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**CHINA'S  
LABOUR  
MARKET**

More on 'One Country,  
Two Governments'



Farmers overjoyed with their bumper harvest.

*Photo by Feng Weiguang*



## More on 'One Country, Two Governments'

□ This is the second article on the same subject by Li Jiaquan, a researcher with the Chinese Academy of Social Sciences. In his first article, entitled "Taiwan's New Mainland Policy Raises Concern" published in our issue No. 21 last year, the author pointed out the basic points of the policy, the damage it would bring and the reasons why it is impracticable. In this essay, he discusses such questions as why the Taiwan authorities have presented the "one country, two governments" policy at this time, what its crucial points are, and how relations between the two sides of the Taiwan Straits will develop (p. 13).

## Sino-Bangladesh Friendship Hailed

□ A senior Bangladesh diplomat reviews the development of friendship and co-operation between Bangladesh and China in recent years in an interview with *Beijing Review* prior to Bangladesh President Ershad's visit to China (p. 8).

## China's Labour Market

□ An outgrowth of the reform of the employment system, the labour market provides, in addition to the government-controlled placement system, an employment avenue for adults and other jobless people adversely affected by the nation's current austerity programme (p. 18).

## Industry Developed, Prices Stabilized

□ The national economy of China developed steadily in May of this year, according to the State Statistics Bureau. Industrial production continued to increase, investment in fixed assets started to rebound, prices were kept relatively stable and foreign exchange reserves increased. However, there is still no obvious improvement in market sales and the stockpiling of industrial products, and economic proficiency continued to drop (p. 6).

## China's Foreign Trade Continues to Grow

□ After the June 4 incident last year, some foreigners thought China's foreign trade business would be going downhill. Citing a string of facts, however, a Chinese economist concludes that China continues to achieve steady development in its foreign trade after overcoming the difficulties caused by last year's social disturbances and economic sanctions imposed against it by some Western countries (p. 24).

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**COVER:** A company of Hainan Province recruits workers at the labour market in Beijing's Xicheng District.

photo by XU JUNCHAO

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## Jiang's Statement Wins Positive Response

**J**iang Zemin's recent call for talks between the ruling parties on the mainland and Taiwan has drawn positive response from various circles on the mainland.

In a speech on June 11, the general secretary of the Central Committee of the Communist Party of China (CPC) urged the Kuomintang authorities in Taiwan to return to the negotiation table with the CPC in search of methods to reunify the country in accordance with the "one China" principle (see p. 4, issue No. 25, *Beijing Review*).

At a forum two days after Jiang made his point, Hou Jingru, vice-chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, said the current situation was most favorable to the reunification of China, for in Taiwan the desire for more exchanges between the two sides of the Taiwan Straits was more strongly felt than ever before despite the "sanctions" imposed by some Western countries against China.

"Jiang's statement on the Taiwan issue was timely," Hou said, "and it further expounded the principle of peaceful reunification of the country."

China has been a unified country for much of its history, said Feng Tiyun, vice-chairman of the China Democratic National Construction Association Central Committee. It is the common aspiration of all Chinese to reunify and rejuvenate the nation, he noted.

The principle of "one country, two systems" put forward by the CPC has provided the key to successfully resolving

the Hong Kong and Macao questions, and it will surely address the Taiwan question, Feng added.

Non-party personage Cheng Siyuan, who used to be a KMT partisan, believed the reunification of the country should be realized as early as possible.

Cheng urged that KMT chief Lee Teng-hui follow the general trend and consider Jiang Zemin's call.

Noted sociologist Fei Xiaotong, who is also chairman of the China Democratic League Central Committee, noticed that Lee Teng-hui's recent speech on the relations between the two sides of the Taiwan Straits indicated a positive change from the policy of "no contact, no negotiations and no compromise."

Fei hoped Lee would make a sincere effort to begin negotiations between the two parties on an equal basis as soon as possible. Direct exchanges of mail, transport and trade, as well as non-governmental two-way exchanges should be allowed first, he said.

While gaining support on the mainland, Jiang's statement has found a positive response from across the straits, according to the Taiwan press.

Liang Su-rung, president of the "Legislative Yuan," and other "legislators" in Taiwan were reportedly considering bi-party negotiations as a possible way for the initial stage of official contact between the two parts of the country. Some of them even expressed their agreement with the principles put forth by the mainland authorities. ■

## 4th National Census Begins on July 1

**B**eginning at zero hour of July 1, a huge national computer network will be switched on to conduct China's fourth national population census.

State Councillor Li Tianying, in charge of the national population census leading group under the State Council, called for concerted efforts of local governments and the people of the entire country to make the population census a success.

In a nationwide televised speech on June 20, Li said the aim of the census is to verify China's total population and its population growth, geographical distribution, sexual composition, ages and educational level. Data will also be collected on such matters as marriage, family, child bearing, migration, employment and labour force.

The data and information collected will be vital to building socialist modernization and planning the people's life in all fields, he stressed.

Li said China has completed all preparations for the population census. Both the central and local governments have established census organizations, which have already undertaken experimental surveys and trained large numbers of people for the work.

"We have full confidence that the present census will be successful," he said. But Li also pointed out that the task demands tremendous effort because the present census surveys more items and is more difficult than the previous three.

The first one was conducted in 1953, when the population was 619.38 million. The second was carried out in 1964, when the population regis-



The census enumerators distributing materials on the fourth national population census to pedestrians in Haidian District, Beijing

XU XIANG JUN

tered 723.07 million. And the third was completed July 1, 1982, which showed that the population had risen to 1,031.8 million.

During the eight years since the 1982 census, China implemented policies of reform, opening to the outside and developing a planned commodity economy. Great changes have taken place to the Chinese population. Peasants' occupational structure, for example, has changed a lot. It is often said that China has 800 million peasants. In the past this refers to those engaged in agricultural work, chiefly in the fields. Now, much of the rural labour force has transferred to industrial production in village enterprises. Many other peasants have gone into commerce, transportation and service trades.

Since 1986 China has entered another baby boom period. There are 38 infants born every minute. The annual increase is 15.23 million, equal to the population of Australia.

All this has rendered the third national population census data obsolete. Because of the present situation, the fourth population census has been put

on the agenda.

Compared with the 1982 census, the forthcoming demographic operation includes two more items: status of permanent residence on July 1, 1985 and reasons for moving to the present place, aimed at measuring the direction and cause of population mobility in China.

China will publish the initial results of the census in October, which will include figures for the total population, the total number of households, the number of permanent residents registered in each area, natural changes in the population, population figures broken down by ethnic group, and the educational background of the population.

A 10 percent advance tabulation will be available by the end of May 1991, and the complete figures will be published in June 1992. ■

### Hong Kong Stability Hinges on Mainland

Zhou Nan, director of the Hong Kong Branch of Xinhua News Agency, emphasized on June 21 the im-

portance of a stable and prosperous China to the stability of Hong Kong and the entire world. He called for harmony and co-operation between Hong Kong and the Chinese mainland as well as within Hong Kong itself.

Speaking at a luncheon organized by the Hong Kong General Chamber of Commerce, Zhou said, "No matter what happens in the world, China will remain a significant force in safeguarding world peace."

He said, "A stable and prosperous China not only constitutes the key to the stability and prosperity of Hong Kong, but also is an essential factor in stabilizing the situation in Asia as well as in the world." This has been appreciated by more and more people with a sense of responsibility in Hong Kong and the world over, he added.

Zhou reaffirmed that China will carry out its socialist construction, its reform, and policy of opening to the outside world according to its national conditions.

"China's recent decisions to develop the Pudong area in

Shanghai and also Hainan Island, and its decision to absorb funds from Taiwan to further develop Fujian Province not only indicate that the country will continue its policy of reform and opening to the outside world, but also show that the depth and the scope of the policy have been well beyond those before the 'June 4 incident' last year," he said.

He urged local business people to seize upon opportunities and adopt a more active approach in exploring the China market.

Talking about the "one country, two systems" policy, Zhou said the mainland has never, and will not in the future, introduce its socialist system, way of life, and concepts of value into Hong Kong. Likewise, he said, people in Hong Kong should not attempt to impose its capitalist system, way of life, and concepts of value upon the mainland.

"Otherwise, things would go against the will of the 1.1 billion people of the mainland as well as the Hong Kong residents," he said. "To deliberately create and sharpen antagonism would serve no purpose but to sow discord into the harmonious relationship between the two parts of China, threaten the stability and prosperity of Hong Kong, and jeopardize the fundamental interests of the Hong Kong residents."

Zhou concluded that it is essential for Hong Kong to create an atmosphere of harmony and co-operation in order to maintain its long-term stability and prosperity. He emphasized the importance of such an atmosphere of harmony and co-operation in relations between Hong Kong and the mainland as well as within Hong Kong itself. ■

## Output on the Rise, Prices Stabilized

The national economy of China developed steadily in May this year. Industrial production continued to increase, investment in fixed asset started to rebound, prices were kept relatively stable and foreign exchange reserves increased.

However, there's still no obvious improvement in market sales or overstocking of industrial products, and economic proficiency continued to drop.

According to the State Statistics Bureau, industrial production began to rise in March, and in May its daily output was 3.1 percent more than that in April. The total output value from January to May reached 749.9 billion yuan, a 1.4 percent increase over the same period last year according to a comparable price index.

From January to May, the investment in fixed assets of state-owned enterprises was 44.9 billion yuan with productive investment increased by 3.1 percent and non-productive investment decreased by 2.6 percent.

It is apparent that investment for new designs in the manufacturing market has decreased since the beginning of this year. This is unfavourable to upgrading products and modernizing the various enterprises.

Though market sales were still slack, they showed a tendency to increase. The turnover from retail sales in May reached 67.4 billion yuan, a decrease of 0.5 percent from that of the same month last year but an increase over that of April this year. It is the countryside that is bearing the brunt of the sluggish market.

Prices basically remained stable. In May, the cost of liv-

ing for residents in 35 cities increased 2.6 percent over the same month last year, while the prices of consumer goods increased 1.4 percent. Both increases were less than those in April.

China's foreign exchange reserves on May 20 were \$US3.93 billion higher than at the beginning of the year.

In the first five months of the year, China's exports totalled \$US20.6 billion, a 14 percent increase over the same period last year, while imports declined 16.9 percent to \$US18.9 billion.

The foreign trade structure has improved with a declining proportion of primary exports and a growing share of machinery and electronics.

The import of expensive consumer durables, office equipment and various motor vehicles has also dropped dramatically. ■

## Fang Lizhi and Wife Leave China

Astrophysicist Fang Lizhi and his wife Li Shuxian have been given lenient treatment for humanitarian reasons and allowed to go abroad on June 25 for medical treatment, a spokesman of the Ministry of Public Security announced the same day in Beijing.

Fang, a former Beijing Astronomical Observatory researcher, and Li, once an associate professor of Beijing University, fled to the US embassy in China because of their involvement in the disturbances that occurred in Beijing last year. For that reason, the Beijing Public Security Bureau issued a warrant for their arrest.

Recently, Fang and Li wrote to the Chinese departments

concerned, admitting that they had opposed the four cardinal principles (of adherence to the socialist road, to the people's democratic dictatorship, to the leadership of the Communist Party of China and to Marxism-Leninism and Mao Zedong Thought), and had thus violated the country's Constitution. They sought permission to go abroad for medical treatment for illness. They said that they would not engage in activities directed against China after they left.

The spokesman also said that Wang Xuezhi, a teacher of the

South China College of Science and Engineering arrested according to law because his actions during last year's disturbances constituted a crime of disturbing public order, was set free recently. In view of his confession and his readiness to plead guilty and in accordance with a decision made by the Guangzhou municipal people's procuratorate on the basis of the Criminal Procedure Law of the People's Republic of China, he was exempt from prosecution. Wang is allowed to go abroad for a reunion with his French wife.

Chinese Premier Li Peng said the same day that thanks to growing political and economic stability in China, the Chinese government has taken a more lenient policy towards those who participated in the turmoil last year. These moves, he said, did not result from the pressure from the West, but were a reflection of growing stability in China. Li made the remarks when meeting with Hans Sterren, chairman of the Foreign Affairs Committee of the Federal Assembly of the Federal Republic of Germany. ■

## Good Harvest in Beijing Suburb

**B**eijing suburb has had a good harvest of wheat this summer.

The total grain output of Shunyi County, which has 47,000 hectares of farmland and is called a "grain base,"

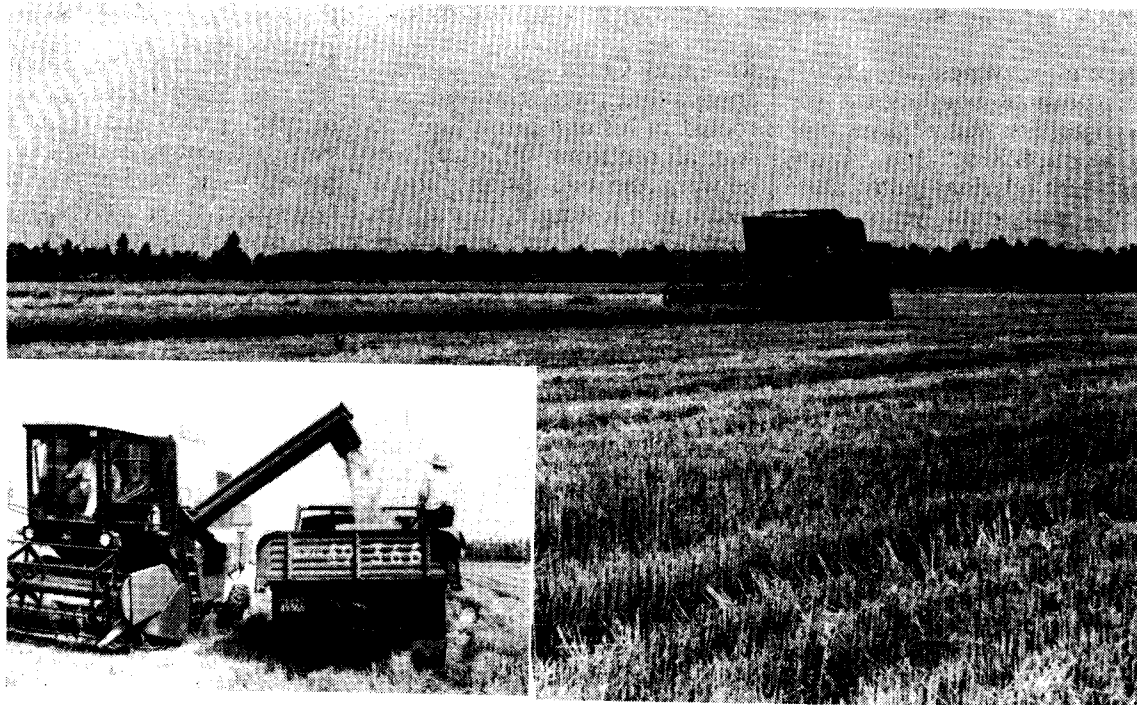
composes one-fifth of that of the whole suburb.

This year, wheat output on 40,000 hectare of its fields reached 250 million kilograms.

The two pictures show that

a harvester is cutting wheat in the fields in Shunyi County, and a thresher filling a truck that will transport the grain to storage or market.

FENG JING & YANG LIMIN



## Sino-Bangladesh Ties Flourishing

*On the eve of Bangladesh President Hussain Muhammad Ershad's visit to China, "Beijing Review" interviewed M. Mamoon, counsellor of the Press Wing of the Bangladesh Embassy in Beijing, on the development of Sino-Bangladesh relations. Following are the excerpts of this interview. — Ed.*



President and Mrs. Ershad.

**T**he effectiveness and significance of South-South co-operation can perhaps best be exemplified by Sino-Bangladesh relations today. During the past eight years since President Ershad took office, there has been a substantial strengthening in Sino-Bangladesh relations. President Ershad during this period has visited China on four separate occasions — in 1982, 1985, 1987 and in 1988. In 1979, he visited China as the Chief of Army Staff. As such, his visit to China from June 28 to July 2 will be his sixth visit to China.

These past eight years have seen the forging of a special relationship which encompasses a wide range of co-operation in various fields. In fact, Bangla-

desh and China are traditional friends and their relationship is rooted in history dating back to several centuries. Bilateral ties between the two Asian nations took a new historic turn with the establishment of formal diplomatic relations between them in January 1976. It is a relationship marked by a deep sense of mutual respect and understanding; a common commitment on both sides to the principles of peaceful co-existence and South-South co-operation.

### Bilateral Exchanges

The position of China and Bangladesh on practically all important international issues are virtually the same. In respect of the problems of Afghanistan,

Kampuchea, Namibia, South Africa, the Middle East and a host of other global and regional issues, both countries held similar positions and have worked closely together at the United Nations and in other international fora.

This common perception and shared outlook on global and regional issues which has prompted the two countries to work so closely together is manifested in the close understanding and support that exist between them and their leaders.

There have been frequent exchange of high level visits and delegations. Apart from the visits made by President Ershad, the First Lady of Bangladesh, Begum Raushan Ershad, visited Beijing last year in connection with the opening of the Sino-



Bangladesh School. There have also been several high level visits to Bangladesh by Chinese leaders both civil and military, the most noteworthy of these being the visit of Premier Li Peng to Bangladesh in November last year. More recently, General Qin Jiwei, the minister of defence, visited Bangladesh. In addition, there have been frequent exchange of visits by journalists, technicians, businessmen and friendship delegations between the two countries.

These regular exchanges of visits provide both sides with an excellent opportunity to learn from each other's experiences and problems. They have also contributed towards forging an excellent rapport not only at the highest level between the leaders of the two countries but also between the people of China and Bangladesh.

### Mutual Co-operation

The co-operation between China and Bangladesh in the economic and commercial fields has reached new heights during the past few years. Both countries share the view that the close political relationship that exists between them should find its meaningful expression through the further strengthening of their economic and commercial ties.

In November 1983 the two countries signed an agreement for the establishment of a joint commission at the ministerial level on economic, trade, scientific and technological co-operation. This institutional arrangement provides a useful device for expanding trade and economic relations between the two countries. In the economic sphere six separate credit agreements have been signed for financing a variety of projects.

China is helping Bangladesh in building new bridges, new roads, setting up new textile, urea and

paper mills, in renovating and the expansion and modernization of various existing industrial units. A number of joint ventures between Chinese corporations and the private sector in Bangladesh in diverse fields such as manufacture of mosquito coils, sewing machines, electric bulbs, spinning mills etc. have also been established.

The 915-meter-long Bangladesh-China Friendship Bridge over the river Burigan-ga in the national metropolis, Dhaka, which was completed with Chinese assistance in record time, is a glorious and living symbol of the friendship between the two countries. With Chinese assistance another bridge is taking shape over the old Brahmaputra river at Shabuganj near Mymensingh town. Various other projects are also being implemented under the Chinese economic assistance programme.

Another landmark in the economic collaboration between Bangladesh and China was the Bangladesh-China Investor's Forum held in Dhaka in May this year. Sixty-three delegates representing 12 Chinese corporations and about 200 Bangladeshi entrepreneurs participated in the forum. As a result, five contract agreements and 13 memoranda of understanding were signed and 49 letters of intent were exchanged.

Apart from the regular barter trade between the two countries, Bangladesh is buying a sizable quantity of Chinese products for cash every year. Recently, an agreement was signed for a 210 MW power station to be located in Chittagong. Chinese corporations have also been awarded contracts for a wide range of other projects. In sum, China has become one of Bangladesh's most important business and trading partners.

The frequent exchange of delegations in different fields of ac-

tivity and the reasonably good coverage given to China in Bangladesh and vice versa amply demonstrate that there is more and more people-to-people contact and at the same time a greater reciprocal awareness about each other's countries.

One of the most outstanding symbols of friendship between the two countries is the Sino-Bangladesh Friendship School in Beijing. The Bangladesh President laid the foundation stone in July 1987 and the First Lady formally declared the new building's opening in September 1989. In the words of President Ershad, "Nothing has better demonstrated China's deep and profound feelings for Bangladesh than in naming this school as China-Bangladesh Friendship School." This educational institution, which caters to the needs of nearly 2,000 young primary school children, is also a unique repository of Bangladeshi arts, culture and music.

### Bright Future

The ever growing friendship and excellent relations between the two countries are expected to get further momentum when President Ershad arrives in Beijing on June 28 on a five-day state visit to China. During the visit the Bangladesh president is expected to sign three separate agreements of co-operation. The accords likely to be signed will be on scientific and technical co-operation, the construction of a bridge over the river Mahananda and an agreement providing for regular consultations between the foreign ministries of the countries. The composition of the Bangladesh presidential entourage shows the importance attached to this visit which is expected to open up new vistas of co-operation and new frontiers in the friendly co-operation between China and Bangladesh. ■

## Problems of the US Plan to Renovate NATO

*The dramatic changes in the East European political situation in the past year have caused a debate concerning the role of the North Atlantic Treaty Organization (NATO) in a new Europe to be opened. The US government has put forward a proposal aimed at extending the function of NATO, but the plan seems difficult to implement because of the complicated relations between the NATO countries.*

by Zheng Yuanyuan

The relations between the two superpowers are turning from tension to detente, dramatic political changes are spreading in the Eastern European countries, the Soviet Union has begun withdrawing its troops from these countries, and the Warsaw Pact is on the verge of disintegrating. These rapid developments have prompted a debate concerning what role NATO should play in a new European order in the West. Whether NATO, founded on the basis of the Cold War and East-West confrontation, should exist and what new role it should play if it is necessary for it to exist are the topics under discussion.

The United States is most deeply concerned with the fate of NATO. Without NATO, Washington could not have established such close relations with Western Europe after World War II. To the United States, NATO has good reason to exist. Only through NATO, can the United States maintain its presence in West European countries and have the right to speak on the process of establishing a new Europe. In other words, the US government is intending to manage the changes in the European situation by co-ordinating the relations among the nations of NATO and exerting influence on the process of unification of the

two Germanys as well as the development of events in East European countries so that its interests in Europe can be protected. US President George Bush expressed the idea of the role of the US government in a speech explaining the US diplomatic policy. He said, "The United States should remain a European power in the broadest sense—politically, militarily, and economically. And as part of our global responsibilities, the foundation for America's peaceful engagement in Europe has been, and will continue to be, NATO."

To implement this, the US government has recently worked out a plan aimed at renovating NATO. The core of the plan is to extend the functions of NATO, especially its political function. That means, besides engaging in the European security and defence affairs, NATO should play a leading role in making up the policies on the East-West relations and in the process, help establish a new Europe and become one pillar of it.

The advocacy of the United States to expand the political role of NATO has been resisted by some of its West European allies. They hold that the European Community (EC) is more important than NATO and the main body of a new Europe should be the EC instead of NATO. French

President Francois Mitterrand has expressed repeatedly that NATO is just NATO, and that its function should not be extended to the political field. As an opposition to the US plan, a proposal to establish a political European confederation offered by Mitterrand and Federal Germany's Chancellor Helmut Kohl was approved at the special summit of EC held in Dublin. It can be seen that Western Europe has its own plan, and wants to gain more independence in development. Although such a political confederation is difficult to establish in a short time, the United States cannot ignore the independent tendency of Europe. Once such a political confederation comes into reality, the function of NATO will be weakened and the US influence in Europe will be reduced. If the US plan to renovate NATO is implemented, the United States and its West European allies will be in a more balanced relationship as partners, and the role of Western Europe in NATO will be augmented.

Another important point in the US plan is to re-examine NATO's strategy with a view to introducing a new one. The unification of two Germanys means that the "forward frontier" of NATO will disappear and the forward defence strategy of NATO will lose its foundation. The question to be answered is whether the military

integration pattern of NATO and its deterrent strategy is still valid. The argument concerning the question will continue within NATO for a long time. NATO will not give up its basic strategy, but will only make some minor adjustments until Western Europe has enough strength to replace the US conventional and nuclear forces in Europe, and until the military strength of the Soviet Union and Warsaw Pact has substantially been reduced.

The defence ministers of NATO decided at a meeting held in May that they would not modernize their short-range missiles and nuclear artillery and not continue their plan to increase 3 percent of military expenses each year. The decision indicated that NATO had taken a step forward in adjusting its future strategy.

The Soviet response to the US plan was strong. Soviet leader Mikhail Gorbachev said to the visitors from *Time* magazine recently: "For us NATO is a symbol of the past, a dangerous and confrontational past." "It is associated with the cold war—but an organization designed from the start to be hostile to the Soviet Union." He said that the Soviet Union will never agree to assign it the leading role in building a new Europe. The Soviet Union contends that the alliance-based system should be replaced by a security system for the entire Europe. The responses to the concept are different. West Germany supports the proposal of the Soviet Union while former US Secretary of State Dr. Kissinger warned that a security system for entire Europe is prelude to the neutralization of Germany and Europe.

Whether the Soviet opinion to establish an European security system is completely contradictory to the US plan to renovate NATO and whether it will reduce NATO's function or cause its disintegration are hard to say for the present. What is clear is that they have caused much concern and a heated debate in the West. ■

## Soviet-British Relations Are Warming-up

by Xue Yongsing

**B**ritish Prime Minister Margaret Thatcher paid a visit to the Soviet Union from June 7 to 10, during which she and Soviet President Mikhail Gorbachev had talks on bilateral relations, German unification and the future of Europe. Both leaders used the opportunity to praise each other's important role in world affairs and warm up bilateral relations.

Occurring on the heels of the US-Soviet summit in Washington in early June and on the eve of the NATO summit, Margaret Thatcher's visit to the Soviet Union held the attention of the world.

Observers believe that Thatcher's meeting with Gorbachev proved to be useful for both sides. On Gorbachev's part, it provided an opportunity to learn the reaction of West European nations, especially that of Britain to his Washington summit with US President George Bush. On her part, Mrs. Thatcher was happy to be briefed personally by Gorbachev on the Washington summit, particularly she wanted to know Moscow's current position concerning Britain's independent nuclear forces.

Although the two sides expressed satisfaction with their "very good personal relationship" and "unprecedented good relations between our two countries," they still had some sharp differences over the issues of German unification and the future of Europe.

On the unification of two Germans, Mrs. Thatcher reiterated that a united Germany should

remain in NATO and its membership would not be a threat to the Soviet Union, while Gorbachev rejected the idea and expressed Moscow's fears. "A solution acceptable to us has yet to be found," he said.

On the future of Europe, Gorbachev proposed to establish an extensive security system based on the Conference on European Security and Co-operation (CESC) and reiterated his vision of a "common European home." He said, "We have come to see the possibility of establishing a new relationship between the two blocs. The two military-political organizations may coordinate with each other in the course of preparing for establishing new structures for security in all of Europe." Mrs. Thatcher did not approve the idea, saying "I do not at the moment see these common bodies emerging. They may one day. I do not see them." She also insisted that despite changes in Europe, American troops should stay in Europe and the West should keep a strong defence, including the modernization of nuclear weapons.

The visit has given vigour to the two countries' economic and trade relations. During her visit, Thatcher signed three bilateral documents with Soviet Premier Nikolai Ryzhkov: the 1991-2000 plan for economic development and industrial co-operation, an agreement on the establishment and activities of a Soviet-British cultural centre, and a co-operation plan for training economic administrative personnel. ■

# Nepal, India Improve Relations

by Chang Xin

**N**epal and India have agreed to normalize their relations after rounds of closed-door talks between the Indian Prime Minister V.P. Singh and his Nepalese counterpart Krishana Prasad Bhattarai in New Delhi, the capital of India, on June 8-10.

The major agreement is restoration of the status quo in bilateral relations from July 1 of this year to where they were on April 1, 1987.

India closed 13 of the transit points and 22 bilateral trade points along the common border after trade and transit treaties expired on March 23, 1989. These closings caused great difficulties in the relations between the two countries.

The petroleum, coal and salt which Nepal needs are all or mainly imported from India or from a third country through India. According to an official estimate, India provided 160,000 tons of coal, 165,000 tons of salt and 250,000 tons of petroleum products to Nepal each year. The termination of the treaty brought to a halt a large segment of construction of projects on which the Nepalese economic development is based. In 1988-1989 Nepal's industrial, traffic and communications, trade and tourist departments lost billions of rupees, nearly equal to half of the financial budget. The agricultural sector lost US\$13.4 million.

In the face of this situation King Birendra Bir Bikram Shah Dev called on the Nepalese people to be self-reliant and to overcome the difficulties. At the same time the Nepalese government worked out a 22-point middle- and long-term plan of

economic development, to fully utilize the native resources and increase production of the necessary industrial products for daily life. The policy of trade plurization has been implemented. The government has also taken measures to improve food supplies and cancel import surtaxes on major commodities and reducing taxes on other imported commodities. Private enterprises, small handicraft industry and small-scale farming have been encouraged to expand production.

Previously, talks were held on trade and transit problems that existed between the two governments, but all of them failed because matters relating to the 1950 peace and friendship treaty and security perception were involved in the issue.

India was reported to be seeking an assurance that Indians would be guaranteed the right to purchase and sell property in Nepal on a par with Nepalese.

It also asked that the Nepalese army be trained by India, and arms procured from India or with its approval.

Nepal considered many Indian demands an infringement on its sovereignty and independence. It also felt it could not open its doors to unlimited immigration.

This time, talks were held on the entire spectrum of relations. A joint communique said that both countries agreed to "fully respect each other's security concerns" and "neither side will allow activities in its territory prejudicial to the security of the other."

They would also abide by "prior consultation with a view to reaching mutual agreement on

such defence related matters which, in the view of either country, could pose a threat to its security."

Nepal agreed to the removal of India nationals from the sphere of the work permit scheme and to the abolition of the most favoured nation system in trade with India, which had applied before March 23, 1989.

After normalization, Indian goods will again come into Nepal and be exempt from additional customs duty or tariff preferences. Indian capital will also be able to freely flow to Nepal.

This will help Nepal rejuvenate its economy and relieve much personal hardship. It will also be conducive to the consolidation of the burgeoning multi-party system in Nepal. The interim government, particularly the Nepali Congress Party within it, has strengthened its position for the forthcoming general election.

The Nepalese interim government was formed on April 19 of this year after toppling the partyless Panchayat (parliament) system in a two-month national movement.

But doubts remain that domestic industries will be helped when Indian goods become a glut on the market.

As the present government is an interim one, treaties between the two countries will be negotiated and signed by the future elected government of Nepal. If the agreed principles of sovereign equality, territorial integrity, national independence, non-use of force, non-interference in each other's internal affairs and peaceful settlement of all disputes are not truly observed, disputes will remain a hard nut to be cracked in the future. ■

## More on 'One Country, Two Governments'

by Li Jiaquan

*The article "Taiwan's New Mainland Policy Raises Concern" by Li Jiaquan, published in our issue No. 21 last year, pointed out the essentials of this policy and the harm it would bring about. The article enumerated the reasons why the policy is impractical and urged the Taiwan authorities to carefully consider their position which could lead to a long-term division of the country.*

*Unfortunately, the Taiwan authorities, ignoring the advice and opposition of the Chinese people, openly dished up the "one country, two governments" as a policy decision and have thus aroused the vigilance and anxiety of all Chinese concerned with the future and destiny of the motherland.*

*Why have the Taiwan authorities presented the "one country, two governments" policy at this time? What are its crucial points? How will the relations between the two sides of the Taiwan Straits develop? The author discusses these issues in this article.—Ed.*

**B**etween March and April last year, some Taiwan Kuomintang officials dished out as a test balloon the policy of "one country, two equal governments." Opposed by people in various circles, the Taiwan authorities were forced to revoke it, and announced that it was not an official policy. After an eventful year, however, the Taiwan authorities have now formally advanced this idea as a policy decision, declaring that "one country, two governments" is a political reality." Although Lee Teng-hui did not mention the phrase "one country, two governments" in his "presidential" inaugural speech made on May 20, he did stress the "equal status" to be shared by the two sides of the Taiwan Straits and, in fact, affirmed "the political reality of 'one country, two governments.'"

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(*Central Daily News*, Taiwan, May 22, 1990)

### The Same Old Tune

What is the policy of "one country, two governments"? In my article entitled "Taiwan's New Mainland Policy Raises Concern" published by *Beijing Review* in May last year, I mentioned three basic points:

The first concerns the principle of sovereignty; each side of the Taiwan Straits holds its own "independent sovereignty." Taiwan no longer insists that it is the sole legitimate government of China, but in the international arena, it still insists that it represents a country "with full sovereignty." Its short-term goal for this policy is to regain membership in some regional and international organizations, while in the long term it hopes to rejoin the United Nations. Recently, the Taiwan authorities stressed that the "republic of China" was an indepen-

dent sovereign state." (*China Daily News*, Taiwan, May 21, 1990). In fact, this is nothing but a hackneyed tune of the "share of sovereignty."

The second is over the principle of equality. The KMT insists that the relationship between the governments on the mainland and Taiwan be one of equality rather than one subordinate or subject to the other. The mainland government, according to this view, would rule the mainland, while the Taiwan government would continue to rule the islands of Taiwan, Penghu, Jinmen and Mazu. Both of them would be "legitimate," equal "political entities ruling China." The Taiwan authorities recently said that "dialogue must be conducted on the basis of one China, government-to-government and on an equal footing between both sides" (Taipei, May 16, 1990 AFP release in English). There is nothing new in this statement compared with their previous

ones.

The third is over the principle of transition. The Taiwan authorities hold that "within one China there would be two equal governments, each catering to its own status quo on either side of the Taiwan Straits while causing no harm to the prospect of the peaceful reunification of China. From a long-term perspective, there will surely be only one country with but one government; but from a short-term point of view, there can only be one country with two governments.

One high-ranking Taiwan official recently said that the "principle of 'one China' we have stressed does not refer to the present," but rather indicates that "someday we must be reunited." (*United Daily News*, Taiwan, May 23, 1990). That is to say, the "two China" policy is still seen as a transition to "one China." This is, in essence, the same as the "expediency" and "two Chinas" theory preached by the *Central Daily News*.

It can be seen that compared with last year, there is nothing new in the statement on "one country, two governments" put forward this year by the Taiwan authorities. If there is anything different, then they may be, first, that the statement was made in a mild manner and no vehement anti-Communist slogans were used; second, the direct call to the People's Republic of China under the Chinese Communist Party, hinting Taiwan's recognition of the legitimacy of Chinese Communist regime; third, the mention of the question of negotiation between the two sides, indirectly negating the "three no's" policy (no contact, no compromise, no negotiation). At first glance, these changes seem to be more reasonable, pragmatic and progressive; but if one goes deeper into them, one will find that they not only remain the same in

content, but openly raise excessive demands that cannot be met. For example, they demand that the Chinese Communist Party "institute political democracy and a system of economic freedom" on the mainland, and that it "abandon the use of force" in the Taiwan Straits and refrain from obstructing the Taiwan authorities from "developing their foreign relations."

In fact, these changes are nothing new but are only given a new package, so that they are even more misleading. Their general goal remains the same: to realize "two equal governments," "return to the international community," negate the status of the government of the People's Republic of China as the sole legal government representing all Chinese people, and create a situation of "partition of sovereignty," "a share of the right to rule," and "two parallel central governments." There is not a "one China" shadow to be found here, but rather under the name of "one China," they are genuinely creating "two Chinas," or "one China, one Taiwan." A Hong Kong newspaper hit the nail on the head when it said that the "one country, two governments" formula put forward by the Taiwan authorities is actually tantamount to recognition of "one China, one Taiwan" and that "on the question of one China, Lee Teng-hui goes backward compared with Chiang Ching-kuo" (*Hong Kong's Sing Pao Daily News* May 22, 1990).

### Wishful Thinking

Since there is nothing new in the formula, why have the Taiwan authorities sung the same old tune at this moment? This is closely related with their analysis of the current situation and with a certain illusion they have cherished. Let's have a look at two paragraphs in Mr. Lee Teng-hui's

inaugural speech. He said, "We are living in a great era of an ever-changing situation. Humanity's pursuit of political democracy, economic freedom and world peace, like a raging tide, surges ahead irresistibly."

"At a time when communist countries around the world, including Soviet Russia, have declared the abandonment of one-Party dictatorship and the communist economic system, the Chinese Communist Party really has no reason or strength to resist this tide over the long term." (See *Central Daily News*, Taiwan, May 21, 1990)

What do these words mean? To put it plainly, they mean that communism doesn't work and so the socialist countries, and the Chinese Communist Party's mainland regime won't last long; the two sides across the straits, in the final analysis, will be reunified by the Kuomintang. This is really a "beautiful yet romantic" dream. No wonder he stressed in his speech that Taiwan "cannot place itself outside the mighty current of this era, "but rather should "seize this opportunity to rise and do all we can so that we can successfully fulfil our historical mission in the next six years."

Winston L.Y. Yang, a Chinese-American scholar who belongs to the pro-Kuomintang "mainstream group," and dean of the Asian Studies Department of Seton Hall University of the United States, commented on and explained Lee's speech. He said that the Taiwan authorities' "mainland policy" at the present stage was to "urge the Chinese Communist Party to move towards the road of political democracy, free economy and pluralist society," and to advance towards the future "one country, one government" and "one country, one seat" through the present "one country, two governments" and "one country, two seats" (see

*Central Daily News*, Taiwan, May 22, 1990).

That is the most important reason why the Taiwan authorities have dished out the "one country, two governments" formula at this moment. This goal, however, is really too naive and too illusory; it is mere wishful thinking.

True, currently many socialist countries are faced with differing degrees of difficulties, and China's mainland is no exception. But to jump to the conclusion that socialism no longer works and that socialist countries cannot continue to exist is ridiculous and short-sighted.

The establishment, consolidation and development of any society won't be plain sailing. Take the capitalist system for example. Over a period of more than 300 years since the British bourgeois revolution in the 17th century, the capitalist system experienced many hardships, setbacks, failures and even restoration before it was established, consolidated and developed. The socialist system is only some 70 years old since its establishment after the Russian October Revolution. Since New China, only some 40 years old, started construction at a time when it economically lagged far behind the developed capitalist countries, the formidable difficulties can be imagined. Facts prove that China's development is much faster than that of the capitalist countries. For various reasons, however, the superiority of socialism has not been brought into full play, and, economically, the socialist countries have not been able to catch up with the developed capitalist countries with their benefit of several hundred years of development. The socialist system needs to be improved in many aspects. If one fails to see its achievements already gained, however, particularly its bright prospect and strong vitality, and instead tries to eliminate socialism, one

will not only never achieve such an end but will expose short-sightedness and historical ignorance.

Over the past 40 years, both sides across the straits have achieved differing degrees of economic development. Due to various favourable conditions and factors, including certain lessons drawn from its failures in its past rule over the mainland, Taiwan has managed comparatively rapid economic development by the adoption of some practicable measures. As Chinese, we are equally pleased with this achievement. The mainland's economic development is also evident. Its national strength and the improvement in its people's living standards far surpass the situation which existed under Kuomintang rule. When the difficulties facing the mainland in its advance can be completely overcome, a new developmental situation will soon unfold before the people. The economy of either side of the straits has its strengths and weaknesses. Although the mainland's current level of economic development is not as high per capita as that of Taiwan, its development potential is great and its prospects promising; Taiwan's economy, though still booming, is beset with problems and hidden worries. Under such circumstances, it is fully possible for both sides to work in cooperation, to make up each other's deficiencies and so strive for China's rejuvenation.

I have noticed that many patriotic personages on Taiwan Island, including many patriotic industrial and commercial business people, prompted by this idea, are actually working to further the development of economic, trade and other contacts between the two sides across the straits. Some people in the Taiwan authorities, however, in a miscalculation of the situation, have adopted some measures con-

trary to popular feelings and put forward their "mainland policy" with the "one country, two governments" as the main theme. This is a salient example. This line of action is not only wrong and unfavourable to Taiwan's development, but cannot have the consent of the Chinese Communist Party.

### A Dangerous Road

The Taiwan authorities, in words, demand that the mainland "increase goodwill," and "reduce animosity," while in deeds, they have adopted many measures that "show no good intentions" and "increase hostility." Examples are cited as follows:

One is launching a "silver bomb offensive." Since last year, on the strength of their "economic trump card," and "foreign-exchange superiority," the Taiwan authorities have tried their utmost to draw over those countries that have diplomatic relations with the People's Republic of China. They have succeeded in a few countries. Beside themselves with joy, the Taiwan authorities see such a "success" as the first step to create an established fact for the "one country, two governments" formula.

One may ask: Could the government of the People's Republic of China submit to such a "silver bomb offensive"? I fear that Taiwan's action not only cannot help achieve its aim, but will aggravate antagonism between the two sides across the straits and between the Kuomintang and the Communist Party. It is an act which not only ignores the wishes of the 1.1 billion Chinese people, but will never win popular support.

The second is the peddling of the "Taiwan experience." The Taiwan authorities place the emphasis on so-called "political democracy," and "economic freedom," and, finally, the

reunification of China through a "Taiwan model." To be frank, the Taiwan authorities know better than anyone else what sort of "political democracy" and "economic freedom" they preach. What the mainland needs is, politically socialist democracy, and economically, the integration of planned economy and market economy. Although what has been done in these respects is not quite satisfactory, the mainland will continue to work for these goals. The mainland people will never accept the kind of "freedom" and "democracy" that are divorced from China's national conditions and would lead China to become a political and economic appendage of the West.

The third is vilifying the "one country, two systems" concept. In fact, the concept is of everything beneficial and nothing harmful to the Taiwan authorities and the Taiwan people. What is yours remains in your possession; what is mine will have a little bit taken out for you. Specifically, Taiwan will remain under its own administration, not one soldier from the mainland will be stationed there, and the central government on the mainland will keep a certain number of seats reserved for Taiwan; Taiwan residents, as part of the Chinese people, can participate in the management of not only Taiwan but also the mainland. They are masters of Taiwan as well as of the mainland. Isn't this to their best interest? Some Taiwan officials and the press, however, have described the "one country, two systems" concept as all bad, as "inducing surrender," "a vicious plot," "a pitfall," and "a fraud." Perhaps this is due to long-term antagonism or perhaps the Taiwan authorities have become overly indulgent in assumptions. Some people, not clear about the meaning of "one country, two systems," also oppose the concept and raise a hubbub.

In the past, the Kuomintang, catering to its political needs, described the Chinese Communist Party as something more frightful than a devil. As a result, no one dared to contact the mainland under the Chinese Communist Party. The 40 years of separation from the mainland gave rise to the idea about "the independence of Taiwan." In his late years, Chiang Ching-kuo, conscious of the danger of such action, began to allow people to visit relatives on the mainland. Now, the new Taiwan authorities seem to have forgotten this lesson and keep on slinging mud on the "one country, two systems" policy, while at the same time countering it by presenting their "one country, two governments" formula. Isn't this question—What will be the consequence if they go on this way?—worth pondering?

I think it is the "one country, two governments" formula that courts the real danger.

One is the question of "sovereignty." Since there is one China, there can only be unified sovereignty. Consequently, there can only be one legitimate central government representing the country. Kuomintang rule was overthrown in 1949 on the mainland, so whether in common sense or in legal principle, according to internal law or international law, in regard to domestic and international matters, the Taiwan authorities cannot represent China. If the Kuomintang ignores all this and insists on dividing up the unified sovereignty and creating two parallel sovereign governments, isn't this an attempt to create "two Chinas" or "one China, one Taiwan" and an act against popular feelings.

Second is the question of "equality." The two sides across the straits, as they have been, are not equal. As has been well-known for a long time, there is only one China and Taiwan is a province of China. The popula-

tion of Taiwan accounts for only 1/55 of the country's total, and its land only 1/270 of the nation's total territory. With such a relationship, formed in history, of the main body to the limb and the mother to the child, how can they be in complete "equality"? If that was the case, China would be divided into many equal governments. To do so would only lead to the establishment of separatist regimes by men of power, fighting against each other, continuous disasters of war, and a miserable life for the people. Under such circumstances, how is it possible to talk about the rejuvenation of the Chinese nation and make it stand independently as a power in the galaxy of nations.

Third is the question of "transition." The assertion that "two Chinas" can be taken as a "transition" to "one China" is nothing but an excuse. Since both sides are considered to be political entities and have an "independent sovereignty" or an "independent international personality," how can it be guaranteed that the transition is carried out towards "one China" and not further towards "the independence of Taiwan"?

The "one country, two governments" formula is, as far as Taiwan is concerned, "an independent Taiwan." This means, under the signboard of the "Republic of China," creating a "quasi-state of Taiwan." Between an "independent Taiwan" and the "independence of Taiwan," there is not an unbridgeable gap. At a recent meeting held in Los Angeles, USA, some people who energetically advocated the "independence of Taiwan" openly pointed out that "the Kuomintang is now following the model of an 'independent Taiwan,' and, in fact, is only another form for Taiwan to independently build the country. In doing so, the Kuomintang's aim is no more than to "consoli-



date its regime" and "gain popular support." (The *Taiwan Times*, June 3, 1990). If someone, in the future, considers the time is ripe and so "slips out of a predicament like a cicada sloughing its skin," gets rid of the signboard of the "Republic of China, wouldn't that be a "state of Taiwan," pure and simple?

Certain people on Taiwan Island assert that the "independence of Taiwan" results from the policy of the Chinese Communist Party and from the "one country, two systems" concept. This means that since the mainland rejects the "two Chinas" proposal and leaves no "survival space" for Taiwan, then Taiwan has no other alternative than to follow the road of the "independence of Taiwan." This completely puts the cart before the horse. In fact, precisely because the Taiwan authorities do not want reunification, they deliberately distort and blacken the "one country, two systems" concept. The result is that some people feel there is no way out and so try to find a way leading to the "independence of Taiwan." In their eyes, it would be better to achieve the "independence of Taiwan" than to go in for an "independent Taiwan." It is these people that are now intensifying the plot for this goal in the United States; they've indicated they would "strive to be the first to complete the 'construction of an independent Taiwan'" so that "the Kuomintang regime would collapse." (*Taiwan Times*, June 3, 1990). It is thus clear that the root of the "independence of Taiwan" is in an "independent Taiwan," which provides suitable soil and conditions for the "independence of Taiwan." What danger an "independent Taiwan" is!

### Seeking Way to Dialogue

From the authorities in power on both sides of the straits, one

hopes for an early step towards reunification and the presentation of the "one country, two systems" proposal; the other hopes to maintain the present state of division and has put forward the "one country, two governments" formula. How to break this deadlock? Some Kuomintang personages, in sentiment, do not want to abandon the signboard of the "Republic of China." This is understandable, but it is divorced from reality; those who want to bring this signboard back to the mainland are really indulging in fantasy. The road of "an independent Taiwan" can never lead to the preservation of this signboard. One cannot formulate one's policy on the basis of sentiment, still less can he base his future on fanciful ideas. Both sides should squarely face the reality, seek truth from facts and strive to reasonably solve the problems left over from history through consultation and dialogue.

I am glad to notice that there are such words in Mr. Lee Teng-hui's inaugural speech as "Taiwan and the mainland are inseparable parts of China," "all Chinese are compatriots with blood links," "China's reunification and prosperity are the common expectations of all Chinese" and "at this moment when all mankind is hoping for conciliation, all the Chinese should seek to reach the common goal of the country's reunification through a peaceful and democratic method." (*Central Daily News*, Taiwan, May 21, 1990). If these remarks of Mr. Lee Teng-hui were given with sincerity and if his words matched his deeds, then they would be the foundation for a great "common understanding" of both sides of the straits and the "common basis" for consultation and dialogue between both sides. At present, as the "ice" lying between both sides is thawing and a

course opened, both sides should treasure this favourable development trend so that it will move ahead in a healthy and more favourable direction towards the peaceful reunification of the motherland.

The seeking of dialogue between both sides of the straits is already on the agenda. The most important thing is that both sides should have sincerity. One demonstration of this is, in seeking dialogue, no preconditions should be raised; the second is that, regarding the method of dialogue, individual consultations can be conducted first. It is my view that so long as both sides are really prompted by a sincere desire for the reunification of the motherland, then it won't be difficult to solve other secondary problems through consultation.

It is said that the Taiwan authorities do not wish to negotiate with the mainland because they have many misgivings: first, they fear that people on Taiwan Island would have divergent opinions and such a step would affect public morale; second, they fear some people in the world would be terribly suspicious and would complain that Taiwan had taken "too fast a step"; and, third, they fear they would fall into the mainland's "united front trap." In fact, these are all unnecessary worries. If the Taiwan authorities are not doing things involuntarily, they should have the confidence to participate in negotiation.

In short, since the 1980s, relations between both sides have improved and developed tremendously. In the 1990s, that is, in the next ten years, I earnestly hope there will be substantive and outstanding progress on the basis of what has been achieved so far. If this is realized, then the Chinese people and the Chinese nation will be very fortunate indeed! ■

## The Labour Service Market in China

by Our Staff Reporter Li Ping

*One outcome of the nation's labour and employment reform is the labour market's increasingly important role in providing jobs, facilitating labour mobility and handling surplus labour force. How to improve the labour market has thereby become a significant matter in the reform of the employment system.—Ed.*

In 1989, China provided jobs for 3.8 million urban people, 1.8 million of whom were employed with the help of employment agencies at various levels. The nation has set up more than 3,000 such agencies which provide information about the labour market and extend a helping hand to those seeking work. They cover almost every county or urban district of China. Quite a number of the large and medium-sized cities have developed labour information networks, promulgated rules and regulations, set up labour offices and appointed professional personnel for the work.

In its simplest sense, the employment agencies set up by all levels of labour departments involve a variety of public employment services. They provide information about the labour market and help applicants find jobs or help them prepare for occupations and careers in which labour needs appear likely. Those seeking work and those enterprises in need of employees can meet directly and determine if their capabilities and requirements match.

Since 1979, China has carried out a series of reforms to its centralized economic structure through the introduction of "market" factors into the planned economy. The labour and employment system reform

designed to change the past practice under which the government served as the sole job provider and once someone was given a job, he was likely to stay with it the rest of his life by necessity is a very important aspect of the nation's reform of the economic structure.

### Employment Service

At Beijing's Xicheng District Labour Bureau located at Yuetan Park, one junior middle school graduate wanted to find a permanent job, after serving as a temporary worker at a collectively owned enterprise. "I come here every Friday morning," she said, "and I hope to find a regular job. My father is dead and I have no option when looking for work other than to come here." The young woman is only one of many job seekers who come to the bureau.

According to Wang Zhenliang, head of the labour market, a majority of Chinese people might not have known what an employment agency meant ten years ago. At that time, the unified assignment of college students was in line with the state plan and students were assigned to their posts by personnel departments as cadres. These people could be compared to the white-collar workers in Western countries. Labour departments at all

levels were in charge of employment for urban middle school graduates who were not likely to or had already failed to pass their entrance examinations. During the past few years, however, because of the return to the city by hundreds of thousands of educated urban young people who had gone and worked in the countryside and mountain areas during the "cultural revolution" (1966-1976) and because of the annual increase of middle school graduates as a result of population growth, the state, despite all its active measures, was unable to find jobs for all graduates. The young people, nicknamed "job-waiters" could do nothing but wait at home for a state assignment. On the other hand, work units needing people could only wait for people to be assigned to them since they had no right to employ people on their own.

The current labour market is designed to bring together employer and employee under a free choice option. Wang said that his labour market holds public employment talks every Friday, when young job-seekers can choose occupations most to their liking and ability and enterprises can employ those who suit their needs. The stiff competition in the labour market can, on the one hand, urge job-waiters to study various techniques and im-

prove their skills and, on the other hand, encourage the enterprise to improve its working conditions and environment and improve its economic performance so as to be more attractive to job-seekers.

Wang also said that labour market is more than a meeting place of supply and demand forces. It also solves problems. It is more difficult for young people in their late 20s and early 30s, females and people with criminal records to get employed. The labour market thereby acts as an interlocutor for them. To date, they have met with some success. For instance, after first insisting on employing only males under 22 years old, the Beijing Tyre Factory agreed later to extend its age limit to 25 years old and to consider both males and females.

However, there are still some who question the efficiency of the labour market. According to Jiang Shaocai, official of the Labour Administration of Heilongjiang Province, China's labour supply far exceeds labour demand and the labour market system is not capable of dealing with the problem. Heilongjiang Province is one example. This year the province has 413,000 people waiting for jobs, only about 161,000 of whom can be employed because of the economic retrenchment. That is to say that more than half of these people will find no work to do if they merely rely on public employment services. Therefore, Jiang suggested that necessary administrative measures be taken to deal with the problem and thus assure that people can keep a decent standard of living and social stability can be maintained.

### Flow of Labour

Before the labour and employment system reform was begun,



*YU HUIRU*  
Workers not satisfied with their present posts and those who want a job near home try their chances at a job agency of the Shoudu Iron and Steel Company. The company is in urgent need of additional labour.



*CAO SHI*  
Job-seekers browsing at an employment conference held in the Xuanwu District of Beijing.

it was difficult for people to change their work however much they desired.

The first problem affecting labour flow was that some enterprise leaders regarded employees as enterprise property. For example, one company stipulated that people who wanted to transfer to other posts must leave in three months from the day he applied for the change or they will receive no pay from the company

except for state food subsidies; apartments assigned to them by the enterprise must be returned; before any transfer formalities, wives of these male workers must be transferred from the company as well (if they worked for the same company); and technicians could only leave after their equivalents were brought in. Of course, the leaders did have legitimate reasons for such rules because the people who wanted to



XU XIANGJUN

Some young people scan job listings in front of the Employment Agency of Xicheng District of Beijing.

leave were often the backbone of the company. It was extremely difficult for them to fill posts under the system of "unified deployment of labour force."

In addition, there were no labour markets at that time and some people who wished to switch to a new post often had to resort to the "back door" for any change. Others, however, simply had no access to this method.

The appearance of labour markets, Wang Zhenliang noted, created good conditions for the solution to these problems. Among people who wish to have new jobs, some are working on a post not suited to their special training, some desire higher salary, some have bad relations with their employers, and others live at a long distance from their working units.

"Most of their demands are reasonable," Wang said. In addi-

tion to providing timely information on the state of labour market for job-seekers, our labour market also sponsors talks between employers and job-hunters every Wednesday. There is no "back door" to the labour market. It offers equal competitive opportunities for all job-hunters. One young man, Zhou Jie by name, was offered four positions at one talk because he is a capable driver, stoker and electrical technician. On the same day, some 50 other people with such skills as electrical engineering and welding were also found new jobs.

For those unable to change jobs because

of restrictions placed upon them by their employers, the labour market will contact the work units directly to discuss the government's policies of encouraging reasonable flow of labour. If such mediation does not work, it will help the workers to resign from their posts and place their personal files in the personnel departments of their new posts. Having completed technical secondary school courses in economic management, Ji Jingli, a nurse in a kindergarten, wished to switch to a more suitable post. She tried for half a year but the kindergarten did not allow her to go. The labour market went through the transfer formalities on behalf of her in a very short time. "I had no 'back door' to the Labour Bureau of the Xicheng District of Beijing," the grateful woman said, "so I came to the labour market. To my surprise, it

solved my problem in only two days."

With the deepening reform of the labour and employment system, more and more enterprise personnel have come to realize that labour flow is an inevitable outcome of the changes of the planned commodity economy. Only in this way can a reasonable distribution of labour force be brought about. To keep staff, the enterprise has to raise production and economic performance, reward good workers and punish bad ones. High-handed administrative measures no longer work today.

### Surplus Work Force

During the past few years of reform, the state has experimented with what was called "optimizing labour mix" in some enterprises in order to reform the ossified labour system. An obvious problem resulting from the experiment is to find a way out for the in-house jobless. Statistics show that 80 percent of the state-owned enterprises are 15 to 20 percent over-staffed. In other words, there are altogether 15-20 million people in need of reassignment.

Partly because the existing labour markets are local, making it difficult for labour to flow nationally, and partly because a national unified unemployment insurance system remains unestablished, and people are psychologically vulnerable to open unemployment, it is difficult to leave solutions to the problem of the unemployed up to society. To do so would affect the country's political, economic and social situation and create unstable factors. So, at present, a majority of the in-house unemployed must be reassigned within enterprises. The Harbin Bristles Factory of Heilongjiang Province, for example, has done a good job in this aspect. It organized 300 people

trimmed off its staff of 1,700 to grow fruit and vegetables or to do other services. As a result, in addition to keeping its workers employed, it cashed in handsomely on these service items.

However, not all enterprises can find the means to put their idle employees to work. The labour market is thus one alternative to bring about a reassignment of labour.

Today, the following types of labour market are seen:

**Inter-enterprise labour market.** These are run by enterprises which have more workers than needed. To solve the problem, they invite enterprises in need of people to employ their workers.

**The labour market of the same trade.** It is run by the higher authorities in charge of enterprises of a particular region or trade. By holding talks among employees and employers, they help both sides find each other's matches.

**Social labour market.** They are run by the state's labour departments, where everyone and enterprise choose what they need.

Many enterprise personnel believe that the redistribution of labour force through labour market can both fulfill enterprise needs and improve workers' quality by reducing the number of temporary farmer-turned workers. The Repairing Company of Xicheng District in Beijing is one example. It used to pay 40,000 yuan every month to its 500 in-house jobless workers made superfluous by structural readjustment. Through the work of the labour market, however, over 400 workers have replaced posts originally held by farmers in the service trade of cleaning, washing and running lifts in the Yulong Grand Hotel, the Bank of China and etc. The effort has thus lightened the enterprise's burden and provided income for the otherwise unemployed. ■

## Urban Employment Situation

by Ni Songxin

**T**hree forms of urban employment in China have been taken since the economic structural reform began in 1979—employment upon recommendation by labour departments, voluntary organization of working groups and self-employment. In all cases, however, employment is conducted under the state plan and guidance.

In the ten years between 1979 and 1988, the government provided jobs for some 78 million people or 50 percent of the job-seeking population in urban areas. This brought down the percentage of job-hunters from the peak rate of 5.4 percent in 1979 to around 2 percent in 1984.

This low rate, however, lasted only two years and China is now experiencing another peak. Whether the government can deal with the problem as well as it did after 1979 will have a major impact on the on-going economic readjustment and on socio-economic stability.

### Current Situation

Given its population of 1.1 billion people, China has an excess of labour, an imbalance which stood out all the more conspicuously in 1989. While the natural growth of urban labourers has seen no decrease, increasing numbers of farmers have swarmed into the urban job market. At the same time, labour needs were reduced. Statistics show that by the end of 1989,

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more than 3.78 million people were seeking jobs in the urban areas, making up 2.6 percent of the total urban population or 0.6 percentage points higher than the low level of 2 percent prevalent during the previous five years. Moreover, all signs indicate that the ranks of job hunters will continue to swell in 1990 and 1991.

Compared with the 1979 employment peak, the current situation is notable for the following features:

—**The economic environment for employment is more restrictive.** In 1979, when China faced a peak number of job hunters, it was able to offer employment because the nation had just begun to implement the policy of reform and opening up and had begun to undertake large-scale economic construction which required a lot of labour. At present, however, various enterprises are cutting the size of their work force. The entire nation is locked into the economic readjustment and there is a concurrent shrinkage in the scope of capital construction and a readjustment of the industrial structure. Under such a change, those seeking employment discover it is more difficult to find jobs.

—**The urban job market faces an increasing influx of rural surplus labour.** In 1979, when China introduced the economic structural reform in the rural areas, the contract responsibility system with remuneration linked to output provided an incentive for farmers to engage in sideline occupations. This put the bulk of surplus labour to work in local township enterprises. The pre-

sent situation is quite different. In the last few years, many agricultural people, a few million each year, took up non-agricultural positions. Half of them have to be reemployed. Moreover, there has been a large influx of rural surplus labour into the cities, bringing about a tighter urban job market.

### Countermeasures

In order to resolve this employment dilemma, the Chinese government has reaffirmed certain policies and undertaken a series of measures. These include:

—Upholding public ownership and the continuing diversification of the economy.

This is considered an important means to solve the urban employment problem. In addition, China will continue to resort to the above-mentioned three kinds of employment methods. In 1990, a year crucial for economic readjustment, enterprises with whole-people ownership are unlikely to offer enough openings. The collective economic sectors, the individual and private economies, therefore, will be encouraged to recruit



XU XIANGJUN

Job-hunters seek employment information on the street.

more people. To this end, China will adopt the following measures.

\* encourage and provide guidance for more people to become self-employed, a move designed to promote the development of an urban collective economy;

\* encourage the individual and private economies to develop within the realm of the state law. Their development will enable them to play an increasingly important role in boosting social

production and providing more job openings;

\* encourage the development of small and medium-sized labour-intensive enterprises which require less investment. It is necessary to create the necessary conditions for the development of social service activities and mobilize job-hunters to undertake such work; and

\* continue to run well labour service companies. These are collectively owned social economic organizations geared to employ the jobless. They are provided with state aid in the form of tax reductions or exemptions. In the urban areas, these companies play an important role. According to statistics, between 1979 and 1988, they arranged placement for 14 million people. In the future, they will continue to place an equal stress on social and economic benefits, building up production bases and diversifying the economy to create more job openings.

—Strengthening macro-management over the labour force by controlling the mechanical growth of urban labour. This is a major means by which to ease the tight job market.



An employment information stand of Beijing's accounting schools.

CHAO SHI

Local surplus labour should be encouraged to work in other fields such as forestry, animal husbandry, fishery and sideline occupations. At the same time, those who switched their residency from agricultural to non-agricultural fields shall be encouraged to work in rural enterprises;

Those who travel to cities in search of work will be required to register for job certificates. This will strengthen planning and the building up of a labour supervision system.

Efforts will also be made to reduce the number of workers who are suspended from work during the economic readjustment period. Enterprises shall be requested to solve the problem by opening up new production fields or organizing workers into a technical training programme. Some may be transferred to other factories.

—Giving full play to the important role of various placement service organizations.

Concurrently, they number about 3,000. Through provision of employment information and job recommendation, they play a positive role in organizing the exchange of labour.

Efforts will be made to provide pre-vocational training and training for those needed to be replaced. Thus far, there are more than 1,860 such training centres in China.

In order to demonstrate the nation's concern and care for those waiting to be employed, China set up in 1986 an insurance system for state-owned enterprise workers. In the future, efforts will be made to strengthen management over unemployment insurance funds to provide job seekers with sufficient social security. Efforts will also be made to study how to perfect the system and expand insurance coverage. Such efforts are certain to help those seeking work and ease the burden on society. ■

## Facts and Figures

# Urban Employment in 1989

New successes were made in 1989 in China's job assignment.

Statistics indicate that a total of 6.2 million urban people were offered jobs in 1989. Although the number meant a drop of 2.24 million people from the figure of 8.44 million assigned in 1988, it matched the 1983 level of 6.28 million.

Of the 6.2 million new employees, 1.2 million were recruited from rural areas, 2.77 million from cities and towns, 1.45 million were recent graduates of colleges, secondary vocational or technical schools, and the remainder amounted to 780,000 people.

In line with the government policy, 3.67 million people were assigned to work in units owned by the whole people, 1.92 million in collectively owned units, 240,000 in joint ventures, foreign-funded enterprises and units of other ownership forms, and 370,000 were self-employed workers.

There were 3.78 million people waiting for jobs in cities and towns throughout the country at the end of 1989, while the unemployment rate was 2.6 percent, a 0.6 percentage points higher than in 1988.

By the end of 1989, total employment in China's cities and towns had amounted to 143.9 million people, an increase of 1.23 million people over 1988, the least increase ever since 1979. This helped reduce the pressure on cities and towns and promote the task of improvement and rectification of the economic environment and order. In the past year, some changes have taken place in the pattern of urban employment. They include:

**Different Ownerships:** By the end of 1989, workers in the units owned by the whole people numbered 101.08 million, an increase of 1.24 million people over 1988, or a rise of 1.2 percent; workers from other kinds of joint-managed enterprises totalled 1.32 million, 350,000 people more, or an increase of 36.2 percent; workers from collective ownership totalled 35.02 million, a decrease of 250,000 people from 1988, a drop of 0.7 percent; and self-employed workers numbered 6.48 million, a reduction of 110,000 people.

**Different Professions:** Of trades with reduced staff, as a result of curtailment of investment, the construction industry reduced 590,000 workers;

agriculture, 90,000; geological prospecting, 30,000; and post and telecommunications, 90,000. Of trades in which workers increased, 640,000 people were added to the field of industry; 420,000 to government institutions and public organizations; 360,000 to commerce and catering trade; 270,000 to units of education, culture and the arts; and a slight increase in real estate, public health and sports, scientific research and banking.

**Different Industries:** By the end of 1989, the tertiary industry had 61.9 million workers, an increase of 1.31 million people over 1988. The industry's proportion of recruited workers increased from 42.5 percent in 1988 to 43 percent; the secondary industry had 73.58 million workers, an increase of 20,000 workers, and the primary industry had 8.43 million workers, a reduction of 90,000 workers.

**Different Employment Systems:** In 1989, in the work units owned by the whole people, workers permanently employed by the state increased 0.6 percent to 76.45 million, an addition of 470,000 people over 1988. Workers employed by contract reached 11.9 million, an increase of 1.82 million people, or a hike of 18.1 percent. If workers employed by contract by collectives and units of other forms of ownership were included, the number was 14.68 million, a jump of 2.34 million people, or an increase of 19 percent. Workers who do odd jobs totalled 3.25 million, a rise of 120,000 people, and workers who obtained assignments outside plan totalled 9.48 million, a decrease of 1.17 million people, or a fall of 11 percent, basically in keeping with the annual plan for sending back workers and staff recruited through over-planning. ■

## Foreign Trade Grows Steadily

by Zhang Peidong

Since the June 4th event of last year, some doubts and conjectures regarding the current state and future prospects of China's foreign trade have been raised in the international community. Some people think China's foreign trade business has shown a downturn. The facts, however, show this not to be true. China continued to achieve steady development in its foreign trade after overcoming the difficulties caused by last year's social disturbances and international economic restrictions.

### Increased Exports

Customs statistics show that total exports and imports reached US\$111.6 billion last year. Of this figure, US\$52.5 billion was in exports, a 10.5 percent increase over the year before, and US\$59.1 billion was in imports, a 7 percent increase. In the first three months of this year, exports reached US\$10.79 billion and imports US\$9.97 billion, 11.64 percent higher and 13.69 percent lower than those of the corresponding period in the previous year. The imports and exports were thus basically balanced with just a little surplus.

Those goods with an average export volume of over US\$1 billion each are petrochemicals, textiles, farm and sideline products, machinery and electronic products. The export volume of petrochemicals was the largest at

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US\$4 billion. In this category, oil exports increased by 9.96 percent.

The export volume of another 30-plus varieties of goods is over US\$30 million each. They include medicines, sugar, tea, silk, aquatic products and household electrical appliances. Exports of two-thirds of these products increased by 10 percent compared with the same period last year. Exports of cotton cloth registered the biggest increase with 84.51 percent.

The countries and regions to which China exported goods in greater volume are Japan, the United States, Federal Germany, the Soviet Union, Britain, Italy, France, Hong Kong, Macao and Taiwan. Exports to these areas totalled US\$8.4 billion, a 7.79 percent increase over the corresponding period last year.

As China's 67th Export Commodities Fair in Guangzhou came to an end on April 30, China concluded a number of business deals totalling of US\$5.65 billion, a slight increase over the last fair. This year's fair was the biggest in history, with 40,287 people from 105 countries and regions participating.

### Rational Structure

Statistics from the Ministry of Foreign Economic Relations and Trade show that the proportion of industrial products in exports increased to 70 percent in 1989, while that of primary products and raw materials decreased further. Exports of machinery, electronic products, finely pro-



## CHINA

cessed products and high-tech goods accounted for 20 percent, continuing to show a steady annual increase. Roughly processed products have presented a wider variety, more designs and improved quality.

Exports of machinery and electronic products and other high-tech goods expanded faster than that of farm and sideline products and primary products. In the first three months of this year, exports of machine tools went up by 11.61 percent, TV sets 55.92 percent, and radio cassette recorders and hi-fi equipment 75.72 percent.

The composition of imported goods has improved too. In the first quarter of this year, the major imported goods were: grain, 2.98 million tons, a 5.69 percent increase over the corresponding period of last year; natural rubber, 79,000 tons, an 83.5 percent increase; iron ores, 2.44 million tons, a 12.43 percent increase; crude oil, 300,000 tons, a 44.04 percent increase; edible oil, 190,000 tons, a 50.96 percent increase; aluminium and alloy aluminium, 38,000 tons, a 97.98 percent increase; and copper and

alloy copper, a 146.97 percent increase.

Imports of luxury durable consumer goods dropped considerably. In the first three months of this year, China imported 1.34 million kinescopes, 48.46 percent less than the same period last year, and 14,000 cars and chassis, a 15.09 percent drop.

### Improved Circumstances

China has made efforts to expand foreign trade and, as a result, gradually improved its investment environment.

Many foreign business people have restored relations and expanded their areas of cooperation with China. For example, the above-mentioned 67th Commodities Fair attracted more foreign business people than any previous one. Moreover, some governments and international monetary and financial organizations have resumed lending and investments. The World Bank began to partially offer loans to China, the Japanese government is planning to free up the third package of loans and US President George Bush announced his

decision to continue giving China the most-favoured-nation status in trade.

In addition, China has improved its economic and trade relations with the Soviet Union, East European countries and other third world nations. From January to April this year, China imported US\$300 million worth of technology and equipment from the Soviet Union.

China has taken some steps to readjust its foreign trade. It has improved its production structure and product mix, brought inflation under control and closed more than 800 foreign trade companies which had records of poor performance.

Also, the Chinese government revised the Law on Chinese-Foreign Joint Ventures which had been in effect for ten years and extended the period of joint investment from 30 to 50 years. The revised law also stipulates that either a foreign or a Chinese investor can be appointed chairman of the board of directors of a joint venture, an improvement in environment for the foreign partner. In addition, China has enacted the Interim Provisions of

The Sanrong Shoes Co. Ltd. in Zhuhai exports all its products to Eastern Europe; in the company's finishing workshop.

XUE CHAO



Management of Foreign Chamber of Commerce for the convenience of foreign entrepreneurs doing business in China.

### Problems & Prospects

Shortage of funds and high costs remain the principal problems facing China's foreign trade. Management structure is vague in some areas and unbridled competition among some Chinese foreign trade companies and their panic purchase of export goods have brought about a decrease in the quality of these goods. Such problems have affected the execution of contracts, creating a bad reputation for China's foreign trade.

The economic sanctions by Western countries also caused some troubles for China. Li Lanqing, vice-minister of Foreign Economic Relations and Trade, said the biggest impact is China's use of foreign investment, especially foreign loans. The volume of foreign loans signed last year by China dropped 47 percent, compared with the year before. Some loan providers delayed or halted offer-

ings and the cancellation of credit insurance by some Western countries make investors hesitate to invest in China. Some governments froze their non-reimbursable assistance while others withdrew experts or delayed projects. The situation is now getting better but some governments still refuse to consider new assistance projects to China.

China faces further trouble in regards to the introduction of foreign technology and export of labour power. Last year China concluded 25 percent less contracts for importing technology than the year before and, moreover, the value of contracts decreased by 18 percent. The economic restrictions by Western countries, however, cannot hold back the development of China's foreign trade. On the contrary, they hurt these countries' own interests. This fact is now understood by some Western countries which have begun to readjust their policies.

In the coming years, China will, under the policy of reform and opening to the outside world, actively expand and develop its economic and trade co-operation

with other countries. Li Lanqing said, "We, on the basis of equality and mutual benefits, will continue to actively develop and constantly expand trade with various countries and regions in the world. At the same time we will prioritize the steady growth of exports.

"We will continue to readjust the composition of import and export goods and expand export of machinery, electronic products, light industry and textile goods, finely processed and high-tech products. We will also cut down and control the export of resources which are in great demand domestically. On the other hand, we will import in greater volume advanced technology and equipment and other materials necessary for promoting production and improving people's life. The import of high-grade consumer goods which China can make should continue to be controlled.

"We will continue to attract foreign investment, especially direct foreign investment. To this end, we will perfect the relevant regulations and rules in order to guarantee the safety of foreign investments and make it convenient for foreign investors to conduct business and receive legal benefits. We will continue to effectively use foreign loans, especially those loans which have been granted on favourable terms by foreign governments and monetary and financial organizations."

Referring to China's foreign trade prospects and the attraction of foreign investment this year, Li estimated that a stable domestic situation, an improved international environment, the successful economic rectification and control of an overheated economic development, the relaxation of a tight market and the decline in the exchange rate of Renminbi will provide for the healthy development of foreign trade and investment in China. ■



At the 67th Spring Export Commodities Fair in Guangzhou, US and Hong Kong businessmen inspect Taiwan-financed Flying Dragon knitting machines. CAI ZHONGZHI

## Book Recounts Last Emperor's Late Years

by Our Staff Reporter Yang Xiaobing

**A**isin-Gioro Pu Yi (1906-67), China's last emperor, was undoubtedly one of the most intriguing and legendary figures of the 20th century.

When Pu Yi ascended the throne in 1908 at the age of two, the Qing Dynasty (1644-1911) was enmeshed in a fatal crisis. Within the walls of the Forbidden City, however, the newly enthroned emperor, was still indulged without restraint.

Fawned over by courtiers and eunuchs, the child emperor was enveloped in a false aura of peace and prosperity and treated virtually as a god.

The Chinese bourgeois democratic revolution led by Sun Yat-sen (1866-1925) in 1911 overthrew the Qing Dynasty and set up the Republic of China (1912-1949). Nevertheless, the emperor and his family still retained the use of taboos and edicts by which they had ruled and were not forced out of the Forbidden City until 1924 General Feng Yuxiang downed the Northern Warlord Cao Kun (1862-1938) through a successful mutiny.

In 1932, the Japanese established "Manchukuo" in northeast China and installed Pu Yi as the puppet emperor. He thus became a criminal and traitor deserving nothing but death at the hands of his countrymen.

In 1945, at the end of World War II, Pu Yi was taken prisoner by the Soviet Red Army. In 1950, he was put on trial in China as a traitor and war criminal. Following ten years in a war criminal re-education camp, he was released in 1959 and became an ordinary citizen of New China.

The first half of the last emperor's dramatic and unique life was reflected in *From Emperor to Citizen* a book published by Beijing's Masses Publishing House in 1964. It was thought a marvellous book both in China and abroad and has been translated into English, French, German, Italian and Japanese.

The book's publication roused a "last emperor craze" and readers inside and outside China have shown a remarkable interest in a follow-up book on Pu Yi's later life.

Jia Yinghua's *The Last Emperor's Later Life*, co-published recently by the Masses Publishing House and the Chinese People's Liberation Army Publishing House, precisely suits the wide circle of readers keenly interested in Pu Yi.

In 1960, the second year after his release from prison, by arrangement of the late Premier Zhou Enlai, Pu Yi began his work at the Beijing Botanical Garden under the Chinese Academy of Sciences. Later, he was transferred to the Literary and Historical Materials Research Commission under the Chinese People's Political Consultative Conference (CPPCC), where he began to have more contacts and dealings with organizations and individuals. He worked with great zeal and was given credits and appraisals for his achievements and he was elected a member of the CPPCC National Committee in 1964. On October 17, 1967, Pu Yi, the last emperor of China, breathed his last at the People's Hospital in Beijing.

*The Last Emperor's Later Life* takes Pu Yi's remoulding in New China as its main narrative

thread and describes his transformation process from a traitor to a patriotic citizen and then from a special research fellow in literary and historical materials to a member of the CPPCC.

The author also details with the five marriages of the last emperor. Before he became a war criminal, Pu Yi had held four wedding ceremonies successively with Wan Rong, Wen Xiu, Tang Yuling and Li Yuqing, but in no instance was it out of sincere love. After his release from prison, he was helped to meet and fall in love with Li Shuxian, a hospital nurse. They got married on April 30, 1962.

Since Reginald Fleming Johnston (1874-1938), Pu Yi's English teacher, published his book *Twilight on the Forbidden City* in 1934, numerous other books on the life of Pu Yi and the late Qing court have come off the press. But Jia Yinghua's *The Last Emperor's Later Life* is the only one which was given its title and foreword by Pu Jie, the last emperor's living brother.

During his ten years' painstaking work, the author visited nearly 300 people, including members of the Aisin-Gioro family. Based on a large quantity of historical materials, he rewrote the book several times before it finally appeared in print.

In his foreword, Pu Jie wrote: "The book is based on rich materials, written up in a fresh style and can be acclaimed for its high level of literary achievement."

Li Wenda, one of the two authors of *From Emperor to Citizen* (the other writer was Pu Yi himself), praised the book as "highly informative" and "of great historical value." ■

## Home for Foreign Senior Citizens

JIEFANG RIBAO  
(Liberation Daily)

**A** two-storey, white, Soviet-style building, located in the Wenjing Street in Harbin City in northeast China, is the Home for Foreign Senior Citizens in China.

According to Zhao Duo, who is in charge of the home, more than 1,000 aged foreigners have spent their late years comfortably here since its establishment in 1954. Presently 12 women have settled in this home. They include four Japanese, four Koreans, one Russian and three others whose nationalities are unknown. Their ages range from 63 to 89. None of them has made special contribution to China's liberation, and, some have done something harmful to the Chinese people. But since they are old and have difficulties taking care of themselves, the Chinese government still offers them a helping hand. Allocations from the government includes 80 yuan per month, per person as living expenses, and more than ten doctors and nurses are sent to tend their daily necessities. In addition, a fund is allocated to the home each year for particular expenses.

The home boasts 800 square metres of roomspace, an average of ten square metres for each person. The rooms are carpeted and furnished with armchairs, spring beds, and colour TV sets. On festivals and birthdays, parties are held and the home people, dressed in their own national costumes, sing and dance to enjoy themselves.

The home leaders show special respect for these old people's religious beliefs and living habits,

and often organize them to go out sightseeing. To enable them to enjoy "family happiness," the home leaders established a nursery by accepting 50 kids. Whenever they feel like, these childless old people can go and play with them.

Although these women are getting older, their life at the home is happy and quiet. Naja, an 89-year-old Russian, believes in the Orthodox Eastern Church. When she fell seriously ill, she said to the Chinese doctors and nurses, "I worship the God almost all my life, but my heart has not received any consolation. It is not the God but you who have brought me real friendship and happiness."

Not all the women in the home are homeless. Kamei Mitsuko, a Japanese, had planned to visit her relatives in Japan for three months, but she returned after only ten days. She said, "How homesick I am!" At a party, when an old woman named Gaoliang was asked to sing the song *The Moon Moves, I Follow It*, she opened her eyes wide and said firmly, "No, the moon goes, but I'll not. My home is in China!"

(April 7, 1990)

## Beijing Royal Jelly Catches Fancy

JINGJI RIBAO  
(Economic Daily)

**O**n May 10 of this year, a mini-bus carrying the Antarctic expeditionary team pulled into the No. 4 Pharmaceutical Factory. Qin Dahe, the Antarctic expedition hero from China, Jean-Louis Etienne, the French team leader, Victor Boyarsky from the Soviet Union, Geoff Somers from Great Britain and Keizo Funat-

su from Japan stepped out of the bus. Together with them was the representative of Will Steger from the United States, who had gone home. They were warmly welcomed.

The heroes came to visit this factory simply because the factory's Beijing Royal Jelly was the only tonics the joint team used during its 220-day arduous trek to the Antarctica.

In her welcoming speech, the director of the factory said, "The success of the Antarctic exploration is celebrated the world over. It's a great honour to our workers and staff members that you used Beijing Royal Jelly."

Qin Dahe said, "During the expedition, only I took the royal jelly at the beginning, then, other members followed. It's an important component of our energy supply."

"I'm a doctor and I'm responsible for everybody's health. So I'm qualified to comment on the function of the royal jelly," said team leader Etienne. "Whenever we arrived at a food supply station, we looked for royal jelly first."

"I even don't miss my wife when there is royal jelly," joked Boyarsky.

What Geoff Somers said was not expected, "I could not bring back the Antarctic ice and snow but I did bring two empty glass bottles of royal jelly, my only souvenir."

Repeating what they did in the Antarctica, the members held royal jelly high and shouted in Chinese, "Cheers! Cheers!"

Inside the workshop, Qin Dahe explained in English to the other team members the production process of royal jelly.

Before leaving, the Antarctic expeditionary team members were asked to autograph commemorative envelopes and communication cards.

Qin Dahe wrote in the visitors'

book, "Beijing Royal Jelly gave me strength!"

(May 12, 1990)

## Potentials for More Grain

NONGCUN GONGZUO  
(Rural Work News)

Some foreign economists recently said that it was impossible for China to completely solve its food problem on its own. They bolstered their view by arguing that—

First, China's agriculture is extremely restricted by a shortage of funds, making an increase in the investment in agricultural production impossible. Second, an unfair grain price throws a wet blanket over the enthusiasm of the farmers for the development of grain production. Third, the state purchasing price for grain is higher than the state marketing price. The government grants subsidies to consumers, but not to farmers. As a result, production funds are insufficient. Fourth, fodder is

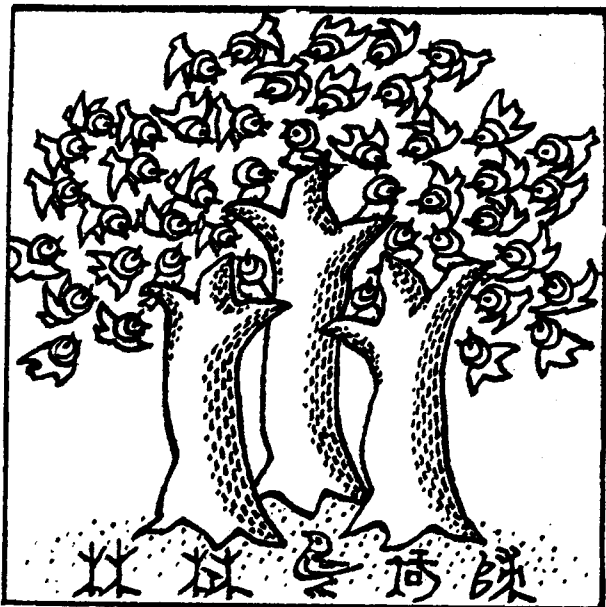
also in short supply in China.

He Kang, minister of agriculture, said the above opinion is worth studying because it pointed out several obstacles to China's agricultural development. But he expressed the belief that these obstacles are surmountable and China can realize the target goal of the year 2000 for grain production, although it will not be easy. Currently the country has 34 million hectares of land waiting to be reclaimed. About 14 million hectares of which are able to be changed into grain-growing land. Potential also exists in the increase of a multiple crop index, allowing another 14 million hectares to be planted. At present, two-thirds of China's 100 million hectares of farmland belong to medium- and low-output land which can augment the output through transformation. Meanwhile, the development of science and technology also gives the potential of raising the grain yield in many aspects. Given these points it is groundless to deny China's agricultural potential and its prospects, the minister noted.

(Issue, No. 3, 1990)



WANG JIAN  
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GAO XIANYI

## Motor Industry Imports Technology

China will spend nearly US\$100 million to import technology and key facilities for the motorcycle industry between 1991 to 1995 in order to promote technological upgrading and enterprise development, Wang Lisan, a leading official from the China Automobile Industry Corporation, revealed in the mid-June.

Wang said that the key technology and equipment to be imported include automatic checking and testing systems, computer-aided design and manufacture, industrial robots, flexible production lines, comprehensive experimental platforms for a complete motorcycle and analytical instruments for waste gas. The import is targeted at raising the technological level of the key spare parts including carburetors, vibration absorbers, magnetoelectric machines and starting motors and the level of a complete motorcycle.

In the past ten years, 15 motorcycle manufacturing enterprises in China have successively imported technologies for 19 types of motorcycle production and checking and testing facilities worth US\$100 million from Japan, Federal Germany, Italy and Austria. The technology import helped to increase China's motorcycle production from 49,000 in 1980 to 1.03 million in 1989 and to enlarge the varieties from seven with three discharges to 100 with 11 discharges. In addition to domestic sales, 28,000 motorcycles were exported in 1989 with a value of US\$31 million, and 40,000 more are expected to be exported this year for US\$35 million.

The development of the motorcycle industry is promising despite the current improvement and rectifying of the economy. Statistics show that up to now there are 5 million motorcycles in China, this means that five of every one thousand people own a motorcycle. However, it is 160 in Japan and 250 in Taiwan. So the rate is still low in comparison with the world

average of 20. To reach this target by the year 2000, China should have a total of 20 million motorcycles, an arduous production task.

To enlarge the output amount and improve quality of the motorcycle, and to meet the needs of the market, China is seeking cooperative partners while it imports technology and equipment. Wang said there are now three cooperative enterprises in the motorcycle industry. At present, some factories are negotiating with foreign businessmen on the cooperative production of engines and other motorcycle parts. The letters of intent are expected to be signed within the year.

by Yao Jianguo

## The Panda Auto Factory

Construction of the infrastructure for China's largest wholly foreign-owned enterprise, the Panda Auto Manufacturing Company, is proceeding smoothly. Six months of construction has resulted in levelling factory grounds and the start of work on a 4.7-kilometer road and underground pipe networks. The steel frame for part of the factory workshops is now towering aloft.

A company official noted that more than 10,000 tons of rolled steel are being shipped to the Shekou Port of Shenzhen for processing, more than 2,000 tons of which have arrived at the site of construction. He estimates that an auto general assembling plant and a paint spraying workshop should be completed by the end of this year.

The company, located in Huizhou City, was registered in Guangdong Province in March last year. Including the first investment of US\$250 million, the planned investment will reach US\$1 billion within the next decade. All products will be exported. It plans to produce the first bus in the summer of 1991, with an annual out-

put of 100,000 buses by the end of 1994 and 300,000 by the end of 1995. The company is planning to make full use of China's labour force and natural resources and to develop the capacity to manufacture spare parts and components for vehicles so as to boost its competitiveness on the international market.

The company recently began a programme to set up an engine and a punch factory. It also plans to invite experts from Japan and Hong Kong to draw up general development plans. In addition to the construction of the auto manufacturing factory, an assembling factory and residential houses, the company will also invest in the construction of special deep-water wharves and an expressway linking the factory area with wharves. At present, land for the construction is being made available in accordance with China's relevant stipulations. ■

## Taiwan Invests in Industrial City

The Zhuhai Economic Special Zone Mainland International Industrial Group Ltd., jointly-operated by two Taiwan enterprises, has signed an investment contract with the Sanzao administrative district (western part of Zhuhai city) for the development of a large area of land in order to expand economic exchanges between both sides of the Taiwan Straits.

The group company will develop 520,000 square metres of land in western part of Zhuhai to establish a "Taiwan International Industrial City" with a total investment of 300 million of Hong Kong dollars, 12 million of which will be used during the first investment period. Its purpose is to establish industrial workshops, import non-polluting industrial projects from Taiwan enterprises, and set up residential houses, commercial outlets, and cultural and recreational

facilities.

The western part of Zhuhai is a newly developed important base for industry and tourism, whose superior environment attracts large amounts of investment from foreign countries and Hong Kong, Macao and Taiwan. The area, equal to Singapore in size, has 33 islands and is a good coastal area for development. The coastline of Gaolan Islands and surrounding Nanshui Islands, is more than 120 kilometres long, providing favourable conditions for setting up harbours. Its deep water can berth 100 to 150 million-ton ships and 75 to 100 berths can be built in its more than 100 square kilometres of harbour area. At the same time, it is easily connected to the many inland rivers and railways and airports, forming a communication network of water, land and air. The area is certain to be a goods concentration and distribution centre in south China.

by Kou Zhengling

### Shenyang Speeds Up Foreign Co-operation

To quicken the modernization of old enterprises, Shenyang City, Liaoning Province, plans to provide foreign businessmen with more than 10 state-owned enterprises for auction and lease as an experiment on transfer of property right. The city's Deputy Mayor, Zhang Rong-mao, announced in mid-June that some relevant regulations are now being formulated and expected to be finished by the end of August.

The list will be announced at the International Economic and Technological Symposium to be held in Shenyang on September 14-20. Also to be announced at the symposium are 191 projects designed to attract foreign investment. These include 33 in machine building, 18 in auto manufacturing, 5 in farm machinery, 4 in electronics, 11 in computer production, 9 in metallurgy, 26 in chemicals, 18 in building materials, 3 in medicines,

28 in light industry, 8 in textiles, 8 in transport and communications and 20 in export processing. The co-operative form can be granting of loans by governments, financial institutions and international bank loans or establishing joint ventures, co-operative enterprises, solely foreign-owned enterprises and conducting leasing and compensatory trade.

In addition, Shenyang has also invested 4 billion yuan in the development of the Zhangshi Export Processing Zone bordering on the Tiexi Industry Zone. A favorable investment climate is provided in the first area of some 4.48 square kilometer to be developed and, within the year, some 10 foreign-funded enterprises are expected to be completed and put into operation. To provide foreign businessmen with the convenience for development and investment, they are allowed to set up factories of their own or to share factories with Chinese partners. They are also allowed to use or develop the land.

Zhang noted that they welcome foreign investors to develop the land in the processing zone for 50 years or more. Foreign businessmen may enjoy the present preferential policies and also apply for more preferential treatment.

The city of Shenyang, a heavy industrial centre in China, is host to more than 5,300 industrial enterprises. With fairly complete industrial structure, most of its industries occupy an important position in China. Over the past few years, its infrastructure and investment climate have markedly improved. For instance, a newly completed Taoxian International Airport will directly link the city with major urban areas throughout China and with Hong Kong; the Shenyang-Dalian Expressway, passing through 7 cities in the south of Liaoning, will be opened in September; and the largest railway passenger station in Asia the Beixin Passenger Station will also be completed in November.

by Li Rongxia and Yao Jianguo

### News in Brief

- Trammel Croy International of the United States signed an agreement in Shanghai in early June to establish the Shanghai International Trade Mart in co-operation with the Shanghai Hongqiao United Development Company.

Located in the Shanghai Hongqiao Economic and Technological Development Zone, the market covers an area of 4.4 hectares, including a construction area of 280,000 square metres. It is equipped with an exhibition hall, sales halls, large and small meeting rooms, commercial services, residential services and other necessary facilities.

It will provide Chinese and foreign businessmen with a large, modern trading location open throughout the year.

- By the end of last May, the Green China Fund had received about 2 million yuan from Japan, the United States, Hong Kong and some domestic departments. The money has been used to afforest several sites in line with donors' desire.

The fund, founded in 1984, has also received contributions from individuals, groups and organizations both in China and abroad in addition to the money provided by the Chinese government.

- The Sino-Italy Farm Machine-Building Development and Popularization Centre was established in Beijing on June 12 in order to promote technological co-operation and exchange in the field of agricultural machine manufacture between the two sides. For this project, the Italian government provided 138 prototypes of agricultural machines, testing equipment and facilities for technical training. Also, it set up an international exchange centre equipped with modern training equipment. All kinds of international academic discussions, technological exchange and training activities can be held there. ■

## The Asian Games Songs

"Our Asia, mountains are its head uplifted.

Our Asia, rivers flow like warm blood.

Our Asia, trees have their roots entwined.

Our Asia, clouds clasp hands.

The wilderness is bound with a jade belt,

The fields are like swathes of colourful silk."

This is excerpted from *Magnificent Asia*, one of the more than 20 Asian Games songs recorded on two tapes and distributed throughout China. Its lively rhythm and swaying words lift people's spirits and fill their hearts with pride. The song was popular as soon as it was released and is in fact regarded as the best among the Asian Games songs.

The music of *Magnificent Asia* was composed by Xu Peidong, noted for his pop music typical of northern China. His *My Beloved Hometown* and *The Full Moon Is Brighter on the 16th Than on the 15th* are favourite of many audiences, especially young people.

Xu worked hard in composing the music for *Magnificent Asia*. A song dedicated to the Asian Games must be popular and also powerful enough to suit the mass Asian Games event. Xu, therefore, wrote in simple, clear musical themes and then to give the appropriate momentum, he brought them to a crescendo by making full use of the musical instruments. Xu's music thus brings out the ringing and forceful lyrics of Zhang Li, while the voices of the

Chinese singers Wei Wei and Liu Huan give the song added impetus. *Magnificent Asia* is popular with people of all ages, even children four and five years old are heard singing it.

Another 21 Asian Games songs are recorded on the two tapes. These were also worked out by noted Chinese composers, singers, philharmonic orchestra, choruses, military bands and electronic instrument players. Among the vocal forms included are adult chorus, children's chorus, solo and duet.

When issuing the two music tapes the China Broadcasting and Audio-Video Publishing House enclosed a reply form in every tape so that listeners can let the publishers know which song is favourite. The publishers find listeners most appreciate works expressing love for the Asian people and a feeling of pride as an Asian. *The Sun of Asia*, set to music by Hou Zheren, is another popular Asian Games song.

The theme is presented by a young girl with a clear and melodious voice, then repeated by a duo before chorus joins in. The musical theme, carried on by the sonorous intermezzo strains of the *suona* horn, a traditional Chinese woodwind instrument, gains in strength until it reaches a solemn and touching climax. The lyrics were written, by Chen Zhe.

"Arise, sun of Asia,  
Burn, sacred torch.

The world turns,  
because we exist.

Let the sun of Asia  
arise from Asia."

Work on the Asian Games songs, which began in 1986, took nearly a year from selecting from 1,000 solicited songs to examination, editing and recording. Yet listeners criticize more than half of the finalized songs. Perhaps these people have unrealistically high expectations, saying the sponsors. Since the Seoul Olympic Games' song *Hand in Hand* swept the world overnight, Chinese audiences hoped for the same phenomenon, or better, in China. Another view is that the solicitation of songs was too narrow and did not tap the creative potentiality of the 1.1 billion Chinese people.

To remedy this, the Propaganda Department of the Asian Games Organizing Committee decided to solicit another group of songs to make a remedy. Meanwhile, units concerned in Beijing decided in late May to organize a mass creation of Asian Games songs that are easier to sing and popularise. This second group should be brought out before the opening of the Asian Games in September. ■





## 'Northeast Wind' Sweeps Beijing Theatre

Recently several theatrical troupes from Heilongjiang Province in northeastern China presented eight plays in Beijing including drama, Peking opera, pingju opera and longjiang opera. People said humorously that a strong "northeast wind" had swept Beijing.

Heilongjiang Province has a rich cultural heritage of China's northern nationalities. People there are known for their bold, robust spirit and simple straightforwardness. In modern history Heilongjiang constituted a frontier area of China and peoples from various parts of the country migrated here, resulting in a mixed culture distinguished by openness and flexibility. Now the theatrical northeast wind was a demonstration of these cultures. The plays have both local spirit and modern thinking, hence attracted great attention from the audience as well as the critics in the capital.

*Wild Grass*, a drama performed by the Qiqihar Drama Troupe, was especially successful in its realistic depiction of the lives of Chinese farmers in a time of reform and opening up. In the trend to a market economy, farmers, like the heroes and heroines in the play, flock into towns and cities in pursuit of a better all-round living standard.

The country girl Erqin, who fell in love with the young farmer, Laosi, was forced by her father into marriage to an idiot who loved money enough to sacrifice his own daughter. Aiming to make a

big fortune in order to get his love back, Laosi went to the city. He worked hard and earned plenty of money, but he lost his sincerity and honesty. He forgot his love and married another girl for money. Soon bankrupted, he realized that he had lost life's most precious gift, love. Laosi is typical of a section of young farmers in present-day China.

Erqin also underwent great change in her character and personality. From her obedience to marrying an idiot to escaping five times from the bondage, from disappointment at Laosi's betrayal to choosing a life for herself, Erqin changed from a shy country girl to a strong modern-minded woman with real values. The play depicted the conflict of traditional values and modern civilization and the struggle between love and betrayal, virtue and money, at a time when China's backward agricultural society was changing into its modern industrial counterpart.

The Peking opera *Smashing the Buddha Hall* is adapted from a traditional opera. The story is about an elderly woman who lives frugally and is a pious adherent of Buddhism. She goes on a vegetarian diet to show her devotion to Buddha, whom she asks to bless her only son by allowing him to pass the official examination and gain wealth and fame. But her son not only failed the examination but was eaten by a tiger on his way home. Stricken by grief, the mother began to doubt and hate Buddha, finally smashing the Buddha image

with her walking stick.

The opera is very creative in many aspects including scenario, composition and music. In order to depict the old woman's devoutness towards Buddha, a series of realistic and artistic actions are shown including hand-washing, dressing and kowtowing. A sudden toppling backward shows the agony of the mother at the news of her son's death. This action has been rarely used in the *Laodan* (old woman) role in Peking opera. High-pitched, sad song-singing adds to the effect of shock and misery of the old mother. Actress Zhao Yanling, who played the role, said, "The performance for *Laodan* used to be very limited and I enjoyed enriching it."

Also worth mentioning in this opera is the stage setting. Such traditional Chinese musical instruments as gongs and drums combine with such Western instruments as electronic organ and flute to produce a frightening music which together with the lightning effects creates the atmosphere. Such a bold experimental action has rarely occurred in Peking opera.

*A Village Called Half-Moon*, performed by the Harbin Pingju Opera Company, is a love story set in rural China. A girl of the village is married to a paralysis victim for eight years with no life as a wife at all. Her misery suddenly ends when she saves the life of a passer-by nearly frozen to death by the roadside. It is love at first sight, but her impotent husband refuses to relinquish his right as lawful

husband. Traditional values also place doubts in the woman's mind. The plot thickens when human nature takes over.

The performers all played their parts well. Zhao Sanfeng, who played the main role, was especially outstanding for her portrayal of the country woman.

The *Absurd Baoyu* performed by the Longjiang Opera Experimental Troupe of Heilongjiang Province demonstrated the special charm of the opera form with a history of only 30 years. The op-

era is taken from the classical Chinese novel *The Dream of Red Mansions*. Baoyu, son of a feudal aristocratic family, hates the backward upper class and refuses to be an official as his family expects of him. What he wants is the freedom of mind and free love. Reality dashes all his expectations, however, and he is disillusioned with the mortal world. He became a Buddhist monk. The opera has the strong local flavour of Heilongjiang Province. Depicted as a southerner in other plays, Baoyu has some character of a

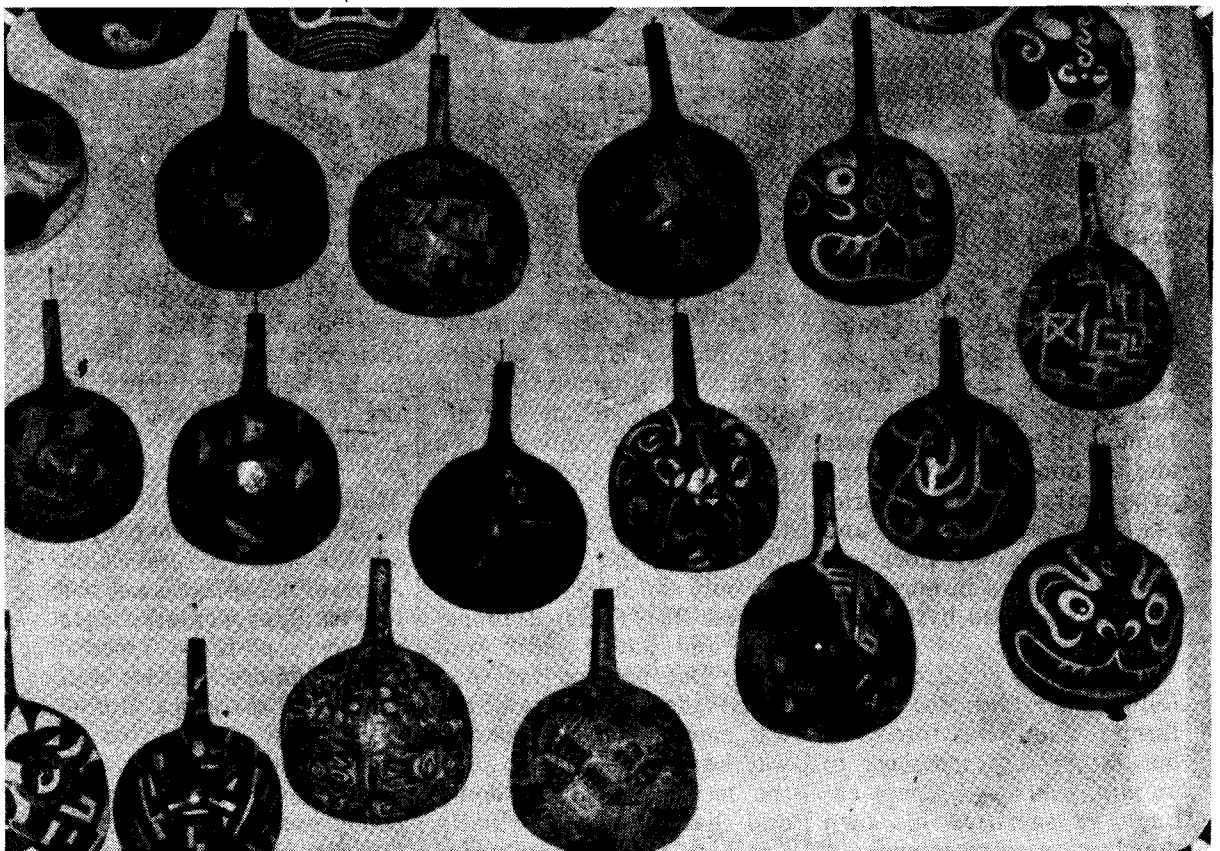
northerner in this opera.

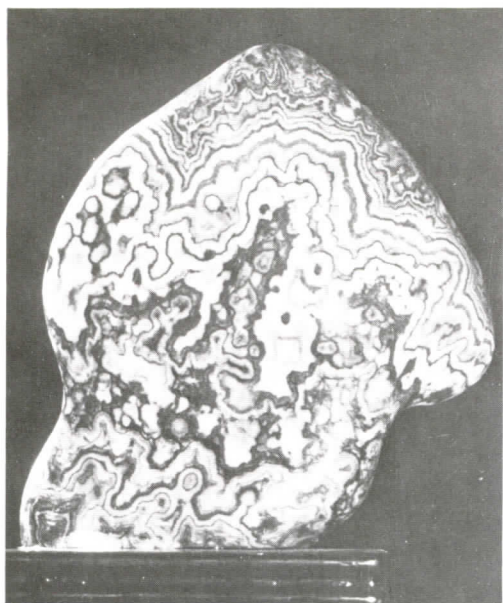
At its premiere, the 130-minute-long play was interrupted 21 times with applause from the audience. Seeing the young male aristocrat on stage, one can scarcely believe that he was played by the actress and mother of two children, Bai Shuxian, well-known in *longjiang* opera.

Heilongjiang's theatrical arts have, in the past three years, presented a dozen or so good plays in Beijing or abroad, all with great success.

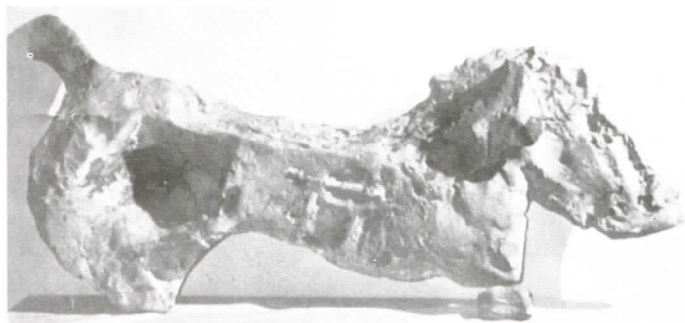
by Feng Jing

Yi Ling, a 29-year-old artist from Shanghai, began a bike tour around China in 1983, completing it in four and a half years. His aim was to study Chinese folk art. While travelling he painted novel abstract oils flavoured strongly with features of China's minority art. Below is a sampling of his oil paintings done on the type of wooden scoop used by the people of southwestern China.





Agate.



A Dog.

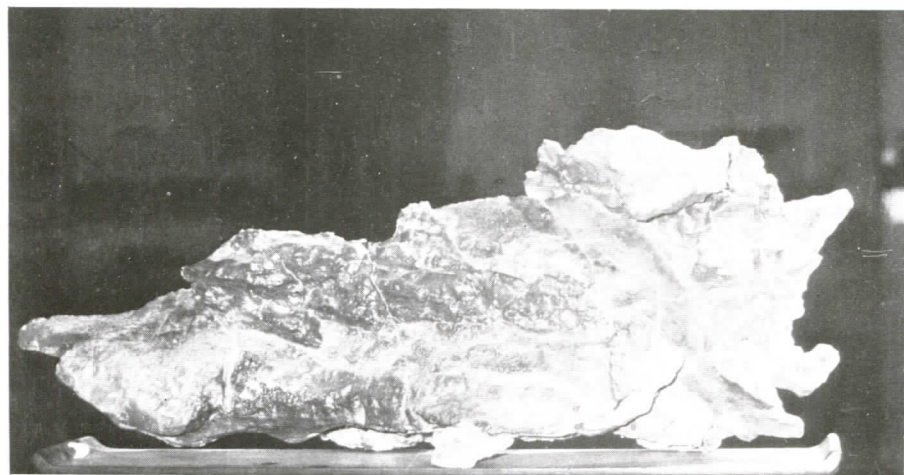
## Grotesque Stones

These stones were selected from the Art Exhibition Fair for Grotesque Stones which has just closed in Beijing. The collector, Li Zuyou, a photographer from a PLA unit, delved for them over many years while on missions taking outdoor photographs. He has preserved more than 300 stones of interesting shapes and sizes.

Most of them are pictographic shapes formed by nature, representing ancient or modern figures, or birds and animals of different kinds, with vivid expressions.



The Artist and His Works.



A Dragon.

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