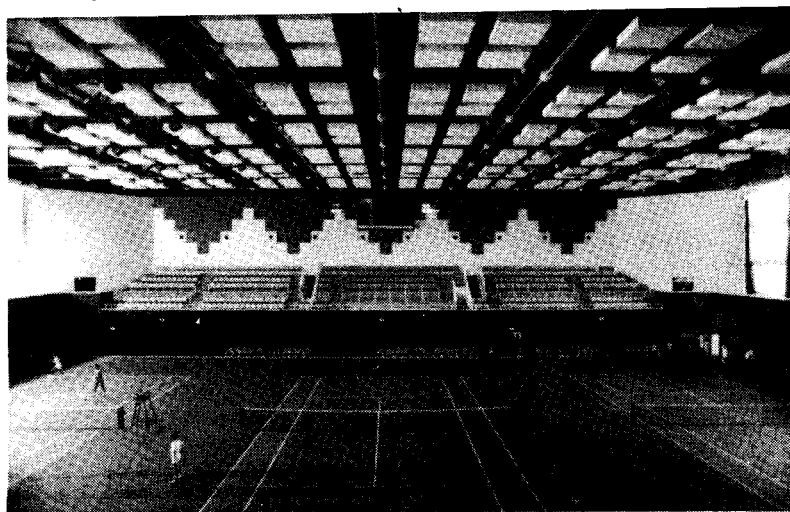
The Games mascot is a panda holding a Games medal—the medal contains a scene of Tiananmen Square. The panda is shown holding out his arms to encourage the athletes to strive for excellence. The panda is named *Panpan*, which means "hoping for peace, friendship and good results."



Mascot Panpan



Yuetan Gymnasium is where judo will be held.



Beijing International Tennis Centre is built with Sino-Japanese investment.

SONG LIANFENG

finished in two and a half years, an unprecedented achievement in Beijing.

Electronic Systems

The Games will feature the first Chinese-designed and manufactured electronic systems. Already installed in the new gymnasiums and stadiums are electronic timing systems, telex and facsimile transmission facilities, computers, direct-dial telephones and so on. Preparation for live TV relays is making progress and about 20 stadiums already possess relay facilities. These form a network with the Games' communication centre, computer centre, international transmission centre and news centre.

At Xiannongtan Stadium, a large, Chinese-designed and made colour video screen has been installed and won high praise from foreign and domestic experts. Foreign experts have said that the Chinese-designed computer network and sound system in some of the sports venues are superior to similar equipment used at the 1988 Seoul Olympics.

Roads and Landscaping

Five roads, three bridges and municipal services for heating and gas supply and sewage disposal have been connected to the Athletes' Village. Trees have also been planted around each stadium and gymnasium and the Athletes' Village. Some road expansion projects are expected to be finished in May and all will be in operation in June.

About 55 percent of the landscaping projects have been completed. The plants vary, from broad-leaf trees to shrubberies to flowers arranged to resemble typical Chinese landscapes.

The landscaping will highlight the new buildings and be co-ordinated with the local environment. ■

ART PAGE



A Miao Village Bus.



A snowy Scene.

Engravings by Hu Yisun

Hu Yisun, born in Xuzhou, Jiangsu Province in 1942, now teaches at Xiamen University in Fujian Province. Most of his engravings drawn from real life, and, based on a simple style with strong knife strokes, are strongly expressive.



A Small Town.



Grandpa and Grandson Making a Kite.

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