

A CHINESE WEEKLY OF NEWS AND VIEWS

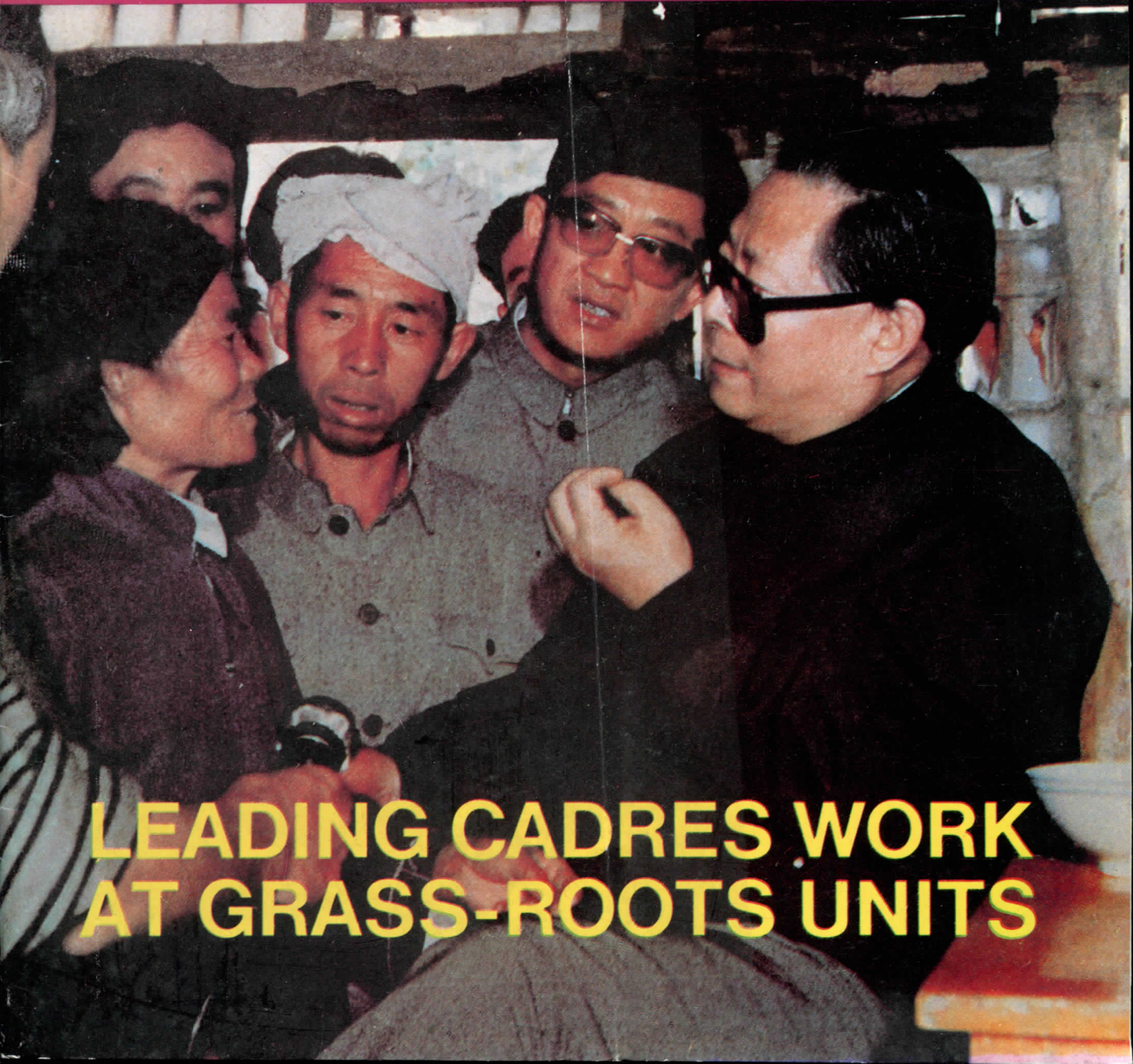
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Party Chief on Domestic & World Issues



LEADING CADRES WORK AT GRASS-ROOTS UNITS



A little shepherd boy.

Photo by Zhang Wenzhi



Jiang Zemin Interviewed by ABC Anchorwoman

□ During an interview with ABC's Barbara Walters in Beijing, General Secretary Jiang Zemin answered her questions on China's domestic situation, the international climate and Sino-US relations (p. 12).

China After the Turmoil

□ Immediately after the June 4th incident in Beijing, some observers in Western countries predicted that China would face another upheaval within one or two months. However, changes in China over the past year have proven that their prediction is incorrect (p. 15).

Cadres Go Down to Grass-Roots Units

□ This report by our staff correspondents describes how cadres of Handan, a prefecture in Hebei Province, went down to work in grass-roots units in active response to the call of the Party Central Committee and the State Council. Thanks to their efforts, less-developed villages have taken on a new look and the local rural economy has developed rapidly. This reflects one aspect of China's efforts to build closer ties between cadres and the masses and to overcome bureaucratism (p. 24).

Mao's Talks at Yanan Forum Remembered

□ About 600 writers and artists from around the country attended a two-day forum in Beijing to mark the 48th anniversary of the publication of the late Chairman Mao's *Talks at the Yanan Forum on Literature and Art*. Participants discussed many important issues concerning literary and art circles and they reconfirmed the significance of having close ties with the masses in their literary and art creations (p. 6).

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COVER: General Secretary Jiang Zemin having a cordial chat with some of the local farmers at Hu Jinhai's home in Wanhua Township in Yanan, Shaanxi Province on September 11, 1989.

Photo by An Keren

General Editorial Office
Tel: 8314318
TLX: 222374 FLPDA CN
FAX: 8314318
English Dept. Tel: 8315599 Ext. 546

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Revelations of the Opium War

by Yao Jianguo

This June 3 marks the 150th anniversary of the Opium War (1840-1842) triggered by the public burning of opium on Humen beach (the Bogue) in Canton (now Guangzhou). The Chinese people's patriotic spirit in the anti-imperialist struggle deserves to be remembered forever.

A century and a half ago, British imperialists, supported by superior ships and guns, broke open the door of China and forced the court of the Qing dynasty to sign the humiliating Treaty of Nanjing which provided for the ceding of Hong Kong, opening of five trading ports—Guangzhou, Fuzhou, Xiamen, Ningbo and Shanghai—and a war indemnity of 21 million silver dollars. Henceforth, China was gradually reduced to a semi-colonial and semi-feudal society. The misery of the Chinese people was aggravated by subsequent events including the Sino-Japanese War of 1894-95, the invasion of China by eight imperialist countries (Britain, Russia, Japan, the United States, Germany, France, Italy and Austria) and the War of Resistance Against Japan (1937-1945). China's modern history in the more than 100 years before 1949 recorded the Chinese people's sufferings from foreign aggression and insults. But at the same time, it reflected the Chinese people's brave fighting spirit against the aggression and oppression by imperialists and their running dogs in a bid to gain national independence, freedom and prosperity. It also embodied the Chinese nation's unyielding patriotic spirit.

During that period, the Chinese people constantly sought the road to national independence. The newborn national bourgeoisie tried to establish a capitalist system in China, but their repeated endeavours failed in the end. After much thought and struggle, the Chinese people finally turned to the Communist Party of China and under its leadership they secured victory in the new democratic revolution by overthrowing imperialism and feudalism, and took the socialist road.

People remember that in 1949, soon after the founding of New China, hostile foreign forces plotted to strangle fledgling socialist China by isolating China and setting up a blockade.

This, however, aroused the Chinese people's determination and courage to build their country through self-reliance and hard work. Under the leadership of the Chinese Communist Party over the past 40 years, the Chinese people have stood up to anti-China adverse currents again and again. They have built their homeland and developed the economy independent-

ly. China has been successful in feeding 22 percent of the world's population using only 7 percent of the world's cultivated land. It has also set up a comprehensive industrial system, successfully developed atom and hydrogen bombs and launched man-made satellites. All this shows that the Chinese nation can stand together with other nations in the world.

In the past 10 years of reform and opening to the outside world, China has been noticeably successful. The average annual growth rate of its gross national product has been 9.6 percent, thus achieving the goal to double the 1980 GNP two years ahead of time. Such a growth rate is unprecedented in China's history and far higher than the average rate of 2.6 percent among many other countries.

China's achievements in its socialist construction have been the result of overcoming isolation, blockades and provocation by hostile foreign forces. The Chinese people will never submit to any outside pressure, and will never abandon the socialist road or its national independence.

After the quelling of the counter-revolutionary rebellion last spring in Beijing, some Western countries pursued power politics to impose economic sanctions on China, exerting political pressure in an attempt to force China to act according to their will. Such an act of wanton interference in China's internal affairs is, of course, firmly opposed by the Chinese government and people.

China's option for the socialist road has been decided by the nation's actual conditions and historical development. Had China, a country with a large population and underdeveloped social productive forces, reverted to the capitalist system, it would have become polarized. Most Chinese people would again become slaves of foreign capital and a domestic exploiting class. China would return to chaos, and this would be unacceptable to most Chinese people.

It is true that China faces some difficulties in political and economic life now. But anyone who has a minimal understanding of China's conditions can see that the difficulties are temporary and can be overcome completely through hard work.

China is willing to develop relations with all other countries on the basis of equality and mutual benefit, and mutual respect for sovereignty. Hegemonism and power politics will not force the Chinese people to yield but will serve to arouse their patriotic spirit. One and a half centuries of history since the Opium War has proved this point and history will again prove it in the future. ■



CHANG NING
Chinese President Yang Shangkun receives a warm welcome from Uruguayan President Luis Alberto Lacalle on May 22.

Yang's Visit Furthers Sino-Uruguayan Ties

The difference in social systems, cultural traditions and size between China and Uruguay, and the long distance separating the two, could not prevent them from developing mutual friendly relations and co-operation.

Such feelings were expressed during meetings between Chinese President Yang Shangkun and his Uruguayan counterpart, Luis Alberto Lacalle, and other Uruguayan leaders. Yang arrived in Uruguay, known to the world as the "land of purple colour," on May 22 after leaving Brazil in his five-nation tour of Latin American countries.

China and Uruguay established diplomatic relations only two years ago in February 1988, but close ties be-

tween the two countries have already evolved.

In November 1988, former Uruguayan president Julio Maria Sanguinetti paid a visit to China. This was followed by numerous exchanges on government and non-government levels between the two countries.

In Uruguay, Yang expressed happiness that the co-operative relations between China and Uruguay have developed steadily and remarkably, with more contacts between the congresses and governments of both sides and constant deepening of mutual understanding and friendship between the two peoples. Especially noteworthy was that trade volume had doubled over the last two years, with Uruguay becoming China's major trade partner in

Latin America, he said.

The first Latin American trade delegation that the People's Republic of China received came from Uruguay. Currently, China is the Number 1 buyer of Uruguay's wool, at 10,000 tons annually. Another important item of trade is fish. "West African fish" on the markets of Beijing and some other cities is not all from Africa. Much of the fish is actually imported from Uruguay and Argentina. Bilateral trade, which stood at US\$45.39 million in 1987, rose to US\$114 million last year.

Both sides hope that co-operation in economics and trade will be boosted on the basis of equality and mutual benefit.

On May 24, Chinese Vice-Premier Wu Xueqian and Uruguayan Foreign Minister Hector Gros Espiell signed an agreement on co-operation between China and Uruguay in animal quarantine and sanitation, a memorandum on co-operation in plant quarantine and an agreement on co-operation in sports.

Yang noted that because China and Latin America belong to the third world, "we share similar historical experiences and today we are faced with the common task of maintaining peace and developing our economies."

In his address before both chambers of the Uruguayan parliament on May 23, Yang presented the following five principles on the development of Sino-Latin American relations:

- To maintain high-level visits and direct contacts between Chinese and Latin

American leaders, promote friendly exchanges in all fields and enhance mutual understanding and establish and consolidate relations of mutual trust at all levels;

- To consolidate the existing market, constantly explore new fields and avenues on the basis of equality and mutual benefit as well as common development, and strive for the steady increase of bilateral trade;

- Proceeding from actual needs and possibilities, to give full play to the advantages of both sides and promote various types of economic and technological cooperation;

- To widely develop cultural exchanges in such forms as exhibitions, mutual visits of literature and art groups, exchanges of different sports events, academic seminars as well as exchanging students, while at the same time providing facilities and preferential conditions for these activities;

- To establish and develop relations with those Latin American countries with which China has not yet had diplomatic relations, on the basis of the Five Principles of Peaceful Coexistence. ■

Publication of Mao's Talks Marked

More than 600 writers and artists from all parts of China attended a two-day academic symposium in Beijing to mark the 48th anniversary of the publication of Mao Zedong's *Talks at the Yanan Forum on Literature and Art*.

Participants ardently discussed current issues in literary and art circles, but the central topic was how to carry out the Communist Party's call set forth at the Sixth Plenary Session of the 13th Central Committee urging all officials to have close ties with the masses.

They expressed their views on how to carry out socialist economic construction while following the policy of reform and opening to the outside world and adhering to the four cardinal principles. They also discussed how to develop socialist literature and art in the correct direction; how to carry out the principle of "letting a hundred flowers blossom and a hundred schools of thought contend"; how to develop the best national culture; how to make socialist literary and art creativity flourish, and how to further the fight against bourgeois liberalization.

Lu Ji, a well-known musician, said in an opening speech on May 21 that Mao Zedong's *Talks* is a scientific work in which he developed Marxist-Leninist ideas on literature and art and aesthetics. The core of its theory lies in the fact that all literary and art workers must not only be closely linked to the people during the revolutionary struggle, but above all, must learn from them while serving them, Lu said. They should remold their world outlook and should go deep among the masses. They should study Marxism through practice in life and struggle.

Lu noted that for a time in recent years, bourgeois liber-

alization had run rampant in literary and art circles.

"We should be sober-minded to face the acute struggle on the ideological front," he stressed.

Zheng Bonong, editor-in-chief of the *Journal of Literature and Art*, said that "one cannot say he lives up to Marxism in the field of literature and art if he gives up the principles expounded by Mao Zedong."

Meanwhile, more than 50 writers and artists in Beijing jointly initiated a proposal urging all literary and art workers in China to prepare themselves for the 50th anniversary of the publication of the *Talks*. They should again study the *Talks*, go deep into the lives of the masses, and bring new life to literary and art creativity. ■

Middle East Killings Strongly Condemned

The Chinese government is deeply concerned about the tense situation in the occupied territories in Israel, said a Foreign Ministry spokesman in Beijing.

Widespread rioting erupted after an Israeli youth gunned down a group of unarmed Palestinian labourers near Tel Aviv on May 20. Palestinian leaders angrily vowed a continued upsurge of activity in their 29-month-old uprising.

Seven labourers died and 11 were wounded in the attack by an Israeli who had been dishonourably discharged from the army. Many Arab officials said it

represented a pattern of violence against Palestinians. Later, rioting left seven more Palestinians dead and more than 700 people wounded.

"We strongly condemn the acts of suppressing the Palestinian people by the Israeli authorities and express our deep sympathy for the innocent Palestinians slaughtered in the incident," the Chinese government spokesman said on May 22.

"We call on the parties concerned in the Middle East and the international community to continue their efforts to promote the peace process in the Middle East and find a just and reasonable solution to the Palestinian issue so as to bring about a fundamental change to the

longstanding situation of turmoil and unrest in the Middle East," the spokesman said.

The All-China Federation of Trade Unions sent a message on May 22 to the Palestinian Workers' General Federation, vehemently condemning the killing of Palestinian workers by the former Israeli soldier.

The message said that the All-China Federation of Trade Unions, in the name of Chinese trade unions and 130 million Chinese workers, demanded that the Israeli authorities immediately stop their brutal killings, withdraw from the occupied territories and restore the national rights of the Palestinian people.

The message also said that the Chinese trade unions and workers firmly support the Palestinian people and workers in their just struggle against Israeli aggression. ■

Lee: 'One Country, Two Governments'?

The newly inaugurated "president" in Taiwan, Lee Teng-hui, said he wants to "establish channels of communication on an equal basis and completely open up academic, cultural and economic exchanges" with the mainland.

Lee made the statement in his inaugural speech on May 20, saying that Taiwan and the mainland "are inalienable

All Aboard the Train for Kids

A miniature train (right) has been built in a kindergarten for railway workers' children in Taiyuan, Shanxi Province. It was built by the Taiyuan Branch Bureau of Railways. This life-like train, run by the children themselves, is intended to cultivate child-

ren's abilities and responsibilities by allowing them to learn what their parents' jobs are like.

Chinese children are better nourished these days. Pictured on the left is a healthy eight-month-old girl from Lanzhou, capital of Gansu Province. Her name, Zhang Silu, in Chinese means "flowers on the Silk Road." ■



territorial parts of China, and all Chinese are compatriots bound by a blood relationship.

"Reunification and prosperity for China are the common aspirations of all Chinese," he said.

Some observers on the mainland believe that this statement conforms to the common understanding of the people on both sides of the Taiwan Straits.

However, he was quick to reel off a string of preconditions, asking the mainland to alter its political and economic systems, commit itself not to use force to recover Taiwan and not to "obstruct" Taiwan's effort to "develop its foreign relations."

Lee claimed that "the 'Republic of China' is an independent sovereign state," and it will "take more active and practical measures to expand its international activities."

Lee's conditions have so far been considered "impossible" by the mainland authorities, as he has ignored the universally accepted fact that the government of the People's Republic of China is the sole legitimate government representing all Chinese people.

Observers on the mainland believe that Lee, in his speech, was pursuing a policy of "one country, two governments" and trying to create "two Chinas."

Lee also said that he hoped to announce, according to law, the ending of the period of "mobilization to put down the Communist rebellion" as soon as possible.

But he declared: "This arduous task cannot be accomplished in a single day. It will

be realized step by step within two years." ■

Prepare Herdsmen For Disaster

Yidamu is grateful for a disaster prevention programme that helped his livestock survive exceptionally heavy snows and a drought that hit his region in northern China over the past three years.

Under the programme, a 56-year-old Mongolian herdsman on the Ujumqin grassland in Xilin Gol League in the northern part of the Inner Mongolia Autonomous Region, spent 20,000 yuan (US\$4,255) as well as financial aid from the government to protect his livestock.

The disaster prevention programme, initiated in 1987, involves the building of livestock sheds, fencing pasture land to rotate grazing, improving grassland, planting grass, sinking wells and building up forage crops.

With the help of agricultural scientists, Yidamu built 500 square metres of livestock sheds with brick and timber, fenced his 700 hectares of pasture and dug two wells to irrigate the grassland.

The Ujumqin grassland of Inner Mongolia, located at a high attitude, is always covered with snow in winter. Most of its rivers are dry in spring and summer. Animals in the region often die due to starvation and cold. In 1977, 2.1 million animals died in heavy snows in Xilin Gol League.

Early in 1987, the regional government decided to set up

disaster prevention centres in 38 of its banners (counties) vulnerable to natural calamities.

The centres service 800,000 square kilometres and constitute the largest project for disaster prevention in the country's pastoral areas.

The project was intended to help pastoral areas effectively guard against natural calamities and minimize losses caused by natural disasters, he said.

Herdsmen, like Yidamu, welcomed the programme and they raised 75 million yuan themselves, accounting for more than 60 percent of the total investment.

So far, the programme has helped at least 3.1 million animals survive heavy snows and droughts in the past three years.

"In the past, we over-emphasized relief assistance to the negligence of the improvement of production conditions, including grasslands building," said Cui Guiwen, a local animal husbandry expert.

From 1949 to 1986, Cui recalled, the region spent 140 million yuan (about US\$29.8 million) on disaster relief, but still 87 million animals were lost.

The region, he said, has now planted grass on 2.77 million hectares of grassland, fenced and improved 3.7 million hectares and irrigated 390,000 hectares.

In areas covered by the disaster prevention centres, all the animals live in sheds, some of which are heated by solar energy. Last year, the total head of livestock in the

region reached a record 47.5 million.

An official with the Agriculture Ministry said Qinghai Province, Xinjiang Uygur and Tibet autonomous regions have followed Inner Mongolia's lead in establishing such centres with government aid. ■

Pirate Radio Ship: A Dream in Thin Air

The sponsors of the pirate radio ship *Goddess of Democracy* have had to abandon their plan to beam anti-Chinese government programmes toward the mainland from the high seas.

The ship will be put up for auction as a cargo vessel.

It was bought and equipped by a number of press organizations from Taiwan and France. It left France for China on March 17.

Early in May, Governor Sir David Wilson turned down a request for the ship to dock in Hong Kong.

It then set sail for Taiwan, where the authorities allowed it to stop over at Keelung on May 13 to take on supplies, though they have said time and again that they have no connection with the ship or its mission.

Meanwhile, one of the defectors, Yan Jiaqi, who was in Taiwan when *Goddess of Democracy* arrived, boarded the ship to welcome the crew.

The plan was to take on board radio transmitters at Keelung, but Taiwan authorities reneged on their promise for the deal on the ground that unauthorized radio broadcasts from international

waters violate an international agreement. The ship then turned to Japan for help. But, for the same reason the Japanese government announced that the ship would not be welcome.

After 13 days in Keelung the organizers decided to abandon their scheme and put the ship on the block.

Ironically, Yan Jiaqi, head of the so-called "Front for Democracy in China," claimed earlier that *Goddess of Democracy* would carry the broadcasting plan through to the end and would never give up its efforts to beam anti-Chinese government programmes. ■

News in Brief

Relief Funds For Disaster Areas

The State Council has decided to allocate special funds to help blizzard victims in the Tibet Autonomous Region and the people of an earthquake-stricken area of Qinghai Province.

Between September last year and April this year, the northern part of Tibet was hit by heavy snowfalls. More than one million head of livestock died.

On April 26 this year, 126 people were killed, 149 injured and thousands of homes destroyed when an earthquake hit Gonghe and Xinghai counties in the Hainan Tibetan Autonomous Prefecture in Qinghai. The earthquake registered 6.9 on the Richter Scale.

A Dictionary to Come Off the Press

The first *Great Modern Chinese Dictionary* will soon be published by the Sanhuan Publishing House, Hainan Province.

The dictionary will have 300,000 entries, including almost all colloquialisms, written expressions and modern scientific and cultural phrases.

The dictionary will include 15,000 Chinese characters, about the same as the authoritative Chinese dictionary *Cihai*, but with twice as many definitions and interpretations for each character.

It will also provide Chinese and English definitions for every character in its two volumes, which contain 20 million words on 4,700 pages.

China Welcomes Bush's Decision

China appreciates and welcomes US President George Bush's decision to extend China's most favoured nation status, Premier Li Peng said.

"This is not only in the interests of China, but in the interests of the United States, too," Li said, adding that it is also conducive to the stability and prosperity of Hong Kong.

Li made the remarks on May 25 at a meeting in Beijing with Takamaru Morita, chairman of the Board of Directors of the Japanese Association for the Promotion of International Trade.

Li stressed that his government has always pursued the development of relations with all foreign countries, including the United States, on the basis of the Five Principles of Peaceful Coexistence. ■

East-West Relations at the Crossroads

by Gu Guanfu and Cao Xilong

Recently, the easing of East-West relations, especially affected by last year's dramatic changes in Eastern Europe, has led to a significant reorganization in the European situation, greatly shaking the Yalta system that has existed for more than 40 years.

The Yalta system was a blueprint designed for dividing spheres of influence in Europe after World War II by US President Franklin Roosevelt, British Prime Minister Winston Churchill and Soviet leader Josef Stalin. The blueprint divided Germany — therefore Europe — into two parts, representing two different systems. This resulted in the establishment of two military blocs, the North Atlantic Treaty Organization and the Warsaw Pact, and two corresponding economic blocs, the European Economic Community and the Council for Mutual Economic Assistance (CMEA).

End of the Cold War

In European disarmament, the Soviet Union has made repeated concessions. Recently, it even accepted a plan proposed by US President George Bush for asymmetrical conventional forces cuts. Under the plan, both the Soviet Union and the United States would reduce their troops stationed in Central Europe, both land and air forces, to 195,000 and the United States would keep an additional 30,000

The authors are researchers with the China Institute of Contemporary International Relations.

force in other European areas. Currently, Moscow keeps a military presence of 570,000 troops in Europe while Washington stations 300,000 troops.

On the issue of opening the skies, foreign ministers from 23 NATO and Warsaw Pact countries reached agreement at a conference in Ottawa, Canada, early this year on allowing monitoring flights by each other's planes over the other side's territory.

In May, during a visit to the Soviet Union by US Secretary of State James Baker, the two superpowers agreed to cut their chemical weaponry by 80 percent.

It now is only a matter of time before the United States and the Soviet Union sign treaties to cut their conventional forces in Europe and their strategic arms by half.

Convinced that the Soviet threat has abated considerably, West European countries are considering cutting their own military spending and troops. NATO and the Warsaw Pact, as symbols of the Cold War, are on their way towards disbanding. The Warsaw Pact has announced that it will turn from a military-political organization to a political-military one. At a foreign ministers' meeting last October, the Warsaw Pact decided that it would no longer interfere in the internal affairs of its member states, thus abdicating its internal military function. Poland, Hungary and Czechoslovakia are planning to withdraw from the organization. Furthermore, they have demanded that Moscow

withdraw its troops from their territories. Moscow has agreed to pull out of Hungary and Czechoslovakia within 15 months.

If such a situation persists, the days of the Warsaw Pact are numbered. During a visit to France in March, Soviet Defence Minister Dmitry Yazov even proposed to dissolve military alliances and let the United Nations ensure security. Baker also agreed that NATO should decrease its military role and increase its political role. Once the Warsaw Pact is disbanded, there will be no reason for the existence of NATO. In that scenario, the influence of the two superpowers on European affairs will be significantly reduced.

German Unification

The issue of Germany, including the Berlin question, has been the focus of longstanding East-West conflict and the symbol of European division. Recent developments indicate that the unification of the two Germanies is already a palpable certainty.

Relations between Eastern and Western Europe will become closer as German unity looms. West German Chancellor Helmut Kohl is interested not only in incorporating Democratic Germany into his country but also in expanding his country's influence across Eastern Europe. Bonn believes that its gigantic capital and technological might will secure its position as Europe's leader in the future. A senior adviser to Kohl said flatly: "We want to be the leader. Per-

haps, with the lapse of time, the United States will take care of regions like Central America and we will deal with things in Eastern Europe."

Other European countries are fearful of the emergence of a unified Germany as a European superpower. A unified Germany will have a population of 80 million and an area of 356,000 square kilometres. Its gross national product will top US\$1.5 trillion, making it the third biggest power in the world.

Some countries in the European Community (EC) are considering how to harness the new Germany and prevent the renewal of Nazism. They insist that the German unification issue be included in the process of European integration and that the position of the future Germany be specified by laws and treaties.

European integration is mainly an economic integration in Western Europe. The economic integration within the CMEA faces dim prospects because of the changes in the Soviet Union and Eastern Europe. Western Europe, however, is ambitious. Its goals in the near future are to establish a single unified market in 1992 so as to reduce production costs of member states, more effectively make use of resources, speed up the pace of

technological updating, raise economic efficiency and increase EC competitiveness on the world market.

The long-term goal of Western Europe is to realize a political alliance. The EC's step is to introduce the integration process to Eastern Europe. Since the second half of last year, Western countries, seeing the political instability and economic difficulties in Eastern Europe, offered emergency aid and long-term loans. By February 1990, the money offered by the West and international institutions totalled US\$17 billion, of which US\$16.7 billion were loans and 80 percent went to Poland and Hungary. The EC plans to help privatize East European markets and, in the meantime, absorb some countries that are considered eligible into the EC.

At the moment, European countries, including the Soviet Union, are enthusiastic over European integration. The Soviets have proposed to build "an integrated European economy from the Atlantic to the Urals." Poland, Hungary and Yugoslavia have formally handed in their application to join the EC.

The concept of "European integration" is developing from an economic to a political one. The insistence of some West Euro-

pean countries that German unification be included in the process of European integration reflects this attempt. It also points to a rise in the "Europeans' Europe" sentiment.

Under the circumstances, the United States and the Soviet Union face a complex situation. The Bush administration is making use of NATO in a bid to secure continued US presence in Europe. At the same time, the United States and the Soviet Union are co-operating on a series of issues, such as the future of the two military blocs, the German unification process and stability in Eastern Europe. This was an understanding, otherwise known as the "new Yalta agreement," reached between Bush and Mikhail Gorbachev at their summit meeting in Malta last December.

However, the fundamental interests of the two superpowers still conflict. The United States aims at establishing a "unified free Europe"—a Europe that is Westernized politically, economically and ideologically. Gorbachev, on the other hand, seeks to build a "common European home"—a Europe that is managed by Europeans, which, naturally, excludes the United States. This conflict of interests casts a shadow on the future of East-West relations. ■

On September 8, 1988, US Vice President George Bush (second from right) watched the destruction of Pershing II missiles with a Soviet verification team; on November 3, 1989, US and Soviet representatives discussed measures to promote international peace, security and co-operation at the United Nations headquarters.

WEI GUOQIANG

SHANG XUEYU



AN INTERVIEW WITH BARBARA WALTERS

Party Chief on June 4th Incident, Fang Lizhi and China-US Relations

On the afternoon of May 2, General Secretary Jiang Zemin met Barbara Walters, anchorwoman of the weekly 20/20 news programme of the American Broadcasting Company (ABC), at the Diaoyutai State Guesthouse in Beijing and answered her questions about China's domestic affairs, the international situation and Sino-US relations.

On the incident of June 4, 1989 Jiang Zemin said:

What happened last year did not occur all of a sudden. It took place against a certain social background as a result of both the domestic micro-climate and international macro-climate. As far as China is concerned, it enjoyed peace and tranquility during the past 40 years since liberation, and no big incident like that had ever occurred. We were therefore not adequately prepared for it mentally. Internationally, after that incident there was some lack of understanding of or unfriendly attitude towards China. To use a Chinese proverb, it can be described as "much ado about nothing." In dealing with the incident last year, we were extremely tolerant. I do not think any government in the world would permit students to occupy the places around the seat of the government and the headquarters of the central authorities for as long as 50 days. The PLA had also exercised maximum restraint, as proven by the fact that nearly 1,000 military trucks and armoured cars, including tanks, were burnt at the time. Therefore, had we failed to adopt resolute measures, the entire capital of the People's Republic of China

would have been thrown into chaos, and a nationwide upheaval would have become the result. That would have brought no good to China but only a big disaster to all the Chinese people. However, we should learn some lessons by summing up our experience. As a Chinese proverb goes, "A fall into the pit, a gain in your wit." We have drawn very good experience from the Tiananmen incident of last year. We should learn to use the methods usually adopted by some Western countries, that is to say, we should build up an adequate riot police force and acquire enough non-lethal weapons for maintaining public security. Meanwhile, we should enact a number of laws and regulations to ensure success in our economic development. During the event of last year, many PLA soldiers laid down their lives in defence of the country. We cherish their memory. At the same time, our governments at all levels have shown great concern about the cases of people wounded or killed by accident and have handled them properly.

General Secretary Jiang Zemin said that student unrest fell into two categories: One was spontaneously started by students themselves. Its solution could easily have been found through dialogue and education. The other was directed by some people behind the scenes, with a definite political platform. The measures we were compelled to take last year were not directed against students. Their slogans of combating graft and corruption were exactly in line with the consistent efforts of the government to tackle such malpractice. The essence

of the matter, however, was that some individuals plotted an overthrow of the Communist Party leadership and the socialist system in China under the pretext of opposing corruption and used the students to achieve this aim of theirs. The "cultural revolution" was also a period of turmoil for China, during which many abnormal phenomena occurred. But that was different in nature from last year's turmoil. The most crucial issue involved this time was the existence of differing opinions in the top Party leadership.

On China's policy towards young students and those studying abroad, General Secretary Jiang said:

Ever since the June 4th incident, we have kept saying that young students are the future and represent the hope of the country, and that the country will be left in their hands in future. So our policy towards young students is one of showing loving care for them and setting strict demands on them. For many students who took part in such activities as demonstrations and hunger strikes last year, we have acted on the principle of uniting with and educating them to the best of our ability. There is no such thing as imprisoning students simply for their participation in any of such activities. Even for the small number of people in custody, we have dealt leniently with those who have shown a fair degree of repentance. We have shown understanding not only for students inside China but also for Chinese students studying abroad. They will be safe after returning home and can proceed with their nor-



General Secretary Jiang Zemin interviewed by ABC anchorwoman Barbara Walters at the Diaoyutai State Guesthouse.

mal work. We have brought to justice only a handful of persons who committed disruptive acts under a certain platform and in violation of the criminal law. But even among them, those who really repented of what they had done have been released as we follow a policy of leniency. Not long ago we set free a number of them.

Referring to the picture of a Chinese young man standing in front of advancing tanks on Changan Boulevard, which was shown again and again on TV in the West, Jiang Zemin pointed out:

This picture shows a case in point. Seeing someone standing in front, the tanks stopped. How could the tanks be stopped by a young man? Because they would never roll over a person standing in front. This shows that the allegation made by many persons

last year that people were crushed to death by tanks was not true, but rather it was a lie.

When asked whether demonstrations were now allowed in China, Jiang Zemin said:

As China's law stipulates, prior approval must be obtained for demonstrations. In no Western countries can demonstrations take place without approval beforehand.

On the question of democracy and freedom, Jiang Zemin said:

I know what freedom and democracy mean. In pre-liberation days we opposed Chiang Kai-shek, demanded freedom and democracy and fought for democracy. Do not think that we oppose democracy. Since liberation, we have continued our endeavour to build the democratic system and strengthen democracy and the legal system. In any country, democracy is concrete and not abs-

tract, relative and not absolute. It has a lot to do with a country's history, social system, economic development and cultural tradition.

Briefing Ms. Walters on the procedures for electing the CPC General Secretary and Chairman of the Central Military Commission of the People's Republic of China, Jiang Zemin said:

I was elected general secretary by the CPC Central Committee which was formed through election by the representatives of all the Party members. This was done through democratic procedures. Chairman of the Central Military Commission of China is elected by the National People's Congress, and chairman of the Military Commission of the CPC Central Committee by the CPC Central Committee, both through certain democratic procedures. Does the general secretary repre-

sent the Chinese people? Admittedly, the general secretary is not elected by the whole people. The essence of the matter is that the Party's purposes and the goal of its struggle represent the people's interests. This has been borne out by decades of revolutionary practice.

When asked what bourgeois liberalization was, Jiang Zemin said: Bourgeois liberalization means opposing the socialist road and Communist Party leadership. Opposing bourgeois liberalization does not in the least mean the exclusion of good things from a capitalist society, but rather we will continue to learn the fine culture, scientific management and advanced technology of capitalist countries. We will not only learn, but spend money to purchase good things. The term "bourgeois liberalization" is not a very accurate translation; this gives rise to a great deal of misunderstanding.

On the developments in East Europe and their impact on China, Jiang Zemin said:

Objectively speaking, socialism is now at a low ebb because of the changes in the world situation at large and in East Europe in particular. But I don't think that we can jump to the conclusion that socialism is already falling apart.

As a Communist, I am convinced that socialism will triumph in the end. However, I don't think that at present all countries should adopt the socialist system. To the Chinese people, the country's conditions and historical tradition are different from those of East European countries. I wouldn't say that the changes in East Europe have had no impact on us. But generally speaking, and from a historical perspective, it is only natural for socialism to experience reversals and setbacks. Nevertheless, China will firmly adhere to the socialist road. As a country with a population of 1.1 billion, China

will not deviate from the socialist road it chose following its long struggle. It is now more than 300 years or nearly 400 years since the bourgeois revolution took place. This period has witnessed many struggles between restoration of the old order and counter-restoration. We don't want to impose the socialist system on other countries. The Western countries, for their part, should not hold the view that socialism should be wiped off the face of the earth. People of each country should decide for themselves through long-term struggles what system they want to follow.

With regard to Sino-US relations, Jiang Zemin said:

There is no fundamental conflict of interests between China and the United States. Following the establishment of diplomatic relations, the two countries maintained very friendly relations. Since the "Tiananmen incident" last year, there have been some abnormal developments in their relations. This is no good for either country. Therefore, it is in the fundamental interests of the two peoples for both sides to normalize their relations promptly.

Since the June 4th incident last year, the United States has applied sanctions against China. This was not wise in the first place, because exchanges in the economic, trade, technological, cultural and other fields are in the fundamental interests of the two peoples. From a long-term point of view, the sanctions against China will bring harm not only to China but to the US interests as well. Therefore, we hope the US government will adopt a wise approach and work in a common endeavour to facilitate a healthy development of the economic and cultural exchanges between the two sides.

When talking about the most-favoured-nation status, Jiang Zemin said:

Since 1980, the two countries

have given most-favoured-nation treatment to each other in their trade, to the benefit of the people of both countries. Should the US Congress remove China from its list of most favoured nations, that would very likely turn the Sino-US relations back from the present level. And that would not be a good thing for either country. It would not only affect the interests of China, but also of other regions.

On the question of Fang Lizhi, Jiang Zemin pointed out:

This case involves the sovereignty of China, and Fang Lizhi is wanted under Chinese law, for he was one of the backstage manipulators in the incident of last year. He and his wife were both behind-the-scene plotters. There can only be two preconditions for the settlement of the issue: firstly, Fang Lizhi must admit his guilt, and secondly, the United States should ensure that he will not do anything against the People's Republic of China in future. These two points are the basic conditions. Fang Lizhi is a criminal wanted by China, yet he has fled to a foreign embassy and secured protection there. So how do you think the Chinese feel about this matter? We do not want to return to the old times, and the Qing Dynasty is gone for ever. Beginning from 1949, the Chinese people have stood up.

In conclusion, General Secretary Jiang conveyed in English through ABC the warm greetings and good wishes of the Chinese people to the American people, hoping that the two peoples would continue to enhance their mutual understanding and friendship. He said, "Despite the present difficulties in Sino-US relations, I am convinced that the American people will gradually come to understand what really happened in China last year and support our joint efforts towards the restoration of normal bilateral relations." ■

China After the Turmoil

After the turmoil in Beijing subsided last June, it was predicted in Western countries that China would face another upheaval within one or two months. However, as time passed nothing happened in China's capital city. Last fall, when rapid political changes took place in East European countries, some people inferred that it would be China's turn next. Again, they were incorrect. It has been quite calm and tranquil in China. This article abstracts China's changes over last year.—Ed

On June 4, 1989, the upheaval and finally the rebellion, initiated by student unrest and lasting for more than 50 days, was quelled by the martial law troops of the People's Liberation Army. Beijing, once caught in anarchy, soon returned to normal and the political situation tended to stabilize.

On January 10, 1990, when East European countries were violently shaken, Premier Li Peng announced the lifting of martial law.

Why the Stable Situation Could Be Rapidly Resumed

Some people may wonder about such a rapid achievement. But, it was the result of the people's will to see stability in China. The Chinese people suffered a lot from invasions by imperialist powers and tangled warfare among feudal warlords in modern times. They still remember the pain caused by the disturbance of the "cultural revolution" between 1966 and 1976. Last year's turmoil, though short, brought great losses to the state and disquiet to the masses. Therefore, people oppose turmoil and want stability.

In the past ten years, China has

implemented the policy of reform and opening to the outside world under stable circumstances, which has benefited people at various levels throughout the nation. The great achievement made during this period has further got people to know the value of the stability.

The leading position of the Chinese Communist Party was formed during decades of revolutionary struggles; while the socialist system is a system that was found suitable to the national conditions and in keeping with the wishes of the masses after painful probing by several generations of the Chinese people. Practice has proved that only socialism can save China, and only the Chinese Communist Party which has flesh-and-blood relations with the Chinese people can unite and lead them to construct a prosperous, strong and modern China. In China, there are in fact some people who oppose the Chinese Communist Party and the socialist system, but they are only a handful. In contrast, the broad masses and intellectuals support the leadership of the Chinese Communist Party and the socialist system. To observe and analyse Chinese problems without considering this funda-

mental fact will lead to an erroneous judgment.

During the political disturbances of last year, the student movement rose and subsided several times while turmoil steadily intensified. The problem arose mainly within the Chinese Communist Party. China's political situation could not be stabilized unless the problem within the Party was solved.

The Fourth Plenary Session of the 13th Party Central Committee held from last June 23 to 24 in Beijing solved this problem. The session pointed out that, at a critical juncture when the life of the Party and the state was at stake, Zhao Ziyang made the mistake of supporting the turmoil and splitting the Party and he had unshirkable responsibilities for the development of the turmoil. The nature and consequences of his mistakes were very serious. In view of this, the session decided to dismiss him as general secretary of the Central Committee, member of the Standing Committee of the Political Bureau of the Central Committee, member of the Political Bureau of the the Central Committee, member of the Central Committee, and first vice-chairman of the Military Com-

mission of the CPC Central Committee. The session also decided to look further into his case.

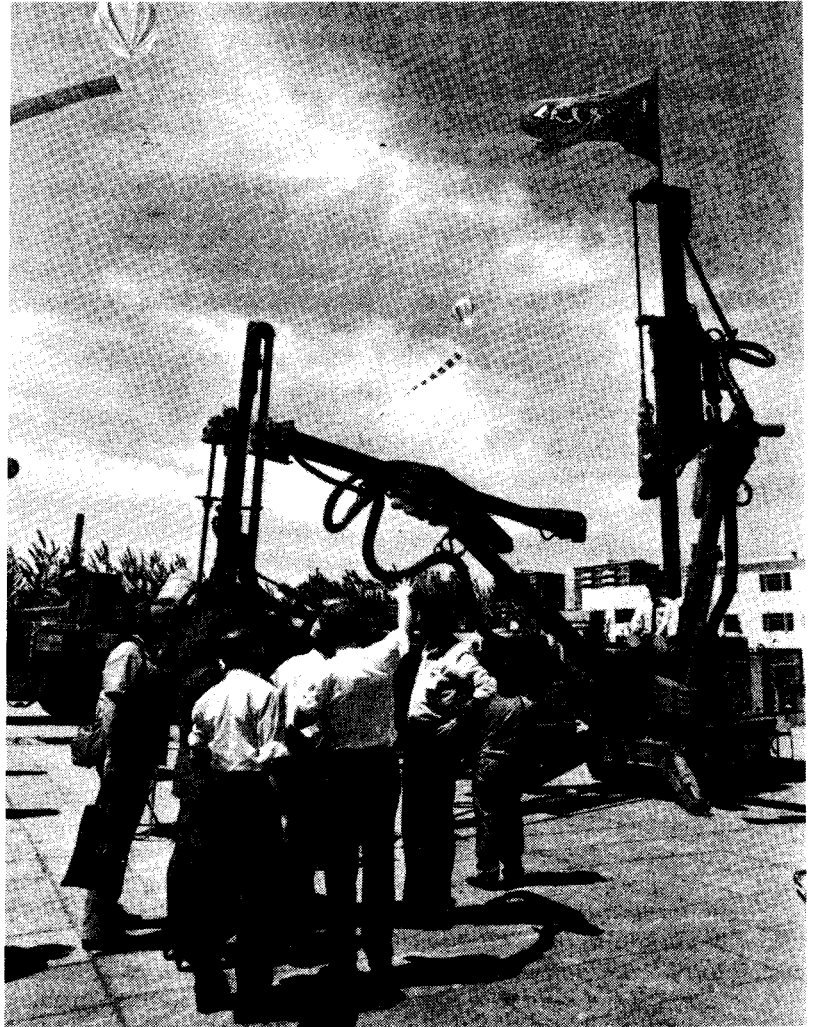
The session made necessary partial adjustments in the Party's central leadership. Jiang Zemin, former Party chief in Shanghai, was elected general secretary of the Central Committee. Jiang Zemin, Song Ping and Li Ruihuan were elected members of the Standing Committee of the Central Committee. Thus, a new leading core of the CPC Central Committee was established.

The session settled the most pressing political and organizational problems at that time. This was of great significance in stabilizing the situation in the country and ensuring the continuity of policies. When meeting visiting American-Chinese Daniel K. Wong, a former mayor of Cerritos, California, in Beijing on July 1, Li Peng said: "China is a country with 1.1 billion people. As long as China's political situation is stable, the economy developing and the leading core of the Party

united, our country has a bright future."

Ideological Education Functioning

The new leading group of the CPC Central Committee emphasizes systematic education for the Party members in regard to the rudiments of Marxism, Leninism and Mao Zedong Thought, and the Party's basic line and knowledge. Education is also conducted among Party members in terms of the Party's ideology, purpose and discipline and in the



Foreign participants in the 14th International Mining Industry Conference and the International Exhibition Fair for Mining Technology and Equipment held in Beijing in May 1990, look over mechanical mining equipment made in China.

CHEN ZONGLIE

need to be qualified Party members. This education will help Party members to fully understand the mission they have undertaken and to better develop their exemplary vanguard role.

Jiao Yulu, an outstanding cadre in the 1960s, is being cited as an example for leading cadres to learn from. He was appointed secretary of the Lankau county Party committee, Henan Province, before his death. As a public servant of the people, he maintained close links with the people, served them wholeheartedly, and bent his back to the task until his dying day. Thus he was deeply loved by the masses.

Among people of the whole country, the campaign "to learn from Lei Feng," which was begun in the 1960s and which brought a healthy general social mood to China at that time, has been launched again. Today's campaign emphasizing Lei Feng's spirit of being utterly devoted to others without any thought of self is an important part of China's ideological and cultural construction.

Through study and introspection, students in China's institutes of higher learning have begun to understand that China's final choice of socialism was based on painstaking search and experiment for over one hundred years.

It has proved that only socialism can transform China and only the Chinese Communist Party, which maintains close ties with the people, can unite and lead the nation in building a prosperous and peace-loving country.

With only patriotic passion and visions of utopia students could do nothing but go against their own will.

College students throughout China examined their thoughts in their theoretical studies. The study of Marxism-Leninism and "Looking for Mao Zedong" gradually became popular on campus.



The Sino-US joint-venture Tianzhi Communication Co. Ltd. in Tianjin, employing some 40 workers and staff, earned more than 1.5 million yuan in profits last year.

YANG BAOKUN

Mao was one of the founders of the Communist Party of China (CPC) and the People's Republic of China, and Mao Zedong Thought, which is the crystallization of the CPC members' collective wisdom, has always been the guiding principle of the Chinese revolution and construction. But today's college students didn't know much about Mao's theory and practices. About three months after the quelling of the rebellion, college students began to trace how Mao turned a poor China into an initially prosperous country. They read various biographies on Mao. In university libraries the *Selected Works of Mao Zedong* had all been bor-

rowed. On some campuses "Mao Zedong Study Groups" appeared. This phenomenon was given the name "Looking for Mao Zedong."

The emergence of the "Looking for Mao Zedong" phenomenon can be attributed to many factors, but the main one is that Mao creatively combined Marxism-Leninism with China's basic conditions and accelerated China's development with his own theory and practice. By gaining knowledge of Mao's theory and practice, students can examine themselves, know the society, and find where they best fit in with society. This is the starting point in the students' march to-

wards maturity which will play an important role in college students' ideological progress.

Over last year, the effect of the ideological education has become more and more apparent. People have gradually reached a consensus on many important issues, laying the ideological foundation for China's political and social stability.

Towards Building a Clean Government

Late last July, the Politburo of the Party Central Committee held a meeting and decided to do seven things of general concern in the immediate future. These included:

Further cleaning up and rectifying companies with a focus on closing excessive commercial, foreign trade, material supply and financial firms;

Resolutely stopping children of senior officials from engaging in commercial activities;

Cancelling the "special supply" of foodstuffs to leading officials;

A decree that all senior leaders should use Chinese cars;

Strictly forbidding the use of public funds for entertaining guests and gift-giving;

Strictly limiting leading officials' visits to foreign countries;

Severely punishing corruption, bribe-taking and profiteering, with special focus on cases involving more than 10,000 yuan or senior officials.

What was noteworthy was that the decision made clear, specific regulations on the seven matters that had long been the focus of discontent and complaint from people both inside and outside the Party. It stressed that members of the Party Politburo, Secretariat and the State Council should take the lead in implementing the decision. It echoed the public's desire and indicated the determination of the Party Central Committee and the gov-



Experts at the Qingjiang Geheyan Water Conservancy Project in Hubei Province. Work on the project, begun in 1987, is now progressing well. The whole project, when completed by 1995, will have a total installed capacity of 1.2 million kw and its power generating capacity will reach 3.04 billion kwh annually. HUA AI

ernment in cleaning up the government and eliminating corruption.

Upon its publication, leaders of the Central Committee and State Council immediately cancelled their special supplies of foodstuffs. Their imported limousines were replaced by Chinese cars. Their dependents working in certain companies were either transferred or given other jobs in accordance with the actual situation.

The cleaning up of companies is still proceeding. Based on the results of the investigations, the

State Council decided to abolish the China Kanghua Development Corp. and the China Industrial and Commercial Economic Development Company and their subsidiaries. All their illegal profits were confiscated and a punitive fine was imposed. The China Rural Trust and Investment Corporation, was asked to recover the loans it illegally lent and hand in the money it illegally obtained.

By disciplining these firms, the State Council set an example for the nationwide campaign to clean up companies. The State Council

ad hoc group disclosed that from August 1989 to February 1990, China had abolished or merged more than 70,000 companies at various levels, 4.5 percent of the 299,000 in existence prior to the clean-up campaign. Most of the abolished or merged companies were run by the Party or government organs, redundant in the circulation sector, or those notorious for their illegal activities.

Along with the campaign to clean up companies, the Chinese government launched another major battle to fight bribery and embezzlement.

On August 15 and 19, 1989, the Supreme People's Court, the Ministry of Supervision and the Supreme People's Procuratorate jointly issued a circular urging economic criminals to surrender sometime between August 15 and October 31, 1989.

The circular was publicized nationwide through the media. Confession rooms were set up in some places and telephone hot-lines installed.

Within a week, 288 people gave themselves up and 1.41 million yuan was recovered. On the 10th day, the number of volunteer confessors increased to 1,082, and the amount of money they handed over reached 7.94 million yuan. By October 31, the deadline, a total of 53,771 criminals had surrendered, involving an amount of 511 million yuan of ill-gotten money.

In the meantime, the populace was encouraged to inform against economic offenders. A national network of more than 1,800 reporting centres was set up to collect "smoking gun" information.

The key to the anti-corruption battle, which also was the focus of public concern, was how the major cases and cases concerning senior officials were dealt with. Since 1989, the Ministry of Supervision has come up with a list of more than 20 such cases, some of which involved leaders at the

provincial or ministerial level.

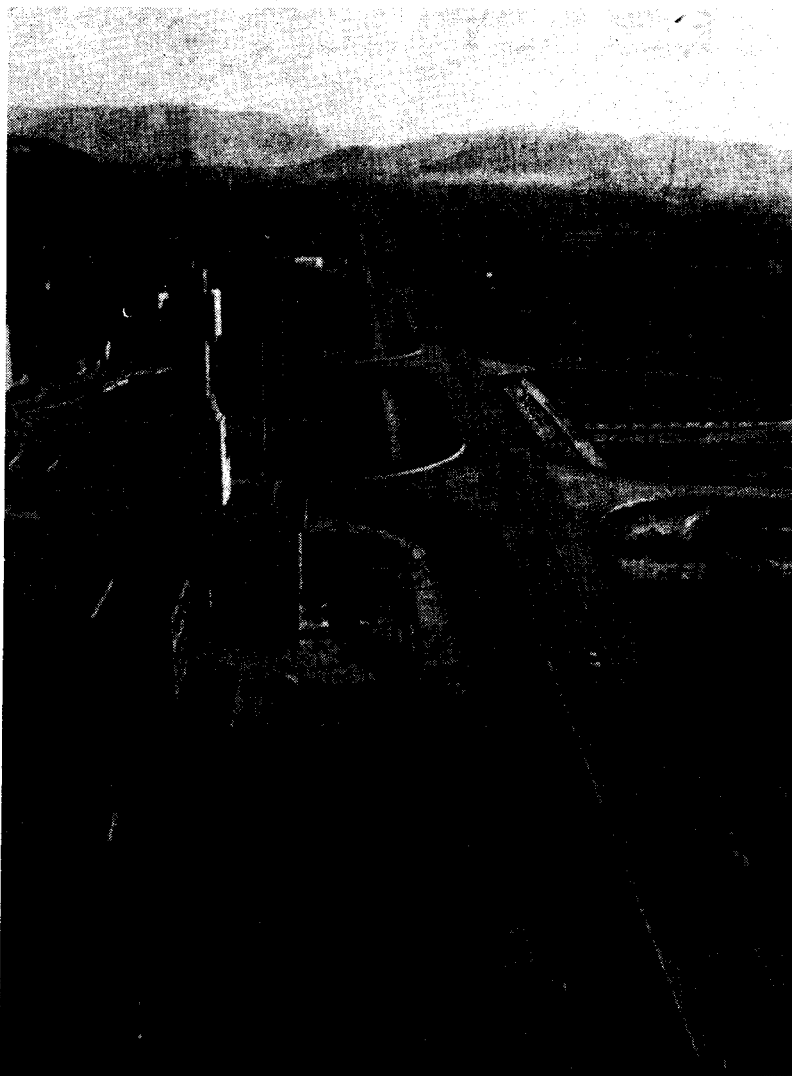
Currently, corruption has subsided considerably, the Party style of work and social mores taking a turn for the better. It can be expected that corruption, which is the focus of mass discontent, will be fundamentally eradicated.

These several big things done by the Party and government have been widely noted and acclaimed by the people. This enhanced the Party and government prestige among the people and created favourable conditions for

China's political, economic and social development and the long-term stability of the country.

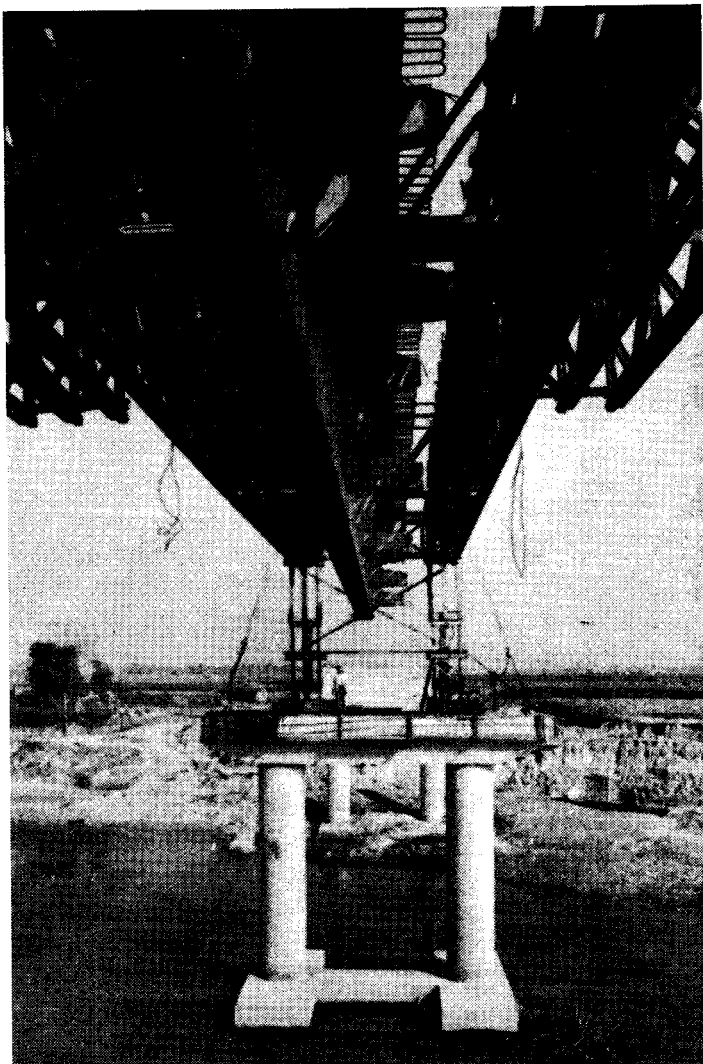
Economy Takes Turn for the Better

The June incident, to be sure, did cause some difficulties to China's normal economic life and damaged China's favourable image in the world, casting shadows on foreign investment in China. As the mainstay of the economic life, Chinese workers and peasants, however, remained stable. In Beijing and elsewhere, facto-



A view of Jinan City, Shandong Province—one of China's cities newly opened to the outside.

LI JIN



Workers hoisting the Nandu River Bridge in Hainan Province—it is the biggest bridge connecting the 272-kilometre-long expressway extending from Haikou to Sanya. *JIAN ENYU*

ries continued operating. None of the more than 100 factories under the Shoudu Iron and Steel Corporation, which was rumoured by the "Voice of America" to have staged a strike involving 70,000 workers, stopped production and the attendance rate was kept at higher than 90 percent. The peasants, who constitute 80 percent of the population, stayed away from the unrest. Therefore, economic life returned to normal soon after the turmoil.

Statistics show that in 1989, China's gross national product reached 1,567.7 billion yuan, up by 3.9 percent over the previous year; the national income was

1,300 billion yuan, an increase of 3.7 percent over the previous year, and the total industrial output was 2,188 billion yuan, 8.3 percent more than in 1988. Coal output reached 1.04 billion tons, or a 6.1 percent increase, making the country the world's largest coal producer; electricity generated was 582 billion kwh, up 6.7 percent, and steel production rose 3 percent to 61.24 million tons. Grain yield topped 407.45 million tons, 13.35 million tons more than that of the previous year and slightly exceeding that of the record year of 1984. Total agricultural output, based on comparable prices, reached 655 billion yuan, up by 3.3 percent over

1988.

Increases were also seen in the production of vegetables, fruits, meat and aquatic products that are indispensable to people's daily life. The production of pork, beef and mutton reached 23.28 million tons, an increase of 6.1 percent; fruit, 18.37 million tons, up by 10.3 percent; and aquatic products, 11.48 million tons, an increase of 8.2 percent.

Though some Western countries imposed economic sanctions on China following the June incident, China's foreign trade rose considerably in the past year. Customs statistics show that in 1989, China's exports totalled US\$52.5 billion, an increase of

10.5 percent over the previous year; imports, on the other hand, were US\$59.1 billion, 7 percent more than 1988. Deducting the imports and exports that weren't conducted in foreign exchange, such as materials supplied for processing, donations and investment in equipment by foreign firms, the trade deficit was US\$2.85 billion, US\$430 million less than in 1988. In 1989, China's foreign exchange earnings picked up as a result of a non-trade surplus of US\$3 billion and increased foreign capital introduced into the country.

Economic Readjustment Successful

Another important signal of China's economic improvement was the initial success in the drive to rectify the economic order and improve the economic environment. In recent years, a series of difficulties erupted in China as a result of overheated economic development. These difficulties were mainly manifested in excessive demand, worsening inflation, a too drastic increase in prices, an irrational economic structure, and a chaotic economic order. These problems put the stability and expansion of

China's economy at stake.

To cope with these headaches, in September 1988, the Third Plenary Session of the 13th Party Central Committee advanced a policy of "improving the economic environment and rectifying the economic order." At the Second Session of the Seventh National People's Congress in March 1989, Premier Li Peng further specified the goals of the economic readjustment strategy in his report on the government work.

The policy was put forward in an effort to ensure long-term stability and harmonious growth of China's economy. It is therefore in the interests of all Chinese people. Despite the unrest and rebellion in 1989, this policy survived and began to yield results.

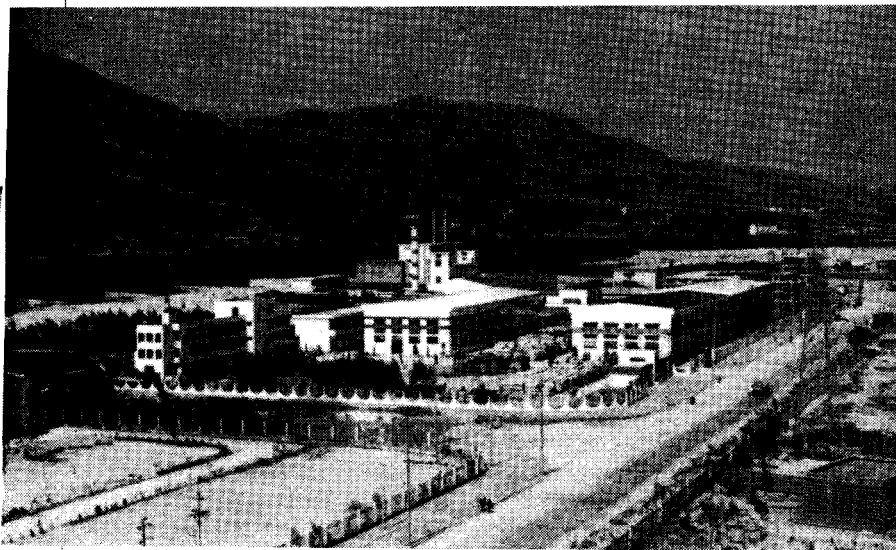
—The contradiction between supply and demand has been alleviated.

In 1989, China successfully controlled the scale of investment. Investment in fixed assets was 400 billion yuan, a reduction of 11 percent or almost 50 billion yuan less than in 1988, or 20 percent less after allowing for price hikes. The number of projects under construction was cut. Capital construction projects and projects of equipment updating

and technological transformation for state-owned enterprises and institutions amounted to 123,000, a decrease of 43,000 against 1988. The construction of excessively luxurious hotels and office buildings, in particular, was effectively brought under control.

At the same time, consumer demand slackened to some extent. In 1989, total wages amounted to 264 billion yuan, an increase of 14 percent over the previous year, but the increase rate was down by 9.1 percentage points compared with 1988. Of the amount of increased money, 55 billion yuan came from bonuses, an increase of 23 percent over 1988, but the rate decreased by 18 percentage points against 1988. Average per capita net income for farmers was 602 yuan, an increase of 10.5 percent over 1988. Institutional purchases were 69.3 billion yuan, an increase of 4.2 percent. Deducting the price rises, however, the above figures were actually smaller than those of 1988.

Under the conditions, the supply-demand contrast became less sharp. Estimates put the marginal rate between supply and demand at about 8 percent, down from 16.2 percent in 1988. Considering the price rises on the mar-



A bird's-eye view of the "Taiwan Traders' Investment District" in Fuzhou City, covering an area of 1.8 square kilometres.
LI KAIYUAN

China's total grain output in 1989 reached 407.45 million tons, an all-time high. A Fujian farmer who had such a bumper harvest had to put some of his grain in his sitting room, leaving him little space for his guests.

HUANG XINGQUAN



kets, the relationship between supply and demand was roughly balanced.

—The issue of money has been brought under control and prices increase at a slower rate.

Banking conditions improved as a result of the imposition of the retrenchment policy and measures to encourage savings. In 1989, 21 billion yuan was issued, 19 billion yuan less than planned and much less than the 1988 level of 68 billion yuan. The amount of money in circulation at the end of 1989 was 9.8 percent higher than in 1988, but much lower than the increase rate of 46.8 percent over 1987. It was also the lowest since 1979.

Price hikes have been checked gradually as a result of decreased monetary issue. In 1989, the general retail-price level rose by 17.8 percent over 1988, a rate slower than in 1988. Price rises showed a downward trend month by month—27.9 percent in February, 25.8 percent in April, 15.2 percent in August and 6.4 percent in December. There were two features in price rises last year. One was that only a small proportion—6.4 percent—of the total retail price rises were by new factors, compared with 15.9 percent in 1988. Another was that, daily necessities prices rose

by 13.9 percent over 1988, much lower than the 1988 figure of 22 percent. This was due mainly to the fact that the prices of non-staple food, which are an everyday must, were effectively controlled.

—The excessive industrial growth rate was brought down. Total industrial output in 1989 was up by 8.3 percent over 1988, a rate that was lower by 12.5 percent than in 1988. This facilitated adjustment of industrial structure and product mix. Of the total industrial output, that of state-owned industries rose by 3.7 percent, collectively owned enterprises up by 10.7 percent, individually owned enterprises up by 24.1 percent, and Sino-foreign funded and operated enterprises and exclusively foreign-funded enterprises, up by 44.7 percent.

As a result of the industrial product mix adjustment, light industry output last year reached 1,070 billion yuan, an increase of 8.4 percent over 1988, while that of heavy industry was 1,118 billion yuan, an increase of 8.2 percent. The production of expensive durable consumer goods decreased from an excessively rapid expansion in the past few years. The production of raw materials and energy increased.

At the same time, infrastruc-

tures improved. Last year saw the completion of 57 large and medium-sized capital construction projects and 128 single construction projects within other large and medium-sized projects. Major newly added production capacities included 24.95 million tons of raw coal, 17.05 million tons of crude oil, 9.02 million kilowatts of electricity, 760 million cubic metres of natural gas, 318 kilometres of double-track railways, 229 kilometres of electrified railways, and 48.85 million tons of handling capacity of coastal ports.

Cargo transportation developed steadily. In 1989, the number of passengers decreased as a result of the slowdown in economic growth and a rise in the prices of airplane, train and ship tickets. Cargo transportation, however, continued to grow. The transport of coal and other major materials improved. The volume of cargoes handled in 1989 was 2,553.2 billion ton-km, an increase of 7.2 percent over 1988.

These adjustments rationalized the growth proportion of industry to agriculture. In 1989, the proportion was brought down to 2.42:1 from 5.33:1 in 1988. The growth proportion of energy to the GNP, on the other hand, rose to 1.65:1 from 0.46:1 in 1988.



On May 11, 1990, members of the International Trans-Antarctica Scientific Expedition and Chinese staff members of the Committee for Investigating Antarctica have a photo taken together on the Great Wall. DAI JIMING

Finally, the growth proportion of cargo transportation to the GNP rose to 1.95:1 from 0.6:1 in 1988.

—Companies have been straightened out and the economic order in the circulation sector improved.

In October 1989, the Party Central Committee and the State Council made a decision to further screen and straighten out companies, with the focus on those engaged in the trade of materials and commodities and run by Party and government departments, big financial companies and others that have committed various offences. By the end of February 1989, more than 70,000 companies were abrogated or merged across China, 24.5 percent of the total number of companies. Most of the companies run by Party or government departments were abolished or severed from the departments. Government officials working part-time or full-time

for companies have been ordered to rescind either their company jobs or official posts. The order in the circulation sector has also been rectified.

Facts have proved that the policy adopted at the Third Session of the 13th Party Central Committee is correct and is supported by the people. However, in the course of readjusting the economy, problems, such as a sluggishness in the market, slow-selling of some goods, and a too rapid drop in the industrial growth rate, arose. These problems, the result of the retrenchment policy in the course of improving the economic environment and rectifying the economic order, can be expected to be resolved in the future.

An overview of China's economic development process in the past four decades reveals a major lesson. That is, in developing the economy, China often sought an

unduly quick growth in disregard of national conditions and beyond national capabilities. This misguidance not only seriously hurt the people's enthusiasm but also caused tremendous economic losses. Therefore, at its Fifth Plenary Session of the 13th Central Committee, the Party adopted a Decision on Further Improving the Economic Environment, Straightening Out the Economic Order and Deepening the Reforms. Under the decision, China will spend three years or more to gradually resolve the contradiction of total social demand exceeding total social supply, gradually bring down inflation and set the national economy on the track of stable and co-ordinated development so as to lay a sound foundation for achieving the strategic goal of quadrupling the gross national product by the end of this century. ■

Mass Line: Giving Villagers a Helping Hand

by Our Staff Reporters Cheng Gang and Lu Yun

This report, covering a region in north China, mirrors some aspects of China's effort to build closer relations between Party and government functionaries and the masses and to overcome bureaucratism.—Ed.

The mass line and the flesh-and-blood ties between Party and government functionaries and the masses are a magic weapon for the Communist Party of China and the people's government to succeed in all endeavors; they have a direct bearing on the future of the state. By and large, relations between the Chinese Party and government organizations and their cadres on the one hand and the masses on the other are good. However, some cadres have in recent years taken on bureaucratic airs and seldom go to the grass-roots level. Some who actually do so make it no more than a formalism. On their visit from a higher to a lower organization, they stay in a guesthouse or hotel, dine lavishly and drink heartily, listen to reports and issue instructions but never seriously take up problems or help solve them.

The CPC Central Committee leadership with General Secretary Jiang Zemin as the core pays great attention to carrying forward the Party's fine tradition of maintaining close ties with the masses. Early this year, the CPC Central Committee and the State Council issued a document calling on cadres to go down to the grassroots units to see for themselves. Since then top government leaders have been often visiting factories and mines and the

rural areas and, in doing so, have set an example for cadres at lower levels. In March this year, the Sixth Plenary Session of the 13th Central Committee of the Communist Party of China adopted a decision on strengthening ties between the Party and the people and stipulated that leading cadres at all levels should frequently go down to grass-roots units and keep in touch with the masses. In the past few months, tens of thousands of government functionaries throughout the country have been spotted in workshops, in farming districts, out on the streets and in schools. They have gone deep among the masses, acquainted themselves with how the people live, made friends, and worked with them at their jobs. In this way, they have strengthened flesh-and-blood ties between cadres and the people.

Recently, our staff reporters went to the rural areas in Handan Prefecture of Hebei Province for an on-the-spot coverage of these activities.

Changes in Villages

After a decision to send cadres to help rural areas and factories was made by the Hebei Provincial Party Committee in October 1985, in Handan Prefecture alone 5,000 out of 15,000 Party and government officials at prefectural, county and township

levels have gone down to the grass-roots, including to 571 poor villages and 62 enterprises and institutions.

Cadres from Handan Prefecture have shared weal and woe and made joint efforts with the village cadres and farmers, solved problems of common concern to the masses, organized them to do a good job of agricultural and sideline production and helped the people to beat from poverty and become well off. In some areas village leaders have been found to be weak and incompetent or to have wrested petty advantages from the state and the farmers. They have been replaced by honest, earnest and responsible people who have been selected and assigned to the Party branches and village committees. Over 500 cadres who went down to rural areas have now become Party branch secretaries or village committee directors. Thanks to the joint efforts, most of the less-advanced villages have taken on a new look. The rural economy has developed apace.

In 1989, villages where cadres sent by the higher authorities are stationed set up 1,023 production service organizations and raised 8.48 million yuan of development funds. Cadres led the masses to sink motor-pumped wells, repair highways, reclaim wasteland and grow fruit trees. They

also ran technical training classes (1,216 in all) and developed a considerable number of collective enterprises and scientific and technological mode fish-breeding and poultry-raising households. Last year, total grain output of these villages was 15.68 million kilogrammes more than in 1988, a bumper harvest year. The per-capita income of the farmers was 65 yuan more than in 1988. The general mood of these villages has also changed greatly. The masses have set up various systems and formulated village rules and regulations. As a result, such unhealthy tendencies as gambling, stealing and fist-fighting have been reduced remarkably.

In the course of living, working and solving difficulties together with the masses, cadres working at the grassroots levels have fostered a rapport with the masses. Prefectural Party secretary Guo Hongqi said that these cadres had truly identified themselves with the people and greatly enhanced the prestige of the Party and the government among them. He said that he had received many letters from ordinary people urging the cadres to continue to help the villages af-

ter the expiration of their one- or two-year terms. Wang Ruyi, a cadre from the Agricultural Bureau of Handan Prefecture, came to help Pushang village of Daming County to eliminate poverty. He took up the post of deputy Party branch secretary, helped the villages increase grain and cotton output in 1988 and turn themselves into an advanced Party branch and a civilized village. Repeatedly urged by the villagers, Wang extended his term for another two years. In 1989, he worked to disseminate agro-techniques and managerial expertise among the farmers and mapped out an overall plan for establishing a production structure centred on cotton and wheat. As a result, the village became an improved variety seed-breeding centre which could supply 750,000 kilogrammes of high-quality cotton and wheat seed. The per-mu yield of wheat was an average 42 percent increase over the previous three years. The per-mu yield of ginned cotton was 60 percent and the per-capita income 155 percent, higher respectively than in the previous three years. In 1989, the Pushang village Party branch was cited an

advanced Party branch in Handan Prefecture.

Close Friends

Xizhuang village was widely known in Daming County as a village that had suffered in the hands of corrupt leaders. In February 1989 Zhang Shantang, a procurator of the People's Procuratorate of Daming County, were assigned to work in this village together with two other young colleagues. When they came to Xizhuang with their bedding rolls, farmers in the village treated them coldly. Nobody had arranged accommodations for them and no one wanted to talk with them. They had no choice but to move into an abandoned mill house. Through working together and establishing contact with the people, they gradually learnt the true situation. The villagers' distrust of them came from their dissatisfaction with the village cadres. These cadres not only failed to help them solve difficulties in production and everyday life, but, on the contrary, they withheld funds to be turned over to the state by the villagers and embezzled government allocations and the collective accumulation funds. They even sold, at high prices, grain that should otherwise have been delivered to the state by the villagers, and lined their pockets with the public funds.

Zhang's work team started screening the financial accounts of the village and put up a notice urging the people to bring to light any acts of dishonesty they had noticed. The three members of the work team visited 300 households and had cordial conversations with them. Through investigation and study they unearthed plenty of evidence of misfeasance. Immediately after that, a table of arrears in individual payments was made public.



Zhang Shantang (first right) chatting with residents of Xizhuang village.

CHENG GANG

One village cadre who had engaged in graft kicked up a row with the work team on seeing the table. But in the end he had to admit his errors in the face of the testimony of witnesses and material evidence. Some cadres who had grafted paid back 13,000 yuan of public funds within five days in accordance with the evidence presented and were dealt with according to the Party and government disciplines.

Not long after that, a new Party branch committee and a new village committee were set up in Xizhuang village. Zhang and Lian took up the posts of deputy secretary of the township Party committee and deputy secretary of the village Party branch, respectively. They organized the masses to vigorously develop production, helping them extricate themselves from poverty, and brought tangible benefits to the village. Some of their joint achievements include:

They led the villagers to build a water tower and lay water pipes to make tap-water available to all.

They raised funds, replaced three damaged transformers, erected high- and low-tension power-lines and increased the supply of electricity for production and everyday life.

They sunk 12 irrigation wells, restored 20 wells which had fallen into disrepair and been abandoned and solved the problem of agricultural irrigation.

They restored brick production and earned a net profit of 240,000 yuan.

Speaking of these things, Zhao Baolin, a newly appointed director of the village committee, said the people of the village were very grateful for the many good turns that Old Zhang and his two colleagues had done for them. They and the villagers have become as close as members of the same family: They often visit each other for a chat, and some-

times, villagers invite them to their homes. In July 1989, when the work team members were out on official business, villagers moved their "home" from the old mill house to a new brick and tile building erected by a villager. On the wall of the new house was hung a horizontal scroll with the words "Close Friends of the Masses," which the villagers had presented.

With the improvement of relations between the cadres and the masses, a political situation of stability and unity prevails in Xizhuang village. The villagers are working hard and their achievements are among the best in the township. They have therefore earned the praise of the prefecture, county and township leaders.

Overcoming Poverty

Qilidian Township, Daming County, is a place where cadres of the Science and Technology Commission of Handan Prefecture have often gone since 1987 to help the local farmers. In the past, the township raised grain only and engaged in extensive farming, and so labour productivity was very low. As soon as the cadres of the Science and Technology Commission came here, they took as their key task the use of science and technology to help the poor.

Wang Zhaochang, head of the Agricultural Section of the Commission, who once worked for three and a half years in Qilidian Township, was in the first group to go. It was at that time, he recalled, that after thorough investigation and study, they had decided to help the farmers develop sun-light hothouses to produce vegetables in winter. One reason was that the project required only short-term investment and brought quick returns. The Commission had talented people and advanced technology,

while Qilidian Township had plenty of labour power and abundant land resources. It was located close to a highway linking some large and medium-sized cities in the vicinity, so transportation was very convenient for marketing.

With the all-out support of the township government and leaders of the prefecture's Science and Technology Commission, the commission cadres working there invited technician Wang Pisheng from another place to guide the winter production of fresh vegetables. After raising 400,000 yuan, a sun-light hothouse service centre was established to provide farmers with bamboo, plastic sheeting, agricultural chemicals (pesticides), chemical fertilizer, vegetable seeds and other materials. The centre also offered technical consultation, and other services during production. In 1987, the commission cadres working there helped 14 village households set up more than 400 hothouses, which occupied a total of 13 hectares of land.

Throughout the process of vegetable production, the commission cadres there, together with technician Wang, guided the farmers in every link of the production chain, from steeping seeds and field management to using chemical fertilizer and pesticides. They also held three technical training classes every month. Wang Zhaochang is a graduate of Baoding Agricultural College. Using his special knowledge, and being familiar with the local dialect, he and other cadres together compiled and printed technical material easy for the peasants to understand.

These cadres went to advertise their products and organize sales in Hebei, Henan and Shandong provinces, as well as some cities such as Tianjin and Beijing. Farmers hadn't expected that just when the first crop of cuc-

umbers was ready for picking, vegetable sellers from various places would come with their trucks to buy.

A cold current in the winter of 1987 harmed the hothouse vegetables and what's more, most of the vegetables outside hothouses froze. The commission cadres there heard that fresh vegetables sold well in the markets and prices were up. They immediately mobilized the hothouse keepers to plant a crop of spinach. This added more than 1,000 yuan in per-mu output value.

Through two winters' efforts, the hothouse vegetables in Qilidian Township brought the farmers a total of 2 million yuan income. Only with this one item, the average per-capita income increased 200 yuan. The farmers said that it was the cadres working with them who guided them to follow a road to prosperity.

When this reporter came to visit Qilidian Township, the commission cadres, who came in turn early this year, talked about their next projects enthusiastically. They are trying to help the farmers organize and gradually develop mushroom cultivation, fishery and poultry raising.

Fanning Out

With sluggish markets nationwide from the second half of last year, the Commercial Bureau of Handan Prefecture, whose profits had doubled annually for three years running after 1986, was suddenly confronted by a tense situation. The profits of the whole area's commercial departments dropped from 11.3 million yuan in 1988 to only 2.36 million yuan in 1989. Liu Jintang, director of the Commercial Bureau, was laden with anxieties. Just after the Spring Festival, he and several cadres from the business departments went to commercial units of Yongnian County to investigate how to promote the

work of the whole area after gaining some experience, and to see what they could do to revive the sluggish market.

Yongnian County's commercial units lost 900,000 yuan last year, and the employees were dispirited. Liu Jintang and others had many talks with many shop assistants, persons in charge of purchasing and marketing, managers and shop directors.

derable period, Yongnian County's commercial workers overcame their shortcomings. Measures were taken to expand the scope of their purchasing and selling business. They summed up and spread the advanced experiences of three units, thus stabilizing goods supplies and expanding sales channels. They also actively delivered goods to the countryside, put up tempor-



LU YUN

Xizhuang villagers perusing a chart on income and expenditures of the village.

Learning the situation from them in detail and soliciting their opinions as to what to do, Liu came to realize that there were objective reasons for the drop in profits, such as shortage of funds, rise in bank interest and the cooling down of consumer enthusiasm. However, there were also subjective reasons such as the negative attitude of workers and staff in commercial departments towards customer service. Liu held that the most urgent task at the moment was to stimulate their enthusiasm and give play to their pioneering spirit. He suggested that they make things more convenient for their customers such as by organizing a door-step delivery service. He also mobilized all the employees to search out the mistakes and shortcomings in their service.

Through efforts over a consi-

ary booths and earned quick returns. The volume of profits in the county's commercial department increased to 170,000 yuan in March from 29,000 yuan in January and February, so that the first quarter accomplished 51 percent of the whole year's plan. The employees' worried looks turned to smiles. The experiences of how Yongnian County turned losses into profits were promptly summed up by Liu Jintang and spread throughout Handan Prefecture.

Liu said that only going down to grass-roots units to make investigations gave him the right to speak. He intends to go to the grass-roots frequently in the future, and to stay there for several days to make investigations so as to find out and resolve common problems. He said that this was a very good practice for guiding the overall work of the bureau. ■

Zhejiang to Establish An Export District

China is planning to set up a high-tech industrial city, the Qianjiang Export Industrial District on the south bank of the Qiantang River in Hangzhou, Zhejiang Province. The district is targeted to attract foreign funds and advanced technology. Currently its plan has received preliminary approval.

The district covers a total area of 109 square kilometres, extending from the Qiantang River in the north to Xiaoshan city in the south which is attached to Hangzhou, running east and west from one Qianjiang Bridge to the other. The plan proposes to establish a number of technology- and labour-intensive enterprises which are jointly funded, co-operatively funded or wholly foreign funded, and set up institutes for science, technology and tourism. Three small districts, Qiaonan, Zhijiang and Shibe, will be initially developed.

Qiaonan District is located south of the two Qianjiang bridges near the highway from Hangzhou to Ningbo. It will be a location for technology- and labour-intensive enterprises or enterprises with high demand for transport and storehouses catering to foreign trade.

Zhijiang District is in south of the Qianjiang Bridge, separated by the Qiantang River from the West Lake travelling area, and is an ideal place for the construction of high-tech projects involving scientific research, education, tourism and electronics.

Shibe District is in the northern part of Xiaoshan. It will develop comprehensive projects of light industry and textiles.

The Qianjiang Export Industrial District is only three kilometres from Hangzhou. In 1989, Hangzhou's industrial output value was 25.9 billion yuan, ranking seventh in the whole country. Its traditional industries such as silk, tex-

tiles and paper-making were advanced, and over recent years, industries such as power, machinery, metallurgy, electronics and food-processing have developed rapidly.

In addition, Hangzhou is an important communications hub in east China. Its air service, water transport and railways are convenient, and the projected highway from Shanghai running through Hangzhou to Ningbo will pass by the eastern part of the district. The Qinshan Nuclear Power Plant and the Beilun Thermal Power Plant, which will soon be put into operation, will provide sufficient electricity for the district. In addition, more than 20 institutes of higher learning and well-developed township enterprises will provide high-quality technical personnel and labour.

Not long ago when the plan was introduced to a visiting Taiwan trade and investment observation group, they showed keen attention and were interested in investing in the district enterprises.

by Yao Jianguo

Trade-Mark Faker Brought in the Dock

The Shenzhen Resources Industry Co. of Guangdong Province recently was fined 79,630 yuan for faking the 3M computer disc trademark. It was ordered to pay 3M a compensation of 53,717 yuan. The verdict, handed down by the Shenzhen Administration for Industry and Commerce, was announced by the China Patent Agency (HK) Co. Ltd.

Wei Weilin, general manager of the 3M China Co. Ltd., as well as its general manager, said that now illegally faked 3M discs are frequently seen in China with almost the same packing design as the authentic 3M products, but the quality is far below the 3M standard. He noted that China, with the co-operation of 3M Co., is now making an effort to prevent such cases from happening again.

More than one company in China has been found faking the 3M discs trademark, and the Shenzhen Resources Industry Co. is the first to be punished. Now some other similar cases are still being heard. ■

Foreign Loans Used in Urban Construction

China will continue to make use of foreign loans for the construction of urban public facilities. Such projects include water supply, sewage treatment and gas supply, announced Wang Guangshou, director of the Urban Construction Department of the Ministry of Construction.

China plans to take into account funding, facilities and technology as a whole for 200 cities short of water, Wu said, adding that about 20 water supply projects are expected to use loans from Japan, France and Austria to construct water diversion and treatment projects.

Half of China's cities lack drainage facilities and poor sewage systems. At present, sewage disposal projects in Beijing, Shanghai and Tianjin are under construction. The plan is to use loans from Japan, France and Federal Germany to import advanced technology and equipment for these items.

Developing gas is one of the main tasks of China's urban construction. Loans, technology and equipment from Japan, for example, have been used for the construction of gas projects in Fuzhou, Guiyang and Ningbo. China also plans to import advanced technology and equipment from Italy, Federal Germany and Poland to construct gas projects in Harbin of northeast China, and Lanzhou in northwest China.

In addition, China expects to use World Bank loans to construct flood-control projects in cities situated along rivers. Prospects for co-operation with foreign countries are very bright. ■

China Invites 4,500 Foreign Experts

China plans to invite 4,500 foreign economists, scientists, technicians and management experts to work in China in 1990 and 1991, announced Wu Rongxing, deputy secretary-general of the China National Talent Exchange Centre, at the International Symposium on Work of Foreign Experts in China held in Beijing in mid-May. At present, concrete projects involving invitations to foreign experts have been specified, including those in agriculture, energy, transport, raw materials and telecommunications.

Projects for agriculture involve cultivation of high- and stable-yield crops, seed breeding, soil improvement, the comprehensive prevention and control of plant diseases and elimination of pests, rational application of fertilizer, water-saving farming, poultry, new varieties of aquatic products and their advanced technology, technology for the storage, transport, freshness preservation, processing and comprehensive use of farm products and other items conducive to leading the farmers in poor areas along the road to prosperity.

Those for light industry involve the development of new materials for textiles, silk dyeing and printing and their subsequent arrangements, leather tanning and the production and processing of high-grade leather, intensive processing of marble, new techniques for sugar and salt refining and paper making, as well as other items for improving product quality and developing new varieties to meet needs both at home and abroad.

Those for the machine-building and electronics industry involve electronics technology, computer technology, automation technology, inten-

sive processing technology, the design and manufacture of complete sets of equipment and the design for die sets.

Those for the energy industry involve the comprehensive use and intensive processing of coal, high-tension power transmission and transformation engineering and their technology, new energy-saving technology and the development and use of energy resources in rural areas.

Those for communications and transportation involve developing through transport of passengers and goods, railway transport, expressway and high-efficiency auto transport systems, the design and manufacture of various kinds of power-driven vehicles, the design and manufacture of aircraft, conduit coal-carrying technology, and modern traffic technology for urban areas.

Those for the raw materials industry involve mining, the comprehensive use of industrial wastes, intensive processing of non-ferrous metals, the development of fine chemicals and new building materials from wastes.

These projects were chosen in light of the present situation of economic readjustment, Wu said, adding that with the further stable development of the national economy, China plans to invite more foreign experts when some key projects begin operations.

Authorities of provinces, municipalities and autonomous regions have been interested in inviting foreign experts to supervise imported equipment, to help Chinese enterprises raise its foreign exchange-earning ability and improve product quality.

by Li Ming

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Key Elements for Agriculture

JINGJI RIBAO
(Economic Daily)

There are six key points to consider when dealing with agriculture, says Wu Rong, secretary of the Communist Party Committee of Nantong City in southeast China's Jiangsu Province and a deputy to the National People's Congress.

The first one is to rely on farmers when considering all aspects of agriculture. The stability of 900 million farmers guarantees long-term safety and stability in China, Wu said. The other points are as follows:

—Certain realistic measures should be followed which include reforming low- and medium-yield fields that account for more than half of China's cultivated land and opening up barren hills and grasslands, recycling waste water and stimulating courtyard economies, which are astonishingly efficient. As well, relations among various industries in the countryside need to be well-managed, and full consideration should be given to the role played by town and township enterprises.

—Agriculture should enjoy state preferential policies in investment too.

—While stressing prosperity for all, some people should be allowed to get rich first through honest labour and legal management. With the emphasis on the leading role of public ownership, attention should be paid to the appropriate development of individual businesses and private economies, which constitute a necessary supplement to the socialist economy. While rectifying the order in the circulation field, it should be emphasized that farmers' practice of engaging in services and transporting

goods for sale is work that will enliven the economy. With agriculture as the basis, all-round development of farming, forestry and animal husbandry should be ensured, as well as over-all management of agriculture, industry, commerce, the building industry, transportation and services, and in particular, town and township enterprises.

—Relations between stability, development, rectification and improvement, and reform must be well handled. Among the four, stability is the foundation, rectification and improvement are the means, reform is the way and development is the purpose, all of which aim at developing the economy.

—The problem of successors to rural cadres must be successfully resolved. The measure to resolve this problem is to boldly use talented people, rather than following the former pattern.

(March 24, 1990)

Cadres Work at Grassroots Level

BAN YUE TAN
(Fortnightly Forum)

Communist Party and administrative cadres at all levels recently left their offices for grassroots units. The masses hailed this as a move to restore the commendable traditions of the Communist Party and the good working habits of the cadres. As they moved into the grassroots units, cadres should pay attention to the following:

(1) They should persist in being hardworking and thrifty and avoid welcoming and departure spectacles. Cadres must be modest and unassuming in making their investigations and studies.

(2) They should eat with the masses and share their comforts and hardships.

(3) They should go deep into the realities of life, immerse themselves among the masses and do more genuine things to help the masses.

(4) Party and administrative cadres should use their experiences gained at the grassroots level to change their working habits at their own levels. This should become a regular practice.

(5) They should take the time to make friends with the masses, place full confidence in the masses and have heart-to-heart talks with them. A cadre should be an intimate friend of the masses.

(Issue No. 6, 1990)

Diplomat to Head HK Bureau of Xinhua

BAN YUE TAN
(Fortnightly Conversations)

Zhou Nan, a diplomat with more than 40 years of experience in foreign affairs, has been appointed the new director of the Hong Kong bureau of the Xinhua News Agency. He replaced Xu Jiatur, who had earlier stepped down.

Zhou is no stranger to dealing with the governments of Britain and Hong Kong. Most recently, he was the head of China's delegations in negotiation with Britain over Hong Kong and with Portugal regarding Macao. The negotiations drew worldwide attention.

Some newspapers in Hong Kong said that appointing a diplomat with such vast experience to the Xinhua post would be helpful in bridging gaps in the relationship between China and Britain.

Zhou's diplomatic career be-

gan in the early 1950s with a stint in North Korea where he was in charge of managing American prisoners of war. For the next two decades he worked with China's Embassy in Pakistan, the Department of West Asian and North African Affairs under the Foreign Ministry, and China's Embassy in Tanzania and served as deputy representative of China's delegation to the United Nations. In 1982, he took the post of assistant foreign minister with the Ministry of Foreign Affairs. Two years later, he was promoted to vice-minister, responsible for the affairs of Hong Kong and Western Europe.

The signing of the agreements on Hong Kong with Britain and on Macao with Portugal will be recorded in world diplomatic history as models for successfully solving problems between countries. Zhou greatly contributed to this process.

Zhou's ancestors come from Qufu in Shandong Province, but he was born in Changchun in Jilin Province in 1927. He spent his childhood and early youth in Tianjin. During the 1940s, he studied at Beijing University and Yanjing University, concentrating on the economics and Western literature. During this time he became interested in Marxism and secretly joined the Chinese Communist Party. Rather than use his real name of Gao Qingcong, he used an alias—Zhou Nan.

Since childhood, Zhou has had a keen interest in literature and the arts. Throughout his busy diplomatic career he kept that interest alive. While in Beijing, he often went to the Palace Museum or strolled along Liulichang, the capital's cultural street. Even in a foreign country, he spent his spare time visiting the local museums and galleries.

Zhou is also fond of swim-

ming. Though he is 62 years old, he can swim for two hours at a stretch in seawater. And whether it's a diplomatic occasion or a small gathering with friends, he always talks cheerfully and humourously, and his sonorous voice is full of vim and vigour—the qualities of a diplomat.

(Issue No. 3, 1990)

Donations to Asian Games

BEIJING QINGNIAN BAO
(Beijing Youth News)

With the 11th Asian Games months away, donations continue to pour in from all sorts of generous sources. Before February 20, the oldest person to give a donation was a 92-year-old man and the youngest donor was still being carried in his mother's arms.

Following is a list of just some of the generous people and organizations who want the Asian Games, which begins on September 22, to be a success.

- Yan Haixia was the first person registered on the donation list and is a student from Huzhong Primary School of Jianhu Town in Jiangsu Province. Yan contributed 1.6 yuan on March 2, 1987.

- Among famous personalities, the first to donate was renowned cross-talk performer Hou Baolin. He contributed 10,000 yuan on December 1, 1987.

- The first enterprise to present a cheque was the Beijing International Yiyuan Service Co. Ltd. The company donated more than 54,000 yuan on February 13, 1988.

- The oldest donor was 92-year-old Lu Xinmin, a retired doctor of a research institute under the Ministry of Commerce. Lu contributed 1,000 yuan on

February 17, 1990.

- The youngest donor, still in his mother's arms, was 18-month-old Zhou Qiao. His mother donated 10 yuan in his name to the Games on April 6, 1989.

- The individual who donated the most was Hong Kong celebrity Henry Y. T. Fok. He gave HK\$100 million on January 12, 1989.

- The largest donation from a group was made by enterprises under the Beijing Municipal Construction Committee, which contributed 20.03 million yuan.

- The doctor who donated the most was Zhao Hengda from Beijing Shuguang Hospital. Zhao gave 20,000 yuan on December 5, 1989.

- The biggest donor among farmers was Wang Zefang from Tongxian County of Beijing, who contributed 10,000 yuan on November 24, 1989.

- Among the self-employed, the largest donor was Liang Yaqun, the first man to operate a private taxi station in Beijing. He gave 100,000 yuan on February 3, 1989.

- The most generous donor among the veteran revolutionaries was Yang Chengwu, who gave 3,000 yuan to the Games on October 26, 1989.

- The biggest donor among students studying abroad was Ma Yanmin, who is studying in Japan. Ma gave a generous 100,000 Japanese yen on November 28, 1989.

- Some donors have given gifts rather than money to the Games. The highest valued gift was from Wen Yongsheng from Xianghe County in Hebei Province. He presented 2,500 wine-drinking control machines for drivers valued at 1 million yuan.

- December 5, 1989, was a banner day when donations, totalling more than 90,000 yuan rolled in from individuals.

(March 17, 1990)

1990 Chinese Cup Gymnastics Competition

Spectators at the 1990 Chinese Cup Gymnastics Competition on April 27 could not help standing up and shouting words of encouragement to gymnast Ma Zheng, who was on the verge of collapse.

Ma, a member of China's second men's team, had landed head first during a difficult manoeuvre called "stretched backward somersault with 540 degrees of rotation followed by a forward roll." Some people wanted to dash onto the platform to help the injured athlete but his coach's brief command was, "Hold on! hold on!"

Balancing himself, Ma continued until the end of the routine before falling to the ground. When he stood up again, it was to thunderous cheers. Ten minutes later, the results showed that he had won the men's all-round championship with a total score

of 57.30. The injury, however, prevented him from participating in the finals of the men's individual events the following day.

Besides the all-round title won by Ma and the second place in the same event captured by Li Jing, the Chinese men's team also racked up victories in four of the six individual events, the parallel bars, horizontal bar, pommel horse and rings.

Chinese women did even better. Zhang Xia won the gold medal in the uneven parallel bars, and Yang Bo and Chen Cuiting monopolized the other women's events, taking four golds and five silvers between them and capturing the hearts of the audience.

Yang, 16, is a new star in gymnastics who contributed to the Chinese women's third-place finish at last year's World Cham-

pionships. At the Chinese Cup, she struck gold in the women's all-round event, the balance beam and horse-vaulting and silver in the uneven bars and floor exercises.

Compared with Yang, 18-year-old Chen, captain of the Chinese team, is a veteran. She won gold in the floor exercises and silver in the all-round event, horse-vaulting and balance beam.

In the four events of the women's all-round competition, both girls did excellent work. Yang, however, ranked first in aggregate score with 9.875 in the uneven bars, 9.925 in balance beam, 9.95 in floor exercises and 9.9 in horse-vaulting.

The 10-centimetre-wide balance beam seemed spacious enough for Yang. Her confidence, boldness and sense of accuracy as well as her imagination and faculty for rhythm were marvellous to watch for gymnastics fans, who shouted her name as she was their favourite pop star. Connoisseurs rank Yang as one of the world's most promising



Yang Bo the only athlete awarded a perfect score in the balance beam competition; Yang Bo performing her floor exercise routine of the Chinese Cup.

Photos by XU XIANGJUN

gymnastics.

Seventeen countries and regions sent teams to the Chinese Cup competition, which was held in Beijing's Capital Gymnasium.

Spectators were disappointed by the Chinese men's constant faults. Li Jing, gold medalist in the parallel bars and bronze medalist in the men's all-round event and pommel horse at the 1989 World Gymnastics Championships, was touted as a potential winner before the competition. But he made more faults than any other Chinese competitor and only his 9.8 in the floor exercises secured his second place finish in the overall event.

Zhang Jian, former coach of the Chinese gymnastics team and now deputy director of the Athletics Training Bureau, and Li Ning, a former gymnastics star who acted this time as an umpire, cited two reasons for the men's disappointing scores. First, the team was trying to make a breakthrough with highly difficult moves. Second, the athletes were still tired from several recent international competitions.

Some observers, however, didn't think it was a bad thing to expose the team's weakness, especially given the approach of the Beijing Asian Games in September and the Brussels World Cup Gymnastics Competition in October.

According to Zhang, the Chinese Cup Gymnastics Competition was a dress rehearsal for the coming Asian Games. Viewed as a whole, Chinese gymnasts are the strongest in Asia and likely to win most of the golds at the Asian Games. Their major opponents will be athletes from Japan, Korea and South Korea.

China's Taipei team has made rapid progress and is very promising if it keeps developing at the present speed, Zhang said.

by Lou Linwei

Secret of Ancient Dances Discovered

Zhou Bing, an expert on Chinese folk dances, was collecting folk music in Hunan Province nine years ago when she saw a group of old women performing a strange, ritualistic dance in front of a temple.

As they danced they murmured mystical words, all in perfect unison.

"This is difficult even for professional dancers to grasp within a short time," Zhou said. "I wondered how these old women learned these dances."

The women told her that they had learned them from an old book, which they agreed to show to her. Zhou saw that it contained baffling designs of curves, dots and circles, along with strange poems. "I did not understand them at all," she said.

For the next two years, Zhou travelled to remote mountainous areas of southern China to observe similar dances and sacrificial ceremonies and to visit local sorcerers. These sorcerers could dance but were unable to tell Zhou what the dances meant.

In 1983, after returning to Hunan, she was practising a kind of witch dance she had learned

not long before when a sorcerer approached her. "I know what you are doing," he whispered. "You are dancing *The Dance of the Eight Trigrams*."

His words were like a key to a cultural treasure-house. Zhou realized the dance she had learned had close links to the Eight Trigrams of the *I Ching* (Book of Changes), the oldest of China's classics.

The Eight Trigrams are composed of broken and solid lines, the solid line representing *yang*, the male cosmic principle, and the broken line representing *yin*, the female cosmic principle. Two trigrams, each composed of three of these lines, are combined to create one of the *I Ching's* 64 hexagrams.

These hexagrams were traditionally used in divination. For example, a completed hexagram may contain a trigram representing water over one representing fire. Fire over water denotes success or conquest.

There was also a musical aspect to the symbols, each line of a trigram being like a note in a musical scale.

Zhou began to focus her re-

Asian Discus Record Broken

Zhang Jinglong broke the Asian men's discus record on April 25 at a track and field competition in Shijiazhuang, capital of Hebei Province.

Zhang, 29, made a throw of 61.72 metres, surpassing the long-standing Asian record of 61.06 metres set by Djalal Kashmiri of Iran in 1974.

Zhang, a former member of the Heilongjiang Province

team but now a part of the national athletics team, had broken the Chinese discus record of 60.40 metres with a toss of 60.44 metres on April 14 in Beijing.

Xie Shengying, a 19-year-old Hebei athlete, equalled the men's Asian shot put record with a toss of 19.48 metres at the Shijiazhuang competition.



Zhou Bing learning a folk dance from an artist in Shandong Province.

YANG LIMING

search on the *I Ching* and other ancient philosophical and religious works, and on folklore.

This research enabled her to conclude that the witch dance she had performed and the Eight Trigrams shared a common origin.

China's oldest known dance music is the *Dunhuang Grottoes Music of Dance*, dating from the late Tang Dynasty (827-907). But Zhou believed that the music of *The Dance of the Eight Trigrams* went all the way back to the Xia Dynasty, about 4,200 years ago, handed down through sacrificial and wedding ceremonies.

Early Western dance music used abbreviations to connote dance steps and the *Dunhuang Grottoes Music of Dance* used Chinese characters. The choreography of *The Dance of the Eight Trigrams*, however, was drawn out in diagram form by linking dots and lines. These diagrams, which include the words of mystical incantations, also illustrate rhythm, metre, breathing and posture.

Zhou believes that *The Dance of the Eight Trigrams* was originally meant to give physical expression to the philosophical ideas contained in the Eight Trigrams. The earliest known form of the dance is the *Yu Step*, which is believed to have been created by the first ruler of the Xia Dynasty and was used during ceremonial sacrifices.

Zhou has published many academic papers on the subject of ancient Chinese dances, such as *The Oldest Dance Music—The Eight Trigrams and Witch Dance and Nine Odes*; Her book *Sacrificial Dances and Traditional Chinese Culture* will soon come off the press. Her research has attracted international attention, experts claiming that her achievements have filled in a blank in the history of Chinese dance.

In August of 1988, Zhou was invited to attend the seminar "Dance: A Complicated Cultural Phenomenon," sponsored by the United Nations Educational, Scientific and Cultural Organiza-

tion (UNESCO) in Copenhagen, Denmark. She gave a 70-minute speech that was well received by the 36 experts from 18 countries. These experts said Zhou's research had blazed a new trail in the study of dance, one noting that Zhou conducted her research "from a philosophical angle."

A Swedish expert was so excited by Zhou's discoveries that he made a quick trip back to his own country to get a picture of a Greek dance that is said to be 3,000 years old. He showed the picture to Zhou, who saw that the Greek dance was almost identical to *The Dance of the Eight Trigrams*.

When the papers presented at the conference were collected and published, illustrations from Zhou's work were on the front and back covers. She was made a member of the International Music and Dance Theoretical Society of the UNESCO and her name was listed in the organization's *Who's Who*.

Zhou realizes that her research has just begun; there are many themes to be developed. But she is proud of her 40 years of work in the folk dance field. "Without it, nothing could be done," she said.

She has lived in Shandong Province for nearly 20 years and is an expert on that province's folk dances. She has travelled throughout Shandong to carry out her research, even during Spring Festival when most Chinese are at home with their families. "I cannot live anywhere but in the countryside," she said. "Otherwise I feel I have no roots."

In August of this year, the Fifth Hong Kong International Dance Conference will be held. In October, the 16th Symposium of the ICTM Study Group in Ethnochoreography will open in Hungary. Zhou Bing has been invited to both.

"I must have things to show them," she said. "Dance has no boundary."

by Feng Jing



Dream of a Little Girl.

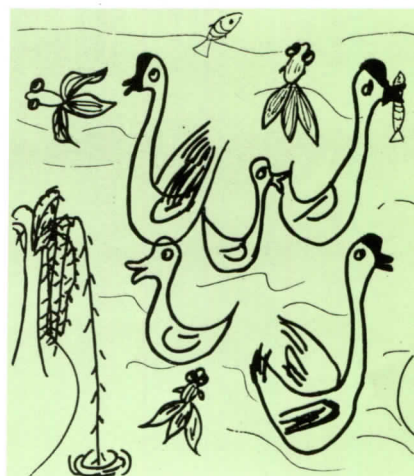
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Paintings by Liu Ruoshuang

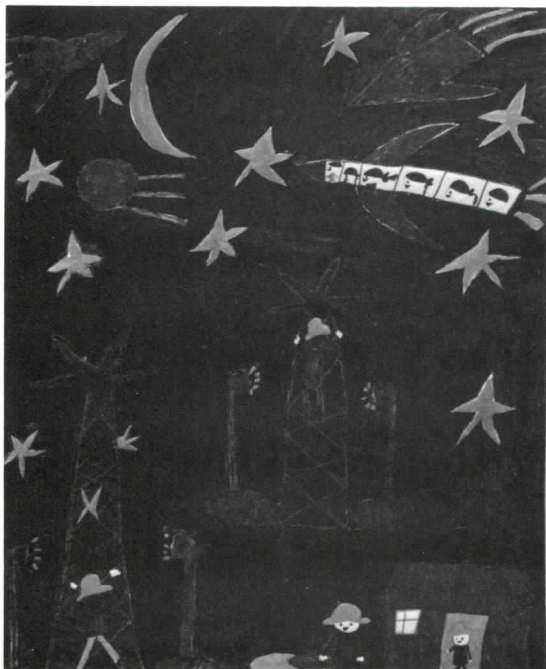
Liu Ruoshuang, born in Renqiu Oilfield, Hebei Province in 1980, is the daughter of an oil worker. A third-grade pupil in a primary school, her early keen interest in painting has already led to her winning top prizes for her works many times.



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