

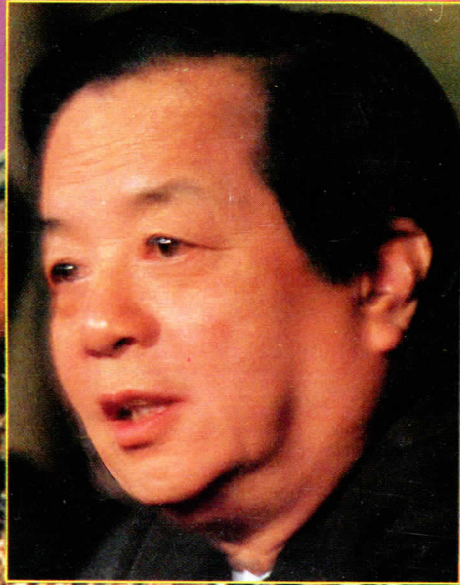
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QIAN ON CURRENT WORLD ISSUES

Communique of the CPC Central
Committee Plenum



Happy New Year!

Photo by Tong Zhongsheng

HIGHLIGHTS OF THE WEEK

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Qichen talking about the international
situation and Gulf crisis.

Photo by Dong Zong

New Decade Comes With a Handy Guide

□ As the Chinese people expectantly awaited the coming of the new year, a significant Party session was held to chart the course for the nation's economic and social development in the next decade (p. 6).

The President's New Year Message

□ Chinese President Yang Shangkun, one of the Red Army veterans who saw action of the 1934-35 Long March, said in his New Year's message that he was confident of success in the country's "New Long March" — the modernization drive (p. 7).

Interview with Foreign Minister Qian

□ At year's end, *Beijing Review* interviewed Chinese Foreign Minister Qian Qichen on the current international situation, the Gulf crisis, the Cambodian question and China's diplomatic achievements over the past year (p. 9).

The Seventh Five-Year Plan Reviewed

□ During the Seventh Five-Year Plan period, the policy of reform and opening to the outside world proved an effective motive force behind China's generally healthy economic development. However, problems emerged while the old system was giving way to the new, making it necessary to restructure the economy and clear up the economic environment in the closing years of the plan period (p. 14)

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Review and Preview

by An Zhiguo

The so-called era of "polar confrontation" centred on the two superpowers, the United States and the Soviet Union, which began shortly after the end of World War II and has since that time been an important aspect in international relations, came to an end in 1990. While world strategic patterns are experiencing multi-polar development, a new overall pattern has not as yet taken shape.

The reunification of a divided Germany on October 3, 1990, marked the collapse of the Yalta Accords. When heads of state or government of 32 European nations together with those from the United States and Canada gathered in Paris in November at a summit meeting of the Conference on Security and Co-Operation in Europe, the 22 member states of NATO and the Warsaw Pact issued a joint statement declaring an end to an era in which division and confrontation in Europe had continued unabated for more than 40 years.

Prolonged confrontations and a continuing arms race combined to weaken the hegemonic positions of the world's two superpowers.

At a time when Moscow is seeking financial aid in an effort to help solve deepening political, economic and national crises, Washington is soliciting support for its massive concentration of expeditionary forces in the Gulf.

Western Europe and Japan have become the new centres of competing economic forces. These two economic giants are engaged in cut-throat compe-

tion with the United States in economic and trade spheres. China, a nation with comprehensive national strength and broad development prospects, has used its independent foreign policy to become an important factor in maintaining peace and stability not only in Asia, but throughout the world. The third world, taken

as a whole, is also a driving force in defending world peace.

During a period when old world patterns are being transformed contradictions between nations and within countries are intertwined, complex and capricious, and some contradictions are even intensified. The Gulf crisis, which results from Iraq's invasion and occupation of Kuwait and is intensified by US military intervention, is worsening. The flames of war may be kindled at any moment, and the world is closely following developments in the situation. The Cambodian War, triggered by Viet Nam's invasion, has continued unabated for 12 years, without solution. Recently the parties in conflict accepted the documents prepared by the five permanent members of the UN Security Council as the basis for a political solution.

Post-war history and recent developments indicate that invasion or interference in the internal affairs of one country by another, in whatever form of hegemonism or power politics, can only serve to trigger conflict and endanger world peace and development. Only when the Five Principles of Peaceful Coexistence are followed in world affairs is it possible to normalize international relations and establish a fair and reasonable new international political order. It has been predicted that in the coming new year increasing numbers of people will come to realize this point and work even more diligently for peace and development.

Post-war history and recent developments indicate that invasion or interference in the internal affairs of one country by another, in whatever form of hegemonism or power politics, can only serve to trigger conflict and endanger world peace and development. Only when the Five Principles of Peaceful Coexistence are followed in world affairs is it possible to normalize international relations and establish a fair and reasonable new international political order.

In 1990, the Chinese people overcame difficulties associated with inflation and the disturbances that took place on June 4, 1989 and bravely faced up to external pressure. They maintained political and social stability and succeeded in bringing about gradual economic improvement.

The CPC Central Committee and the Chinese government adopted a series of effective measures to strengthen the socialist democracy and the legal system, to punish corruption, to promote an honest and clean government, to cement close ties with the masses and to maintain the political motive for wholehearted service to the people. The complete success of the 11th Asian Games held in Beijing in late September was a testimony to the Chinese people's unity and devotion to a common cause; it also demonstrated China's comprehensive strength to host an international event of this magnitude and its ability to hold together as a cohesive nation.

Throughout the drive to improve the economic environment and rectify the economic order during the past two years, China has successfully curbed inflation. The spin-off resulting from this drive is that price rate increases dropped dramatically to 3 percent from 18.5 percent in 1988 and 17.8 percent in 1989. In addition, a dozen or so measures were adopted to further adjust prices. These achievements were realized by using mainly economic levers and a policy of retrenchment in finance and credit, under conditions whereby urban and rural markets and free prices were further expanded. This fact alone indicates that progress was made in economic reforms, particularly in giving full play to the market role and establishing macro-control mechanisms.

Opening and development of the Pudong area, in Shanghai,

has transformed the areas along the Changjiang (Yangtze) River into a strategic focal point for further opening to the world in the 1990s. The project will open broad horizons for co-operation with foreign businessmen in efforts to develop the area's rich natural resources, and scientific and technological advantages.

Last year China recorded an all-round bountiful harvest and scored a record grain output of 420 billion kg, thus putting an end to a five-year period of agricultural stagnation. Industry emerged from a slump and recorded steady increases. The sluggish domestic market was revitalized, and China recorded a surplus, instead of a deficit, in foreign trade. These factors point to progress in readjustment of the economic structure. However, economic returns of enterprises dropped, and economic losses increased, and consequently the state still faces financial difficulties.

This year China will begin implementation of the Eighth Five-

In 1990, the Chinese people overcame difficulties associated with inflation and the disturbances that took place on June 4, 1989 and bravely faced up to external pressure. They maintained political and social stability and succeeded in bringing about gradual economic improvement.

Year Plan for economic and social development. An outline of the plan was adopted at the recently concluded Seventh Plenary Session of the 13th CPC Central Committee. Before it is put into effect, the plan must be examined and approved by the National People's Congress.

China is expected to continue its drive for an improved economic environment and strengthening of the country's economic order in the coming year. The country will not pursue a high rate of development, but instead will maintain a moderate rate of economic growth. Enterprises will be guided to focus their attention on increasing product quality and variety and economic returns, so as to bring about a sustained, steady and balanced development in the national economy.

In 1991, China will continue to deepen reform in compliance with the requirements for the development of a planned commodity economy. The aim of the reform is to establish an operational mechanism which integrates the planned economy with market regulation. At present, enterprises are engaged in the second round of contracting, and continued efforts will be made to stabilize and improve the enterprise contract system. Experts predict that a number of projects will be initiated to develop the market, reform prices and adjust distribution in a reasonable manner.

Construction of infrastructural facilities for agriculture, energy, tele-communications, transportation, the production of raw and semi-finished materials, as well as the development of science, technology and education are expected to enjoy priority positions. These areas are vital to long-term development of the national economy. ■

CPC Charts Plan for Coming Decade

The Seventh Plenary Session of the 13th Central Committee of the Communist Party of China (CPC), held in Beijing from December 25 to 30, 1990, adopted proposals of the CPC Central Committee for the drawing-up of the 10-Year Programme (1991-2000) and the Eighth Five-Year Plan (1991-1995) for national economic and social development.

The plenary session was presided over by the Political Bureau of the CPC Central Committee. General Secretary Jiang Zemin delivered a speech, and Li Peng, member of the Standing Committee of the Political Bureau, gave an explanation of the draft proposals.

A communique of the session spoke highly of the tremendous achievements China has scored in reform and opening to the out-

side world and in socialist modernization since the Third Plenary Session of the 11th CPC Central Committee in 1978.

It pointed out that the years from 1991 to 2000 will be pivotal in the historical process of China's socialist modernization. The Party should meet all the challenges and work hard to attain the second-step strategic objective of modernization — to quadruple the GNP of 1980 by the end of this century; to secure a fairly comfortable livelihood for the people; and to lay a solid foundation for further development in the 21st century by promoting education, science and technology.

The session maintained that in implementing the 10-Year Programme and the Eighth Five-Year Plan, China should follow the guidelines of deepening the

reform and opening to the outside world, building socialism with Chinese characteristics, and developing the national economy in a sustained, stable and coordinated manner.

In the process of drafting the proposals, the communique said, opinions were solicited extensively within the Party and among non-Communists.

The draft outlines of the programme and plan will be worked out by the State Council and submitted to the Fourth Session of the Seventh National People's Congress for deliberation.

The session called on the whole Party and the people throughout China to make every effort, under the leadership of the CPC Central Committee, in realizing the 10-Year Programme and Five-Year Plan. (For a full text of the communique of the plenary session, see the "Documents" section in this issue—Ed.) ■

A glimpse of the 7th Plenary Session of the CPC 13th Central Committee.

LIU JIANGQI



Confidence Marks Yang's Message

In his New Year's message broadcast live to the overseas audience over *Radio Beijing*, Chinese President Yang Shangkun, one of the Red Army veterans who saw action of the famous 1934-35 Long March, said he is confident of success in the country's "New Long March."

The term "New Long March," as has been used by the Chinese to describe the modernization drive with Chinese characteristics, was started towards the end of 1978, when the Chinese Communist Party held its epoch-making Third Session of the 11th Central Committee. The meeting was significant in that it shifted the thrust of the nation's work to economic development. One of the targets of the New Long March is to double the country's present GNP in the last decade of this century. China has already geminated its GNP during the past 10 years on the basis of the 1980 figure, as the first step of the country's economic strategy.

Yang said his confidence came, first of all, out of the fact that the country's leadership headed by General Secretary Jiang Zemin is firm and strong. The leadership has achieved great success by leading the Chinese people to carry out the reform and open policy initiated by Deng Xiaoping. It has won and will continue to win the people's trust and support.

Fundamentally speaking, Yang continued, "I have full confidence in my people. It is the valiant and industrious Chinese people who, by their own hands and brains, have caught the eyes of the whole world with progress made in the decade that has just gone by."

Speaking about the country's reunification, Yang said he hoped that the Communist Party

and the Kuomintang would negotiate each other on the basis of equality and that the Taiwan authorities would meet the common aspiration of the people by lifting as soon as possible the restrictions on the "three exchanges" (the exchanges of mail, trade, air and shipping services between the two sides of the Taiwan Straits).

The president reiterated that China would continue its foreign policy of independence and peace and contribute to establishing new international political and economic orders.

"China's door is open to the whole world. We sincerely welcome our foreign friends to come and have a look. Wherever you go, the hospitable Chinese people will greet you with smile on their faces," Yang said. ■

China Stands by Kuwait in Crisis

Kuwaiti Emir Jaber al-Ahmed al-Sabah's recent visit to Beijing, at the invitation of the Chinese government, took place in the Chinese capital's subfreezing wintertime, but the message the Kuwaiti emir got was warm enough — China would never change its prin-

ciple stand against the Iraqi invasion and occupation of Kuwait.

The December 26-28 official visit was impressive also for the time frame in which the two sides chose to meet. The Kuwaiti head of state arrived in China at a time when the Gulf crisis was teetering between war and peace. There were only three weeks left before January 15, the deadline that the United Nations Security Council set for Iraq to withdraw from Kuwait. He came right after the Gulf Co-operation Council (GCC) summit concluded on December 25 in Qatar. The summit reiterated that Iraq must unconditionally withdraw from Kuwait and that the GCC member countries were determined to restore Kuwait's sovereignty and legitimacy by any means possible.

Chinese President Yang Shangkun, Premier Li Peng and Party chief Jiang Zemin met with the Kuwaiti leader respectively.

The Chinese government and its people sympathize with the Kuwaiti people in their sufferings under Iraq's occupation and support their struggle to recover their motherland, Yang said when meeting with the emir on December 26, adding that justice would always prevail in the end.

"China hopes the international

Chinese President Yang Shangkun greets Kuwaiti Emir Jaber on December 26. XU ZHICHENG



community will bring more political, diplomatic and economic pressure to bear on Iraq to unconditionally withdraw from Kuwait," said Yang.

In the international arena, Iraq's invasion and annexation of Kuwait was number one headline for the year just gone by. For the Kuwaiti people the year of 1990 was undoubtedly one of national humiliation. While the new year of 1991, though off to a jittery beginning on the Arabian front, might turn out to be a year of victory for the Kuwaitis and all peace-loving people worldwide.

China, as Premier Li Peng put it, will never change its stand on the Gulf crisis and the Chinese government will never do anything that will harm the Kuwaiti people.

Since the very beginning China has opposed Iraq's invasion and annexation of Kuwait and demanded the Iraq's pullout with no strings attached and the restoration of Kuwait's independence, sovereignty, territorial integrity and its legitimate government headed by Emir Jaber al-Ahmed al-Sabah.

As one of the permanent members of the UN Security Council, China has voted for all the UN Security Council resolutions concerning the Gulf crisis except Resolution 678 on which it abstained from voting on the ground that China stands for a peaceful solution to the crisis.

China's stand for a peaceful settlement, Li told the Kuwaiti emir, "only indicates that China hopes to force Iraq to withdraw its troops from Kuwait at the minimum possible sacrifice."

The emir said that China's stand is clearcut and totally trusted by the Kuwaiti side.

At a press conference held in Beijing on December 27 Kuwaiti Foreign Minister Sabah al-Ahmed al-Jaber al-Sabah said, "We understand China's reasons for abstaining from voting on Re-

solution 678." China's decision was "out of its stand to espouse justice." He also appreciated China's "principled and constructive stand" on the Gulf crisis.

The whole world has given Iraq enough time, the minister continued, but that aggressive nation has been a tough nut to crack. "Stubbornness is Iraq's current policy." Nobody wants war, he added, nobody wants to see a disastrous situation. "But, if the war was imposed on us, we'll have no choice. Then the war will be inevitable, and all the other countries in the world will unite to deal with it (Iraq)."

When asked whether China will provide military aid to Iraq's adversaries once the war breaks out, the Kuwaiti official said he believed that any country is free to obtain weapons unless it is restrained from doing so by the UN Security Council.

"When the flood rushes down, Iraq should be held responsible," he concluded.

by Staff Reporter Li Haibo

Pollution Control Makes Headway

China has spent more than 40 billion yuan in controlling industrial pollution and improving the urban environment during the past five years.

Most of the goals set for environmental protection in the Seventh Five-Year Plan (1986-90) period have so far been fully or partially accomplished, according to an annual national conference of directors in charge of environmental protection.

By 1989, the nation's capacity to dispose of gaseous waste had increased by 1,652.8 billion cubic metres, thus greatly improving the urban atmospheric conditions.

The disposal rate of the industrial water waste has also in-

creased from 36 to 55.6 percent. In addition, 48 percent of the industrial liquid waste is purified to reach state sanitation standards before being discharged into rivers and lakes, as compared with only 30 percent in 1986.

Although the total volume of industrial wastes has increased by 42 percent during recent years, the total amount discharged into the natural environment has dropped from 37.71 million tons in 1986 to 16.15 million tons in 1989.

In an effort to battle noise pollution, more than 400 noise-free regions were established across the country between 1985 and 1987.

In recent years, most provinces, municipalities and autonomous regions have adopted a responsibility contract system for carrying out environment protection projects.

Beijing's municipal government signed such contracts with 18 administrative districts and 54 major central and municipal enterprises and companies.

Many provinces have also promulgated legal guidelines and set up regular monitoring systems.

However, the grave nature of the present pollution situation and potential destruction of the environment allows for little optimism. The major goals of the Eighth Five-Year Plan (1991-95) for environmental protection are to effectively control environmental pollution, improve the environmental quality of more major cities and regions, and curb the deterioration of the ecological environment.

To reach these goals, the conference urged different regions to adopt specific plans to attack those environmental problems which are unique to their respective geographic and economic situations during the next five years. ■

Foreign Minister Qian on World Issues



Foreign Minister Qian Qichen. XUE CHAO

On December 22, Chinese Foreign Minister Qian Qichen, in an exclusive interview with "Beijing Review," talked about major international issues and China's diplomacy during the past year. The full text of the interview follows. —Ed.

Question: Since 1989, drastic changes have taken place in the world. What impact do these changes have on the world's strategic setup and what are the unique features of the current international situation?

Answer: Developments over the last year show that the postwar Yalta order, characterized by the division and rule of Europe by the United States and the Soviet Union, has crumbled and the era in which the two superpowers fiercely contended and rivaled against each other for world hegemony has essentially ended. New power centres are emerging and the world's strategic pattern is following a path of multipolarization. Currently the world situation is in a transitional period in which the old order has collapsed, yet a new one has not taken shape. Old conflicts are intermingled with new ones, and various forces are in the process of realignment and reorganization. The economic gap between the North and the South is continuing to widen and political, economic and ethnic problems in many parts of the world have become more prominent. Tensions have flared up in some regions. In this transitional period, the international situation is volatile and the world does not enjoy peace.

Q: Could you sum up China's diplomatic achievements over the past year?

A: The past year has witnessed considerable development and improvement in the friendly co-operative relations between China and its neighbours. The visit to the Democratic People's Republic of Korea earlier in the year by Chinese Communist Party leader Jiang Zemin proved that the traditional friendship between the two countries is continuing to grow. Premier Li Peng's visit to the Soviet Union further propelled Sino-Soviet relations. China also normalized ties with Mongolia and Laos. Premier Li visited Indonesia, Singapore, Thailand, Malaysia, the Philippines, Laos and Sri Lanka, achieving remarkable results. The resumption of diplomatic relations between China and Indonesia and the establishment of diplomatic ties with Singapore ushered in a new phase of all-out expansion in the friendly and co-operative relationship between China and the Association of Southeast Asian Nations. Relations between China and India are continuing to improve and develop. Sino-Japanese ties are heading in a healthy direction after some setbacks. Today China enjoys its best relations with its neighbouring nations since the founding of New China in

1949. This has created a favourable environment for China's economic construction. It also exerts a positive impact on the maintenance of peace and stability in the Asia-Pacific region and the world at large.

The third world is the backbone of the effort to maintain world peace and third world nations are China's reliable friends. Over the past year, 25 heads of state or government from third world nations visited China while Chinese leaders paid visits to many countries in Asia, Africa and Latin America. The success of the 11th Asian Games held in Beijing in September-October demonstrated the unity, friendship and progress made by Asian nations. In the past year, China resumed diplomatic ties with Indonesia and established diplomatic relations with Namibia, the Kingdom of Saudi Arabia, Singapore, and the Republic of Marshall Islands.

After the "June 4 Incident," some Western countries applied sanctions against China in an attempt to isolate it from the international community. It has been proven, however, that isolating China is impossible. Upon realizing that China's political, social and economic situation is becoming increasingly stable and that the sanctions imposed after June 4 hurt them as well, many of these countries have relaxed their position on economic sanctions by gradually resuming high-level contacts with China.

Positive changes have occurred in Sino-Japanese relations. The third yen loan programme is presently in the process of being implemented. Meanwhile, some other Western nations are resuming export credits and government loans to China. Economic co-operation and technological exchanges are also increasing. The European Community at a foreign ministers' meeting decided to resume

ties with China, paving the way for mutual visits by high-ranking officials of both China and Western Europe. My official visit to the United States at the invitation of US Secretary of State James Baker in early December was a major event in Sino-US relations, pointing to a steady improvement in the relationship between China and the United States.

China formulates its position and policies on all international issues independently, evaluating each on its merits and taking into consideration the overall fundamental interest of the world's people. In the past year, China upheld international codes of justice by making incessant efforts to find a peaceful solution to the ongoing Gulf crisis and a political solution to the Cambodian question. This position has won China worldwide appreciation and acclaim.

Q: Would you please elaborate on the Chinese government's proposal about the solution to the Gulf crisis?

A: The Chinese government has always maintained that state-to-state relations should be based on the Five Principles of Peaceful Co-existence, and that differences between states should be solved peacefully instead of resorting to force. Armed occupation of another country is absolutely impermissible. Based on these principles, the Chinese government, at the outset of the Gulf crisis, voiced strong opposition to the Iraqi invasion and subsequent annexation of Kuwait. China urged that Kuwait's independence, sovereignty, territorial integrity and legitimate government be restored.

Based on these same principles, the Chinese government supports a peaceful solution to the Gulf crisis. China does not seek any selfish interests in the Gulf. The only concern China has is that peace be maintained

and stability restored in the area. China firmly supports the efforts of mediation by Arab nations and other parties concerned. China proposes that the Gulf crisis be solved peacefully within the framework of resolutions adopted by the UN Security Council. For the purpose of discussing the possibility of finding a peaceful solution to the Gulf crisis, I paid a visit to Egypt, Saudi Arabia, Jordan and Iraq. When I visited Iraq, I stated to Iraqi leaders the solemn stand of the Chinese government. I told them that China supports the international community's demand that Iraq withdraw its troops from Kuwait immediately. It is a very serious matter to attempt to use force to resolve the Gulf crisis. All possible consequences must be taken into consideration. Therefore, the Chinese government felt that it could not agree with the UN Security Council Resolution 678 authorizing the use of force against Iraq should it fail to withdraw from Kuwait by January 15, 1991.

China maintains that as long as there is hope for a peaceful settlement, the international community should do everything reasonably possible to avoid war. A peaceful solution may require a longer period of time, but enormous casualties and serious aftermath of a war will be evaded.

Q: The search for a political solution to the Cambodian question has made significant progress in the past year. However, no overall solution has been achieved yet. Where do you think lies the crux of the Cambodian problem? What will the Chinese government and the international community do to bring about an early solution to the Cambodian problem?

A: The founding of the Supreme National Council at the informal meeting of the four parties of Cambodia on September 10 last year in Jakarta indicated

that the search for a political solution to the Cambodian problem has entered a new phase. The working conferences held in November in Jakarta and Paris created the necessary conditions for the resumption of the Paris International Conference by producing the drafts of the documents seeking a total solution to the Cambodian problem. Therefore, basic conditions for a political solution to the Cambodian problem have been provided. However, the Vietnamese and Phnom Penh authorities have gone back on their word and created new obstacles, slowing the process of reaching a political solution to the Cambodian problem.

The whole world has witnessed China's determination to safeguard the norms of international relations and China's broad and open attitude in protecting the interests of the Cambodian people, rather than its own interests. China is ready to make common efforts with the international community to promote the resumption of the Paris Conference on Cambodia. China also hopes that Phnom Penh will not make any more trouble and adopt a more realistic attitude so that a comprehensive, just and

reasonable political solution to the Cambodian problem can be realized as early as possible.

Q: You paid an official visit to the United States last December at the invitation of US Secretary of State James Baker. What were the results of your visit? And how would you summarize the present state of Sino-US relations?

A: The visit was the first by a high-ranking Chinese official since the summer of 1989. It was an important step in improving relations between the two countries.

During the visit, I met with President George Bush and Secretary of State James Baker. We had a friendly, frank and extensive talk on Sino-American relations and some important international issues. Both sides agreed that mutual visits by high-ranking officials would be increased in the future.

During my visit, I also talked with some members of the US Congress. Among them were Bob Dole, Stephen Solarz, Claiborne Pell, and Tom Lantos. They all welcomed the Chinese foreign minister's visit to Washington and demonstrated a great interest in China. At the same time they also raised many questions. I hope they will one day visit

China. That will give them a better understanding of China.

The present state of Sino-US relations can be described as follows: There is some improvement, but relations have not yet returned to normal. China attaches great importance to the development of Sino-US relations. Both China and the United States are permanent members of the UN Security Council. China is the largest developing country in the world, and the United States the biggest developed nation. To resume and develop Sino-US relations will not only coincide with the interests of both sides, but also help maintain peace and stability in the world.

In spite of their differences in social systems, ideology and values, which often lead to their different attitudes and methods of handling similar problems, China and the United States share common interests on an extensive scale. The two countries can co-operate with each other in many fields as long as they respect each other and do not interfere in each other's internal affairs. To attain this goal, it is obviously necessary to promote exchanges and top-level visits between the two sides and increase mutual understanding. ■

China's Ties With Its Neighbours Strengthened

by Zhou Qingchang

Important changes are taking place in the current international situation. The old world structure is falling apart and a new international order is yet to emerge. In the midst of this environment Chinese Premier Li Peng twice visited China's neighbouring countries in

the past year, thus improving and strengthening China's relations with its neighbours. This has resulted in a peaceful and good-neighbourly environment around China, creating a favourable international condition for China's socialist economic construction, the pursuance of

its reform policies and its opening up to the outside world.

Last August China and Indonesia restored diplomatic relations which had been suspended for 23 years. In the same month, Premier Li Peng paid an official visit to this Southeast Asian country. The visit was

described by Indonesian President Soeharto as a mission signaling a new milestone in the relations between the two countries. Three months later President Soeharto visited China. China and Indonesia also signed a new accord giving each other most preferential trade status.

After visiting Indonesia, Premier Li went to Singapore. On October 3, 1990 China and Singapore officially established diplomatic relations. Soon after this former Singapore Prime Minister Lee Kuan Yew paid a return visit to China, marking a new phase in Sino-Singapore relations.

To develop good-neighbourly relations is an integral part of China's effort to pursue an independent foreign policy of peace. Therefore, after his tour of Indonesia, Singapore and Thailand last August, Premier Li Peng continued this mission by visiting Malaysia, the Philippines, Laos and Sri Lanka during the final month of 1990. These visits have not only strengthened China's relations

with these countries, but have also provided an opportunity for relevant discussion on the international and regional issues of common concern. They have deepened mutual understanding, furthered the friendship, promoted the good-neighbourly and co-operative relations.

The past year has seen an all-round development of relations between China and the Association of Southeast Asian Nations (ASEAN). China and the ASEAN countries have identical or similar views on the major international issues, particularly on the Cambodian question. They maintain that this question should be fairly and comprehensively resolved for the permanent peace in Cambodia. They also hope that the Supreme National Council headed by Norodom Sihanouk will be set up according to the framework documents adopted by the five permanent members of the United Nations Security Council and start to work.

During Premier Li's stay in Manila, Philippine President

Corazon Aquino renewed her commitment to a "one China" policy, saying that it was the "cornerstone" of the Philippines' relations with China.

Premier Li Peng expressed his appreciation of President Aquino's statement that Taiwan is part of China and the Philippines adheres to the "one China" policy. Li said since ancient times Taiwan has been part of China. China stands for a peaceful reunification of the motherland because it conforms to the wishes of the Chinese people. China opposes any attempt to create "two Chinas," "one China and one Taiwan" and "independent Taiwan" and pays close attention to Taiwan's "elastic diplomacy" because China does not agree, Premier Li said. He pointed out that China has no objection to countries having diplomatic relations with China keeping contacts with Taiwan, as long as the contacts are unofficial.

China has also expanded trade with its neighbouring countries. In 1989 the trade volume be-

Left: Premier Li Peng visits Proton, Malaysia's national automobile corporation on December 11. Right: Li Peng and Philippine President Corazon Aquino toast their nations' friendship at a banquet held in Li's honour on December 13.





Top: Premier Li Peng holding talks with Chairman of the Lao Council of Ministers Kaysone Phomvihane on December 16. Right: Premier Li Peng and his wife visit the Bandaranaike Memorial International Conference Hall and plant a tree in front of the hall as a symbol of friendship between China and Sri Lanka on December 18.

photos by WANG XINQING

tween China and the ASEAN countries amounted to US\$6.65 billion. ASEAN has become the fifth trade partner of China. Trade between China and Indonesia rapidly increased, topping US\$700 million in the first eight months of last year. It is expected to exceed US\$1 billion.

Bilateral trade and economic exchanges figured highly in Premier Li's talks with his counterparts during his recent visits. He told businessmen in Kuala Lumpur, the capital of Malaysia, that China would further improve the investment environment for foreign companies and take necessary measures to promote direct Sino-Malaysian trade.

In Manila Premier Li declared that China decided to sell an additional 300,000 tons of crude oil to the Philippines in an attempt to ease that nation's oil crisis.

It is reported that in 1989 the trade volume between China

and Laos was US\$7.128 million. It increased to US\$10.49 million in the first nine months of last year. During the Chinese premier's recent trip to Vientian the two sides signed three agreements under which China would provide a 50-million-yuan long-term, interest-free loan to Laos. China would also give an earth satellite station to this landlocked country as a gift.

Before Premier Li's departure from Colombo, China and Sri Lanka signed an agreement on economic and technical cooperation. In accordance with this agreement the Chinese government would provide Sri Lanka an interest-free loan of 50 million yuan.

The normalization of Sino-Soviet ties was an important event in 1989, having a positive effect on an ever changing world and instable international situation.

From April 23 to 26 of last year Premier Li Peng visited the

Soviet Union and signed documents aimed at expanding cooperation in the fields of economy, trade, science and technology. His visit paved the way for further development of Sino-Soviet relations.

In a recent interview with Sri Lankan television reporter A. D. Bandaranaike in Colombo, Premier Li said that China will develop normal relations with the Soviet Union on the basis of the Five Principles of Peaceful Coexistence. He said although the Soviet Union has also witnessed a lot of changes within its own country, Soviet friends told the Chinese government that they will continue to follow the socialist path.

China will firmly adhere to the road of socialism, Li said, adding that China enjoys a stable political and social situation fostering much economic growth. "We will enter the 21st century with full confidence," he concluded. ■

Seventh Five-Year Plan: An Assessment

During the Seventh Five-Year Plan period (1986-90), China's policies of reform and opening to the outside world witnessed notable advances, the national economy developed at an increased rate, and the plan's targets were basically fulfilled. However, because of problems associated with replacing the old system and due to faults in our work, compounded by the impact of overheated economic growth towards the end of the Sixth Five-Year Plan period, the national economy was in a state of flux. Consequently, economic readjustments were required late in the Seventh Five-Year Plan period in order to improve the economic environment and rectify the economic order as well as to deepen the reform.

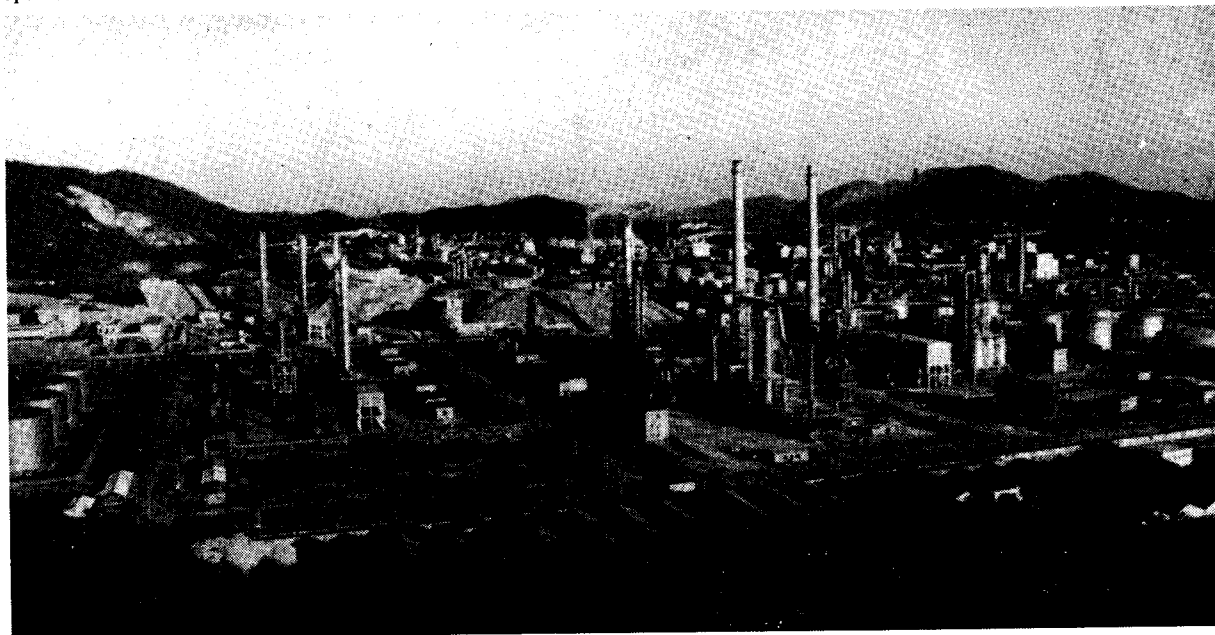
Achievements

During the Seventh Five-Year Plan period, the state targets for industrial and agricultural products as well as other categories of output were fulfilled or exceeded. The domestic market was brisk and foreign trade was invigorated; state revenue increased and the people's living standard was improved further; and scientific, educational, cultural and public health undertakings recorded progress and basically realized or approached planned targets.

Rapid Growth of the National Economy. Targets for most major industrial and agricultural products were fulfilled, and an analysis of 60 major products listed in the plan reveals that 39 of them reached or surpassed targets. The targets for grain,

meat (pork, mutton and beef), aquatic products, cured tobacco, silkworm cocoon, raw coal, crude oil, electricity, steel, rolled steel, nonferrous metals, cement, sulphuric acid, caustic soda, soda ash, chemical fertilizers, agricultural chemicals, and electricity generating equipment were fulfilled or exceeded. However, the production of at least 21 products did not meet planned targets. For example, cotton production was expected to reach 4.15 million tons, actual output was 2.4 percent lower than targeted. In addition, oil-bearing crops, which were targeted to reach 15 million tons, not only fell short by 3.25 million tons, but were over 780,000 tons less than that in 1985. Likewise, sugar output targeted for 64 million tons was 4.75 million tons less than ex-

A panoramic view of the expansion project at the Guangzhou Petrochemical Complex, a state key construction project, put into operation in December 1990.



CHINA

Table: Annual increase rates for major economic indicators in the Seventh Five-Year Plan period(%)

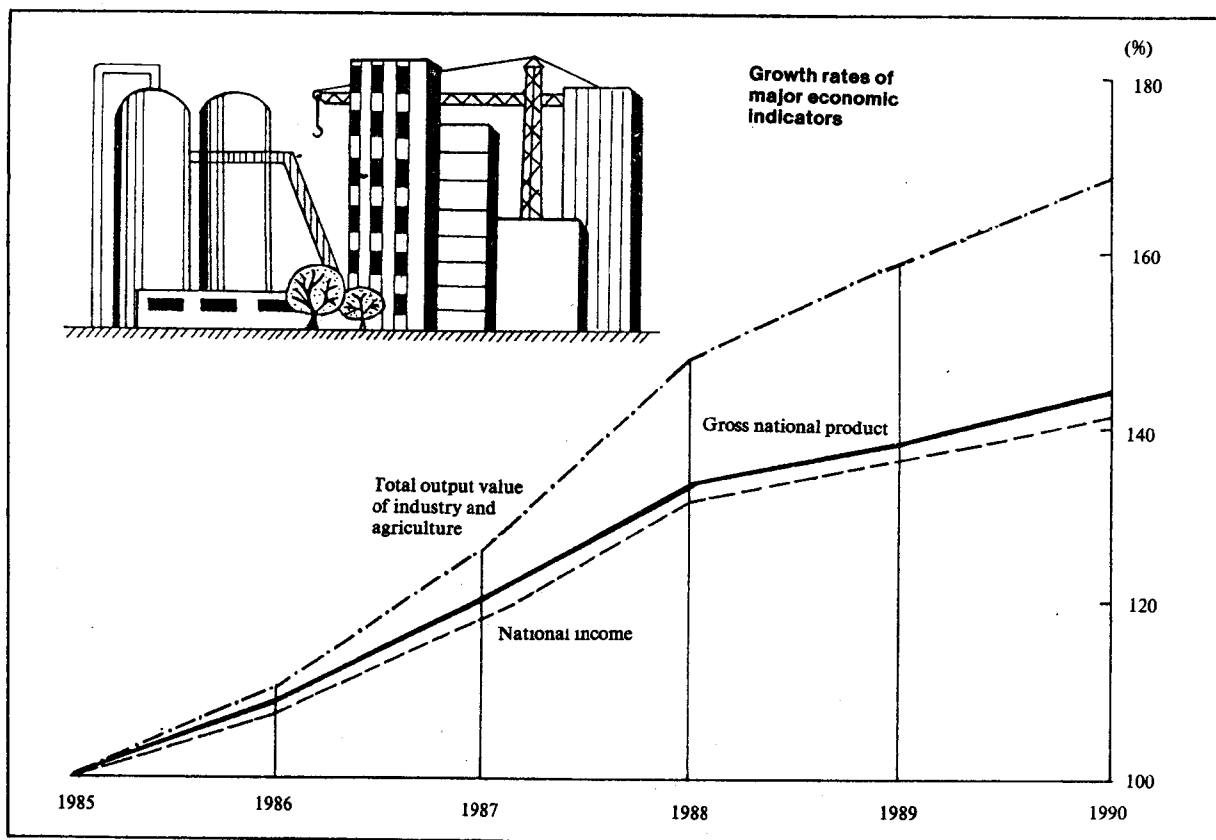
| Category | Plan | Actual | 1986-89 | Forecast |
|---|------|--------|---------|----------|
| Gross national product | 7.5 | 7.6 | 8.4 | 4.5 |
| National income | 6.7 | 7.2 | 8.1 | 3.9 |
| Combined total output value of industry and agriculture | 6.7 | 11.0 | 12.3 | 5.8 |
| Total output value of agriculture | 4.0 | 4.2 | 4.0 | 5.0 |
| Total output value of industry | 7.5 | 12.8 | 14.6 | 6.0 |

pected. Due to influence of investment retrenchment in the past two years, the production of machinery and electric products such as machine tools, automobiles, tractors and locomotives and passenger and freight carriages was curtailed. While the production of household refrigerators in 1989 reached the quota ahead of schedule, be-

cause of the sluggish market in 1990 production was suspended. **Investment in fixed assets increased production capacity.** During the Seventh Five-Year Plan period, dramatic changes occurred in total investment and investment patterns. It is estimated that investments in fixed assets during the Seventh Five-Year Plan period totalled

1,979.5 billion yuan, an increase of 1,179.7 billion yuan over that of the Sixth Five-Year Plan period. Calculated with the accumulative method, the average annual increase was 15.2 percent. During the period, investments in public-owned enterprises and institutions were 1,246.9 billion yuan, up 713.9 billion yuan over the Sixth Five-Year Plan period, at an average annual increase of 13.4 percent.

During the period, capital construction projects increased production capacity in many areas. During the five years, increases in production capacity included: 130 million tons of raw coal, 45.43 million kw in electricity generation, 63.56 million tons of petroleum, 5.12 million tons of steel, and 1.71 million tons of chemical fertilizers. The country built 3,448 km of



CHINA

railway lines, 18,000 km of highways, and improved the road surface. Completion of the Shenyang-Dalian Expressway ended a period during which China had no expressways. In addition, the annual handling capacity of harbours came to 149 million tons. A large number of modern enterprises such as the Baoshan Iron and Steel Company, the three large ethylene factories of Yangzi, Qilu and Daqing as well as several large chemical fertilizer factories were expanded.

Transport and post and telecommunications record continued development. During 1990 the total freight volume carried by all means of transport is expected to reach 9.95 billion tons, an increase of 33.4 percent over 1985, passenger volume is expected to reach 7.9 billion persons, a rise

of 51.6 percent over 1985, or an average annual increase of 5 percent for the entire period. As measures were adopted aimed at rationally distributing freight and passengers between railways and highways, and by increasing railway transport fees, the pressure on railway transport as reduced accordingly. The annual volume of rail freight is expected to reach 1.5 billion tons, or an average annual increase of 3.4 percent, while the number of rail passengers is expected to be one billion, down 1.9 percent annually.

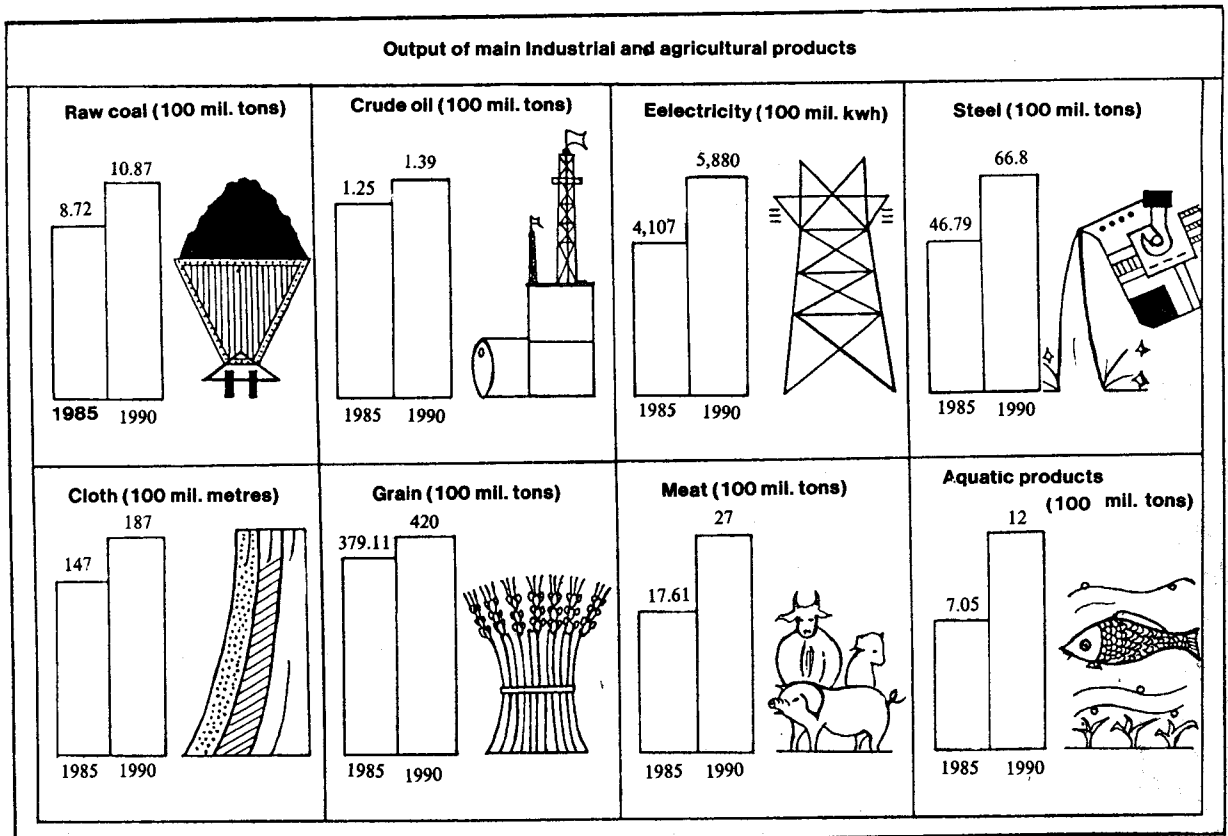
The handling capacity of coastal harbours for 1990 is expected to exceed 500 million tons, up 61.3 percent over 1985.

Post and telecommunications revenue is expected to surpass 7.8 billion yuan, a 2.6-fold increase over 1985, or an average

annual rise of 21.4 percent.

Brisk market helps to further improve the standard of living. During the Seventh Five-Year Plan period, commodity retail sales increased by an average of 14 percent annually—an average annual increase of 17.1 percent for each of the first four years, and an anticipated 2 percent increase for 1990—up 5.5 percentage points over the target. The market has been characterized by an abundant supply of commodities and increased sales of major commodities, especially high quality consumer durables.

The standard of living has continued to improve. The per-capita income for urban dwellers is expected to be 1,360 yuan in 1990, almost twice the 1985 figure, or an average annual growth of 14.7 percent, while the average per-capita net in-



1990 in Retrospect

The 7th Plenary Session of the 13th Party Central Committee was held in Beijing from December 25 to 30, 1990. The session adopted after deliberation the "Proposals of the CPC Central Committee for the Drawing-Up of the 10-Year Programme and the Eighth Five-Year Plan for National Economic and Social Development." The picture shows Jiang Zemin, Li Peng, Yang Shangkun, Wan Li, Yao Yilin and Song Ping entering into the meeting hall.



The Third Session of the Seventh National People's Congress adopted the Basic Law of the Hong Kong Special Administrative Region.



In 1990, China successively established and restored diplomatic relations with Namibia, Saudi Arabia, Indonesia, Singapore and the Republic of Marshall Islands, making much progress in its diplomacy.

The Chinese People's Institute of Foreign Affairs holds a symposium to celebrate Namibia's independence.



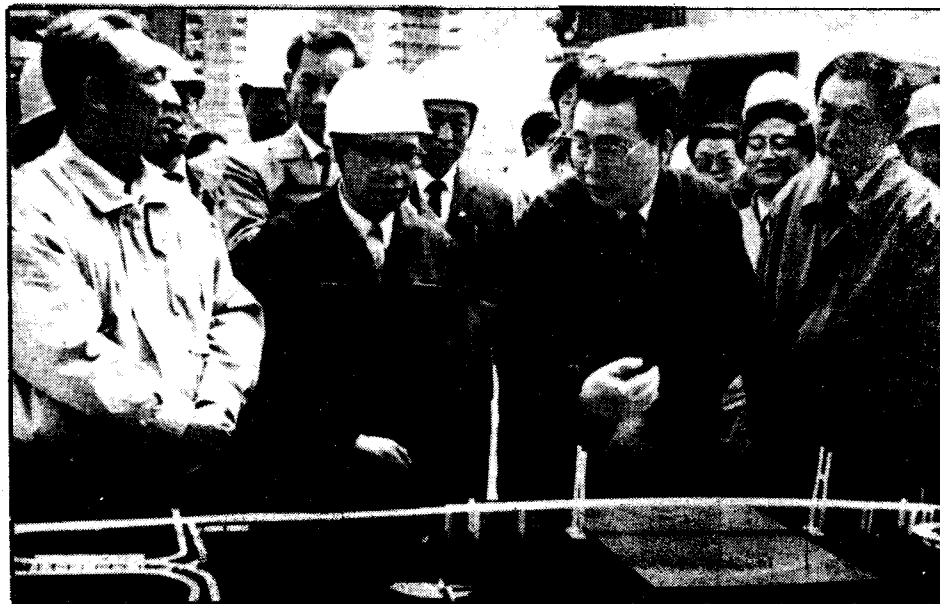
The Chinese Embassy in Saudi Arabia holds a flag-raising ceremony.

The understandings to restore relations between China and Namibia is signed.



Western countries began to ease their relationships with China. Japan resumed its third package of loans to China. The European Community cancelled sanctions and restored normal relationship with China. Foreign minister Qian Qichen visited the United States to discuss the question of improving bilateral relations.

The State Council approved to accelerate the development and opening of Pudong in Shanghai, another important measure since China's opening to the outside. The photo shows Premier Li Peng inspecting the Pudong area.





Yang Shangkun, chairman of the People's Republic of China, meets with the foreign minister of the Republic of Marshall Islands.



Foreign ministers of China and Singapore sign a communique on the establishment of diplomatic relations.

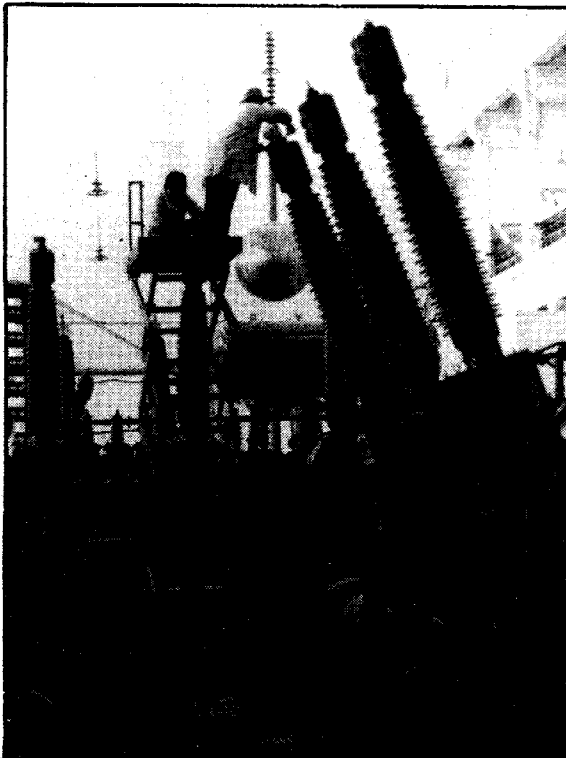
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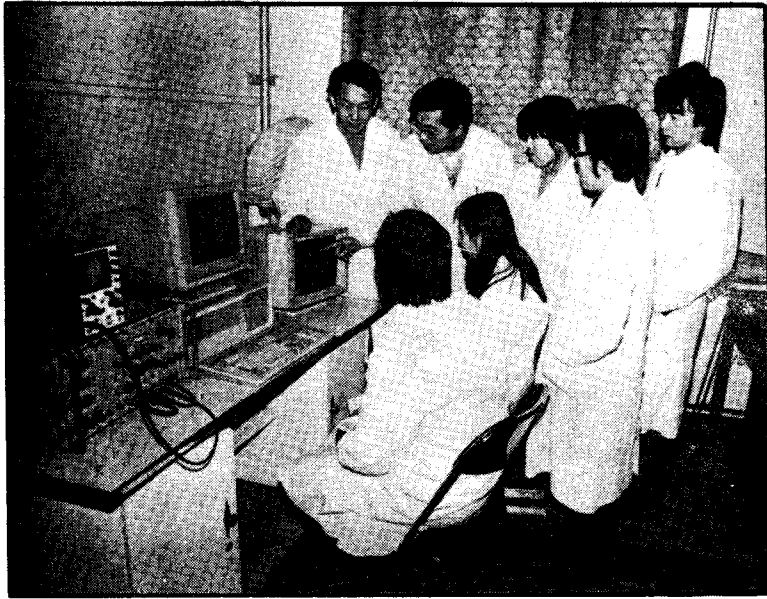
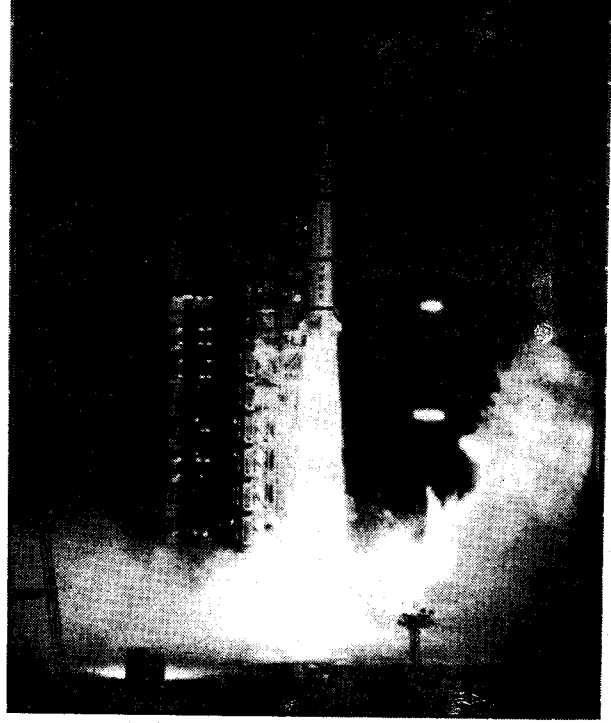
Economic rectifications have been successful. Inflation has been put under control and the targets set during the Seventh Five-Year Plan period (1986-90) were basically fulfilled. The photo shows the completed expansion project of the Hefei Transformer Factory in Anhui Province, a state key construction project.



A bumper harvest in agriculture was reaped. The country's total grain output exceeded 420 billion kg, the highest record in history. The photo shows a busy grain purchasing station.



China successfully launched AsiaSat-I Comsat for commercial purposes, the first time China provides launching service to foreign clients.



A new three-ply plait-like structure of DNA has been discovered by the Research Institute of Chemistry of the Chinese Academy of Sciences. Experts believe it is man's another important discovery of nature. The photo shows scientists observing research results.

China successfully hosted the 11th Asian Games, the largest ever held in the history of the Asian Games. The Chinese sports delegation won the most gold medals. The photo shows a scene of the opening ceremony.



come of 600 yuan for farmers in 1990 represents an average annual rate of about 10 percent over the past five years. However, after making adjustments for price hikes increases, the actual growth margin is relatively low.

It is estimated that the country's total wage bill in 1990 will be over 296 billion yuan, 2 times that of 1985, or an average annual growth of 16.4 percent for the period. On the down side, however, due to dramatic price hikes in the past several years, actual average wages rose by only slightly over 2 percent. The savings deposits of rural and urban residents increased dramatically and are forecast to be in excess of 700 billion yuan by the end of 1990, up 4.3-fold over 1985.

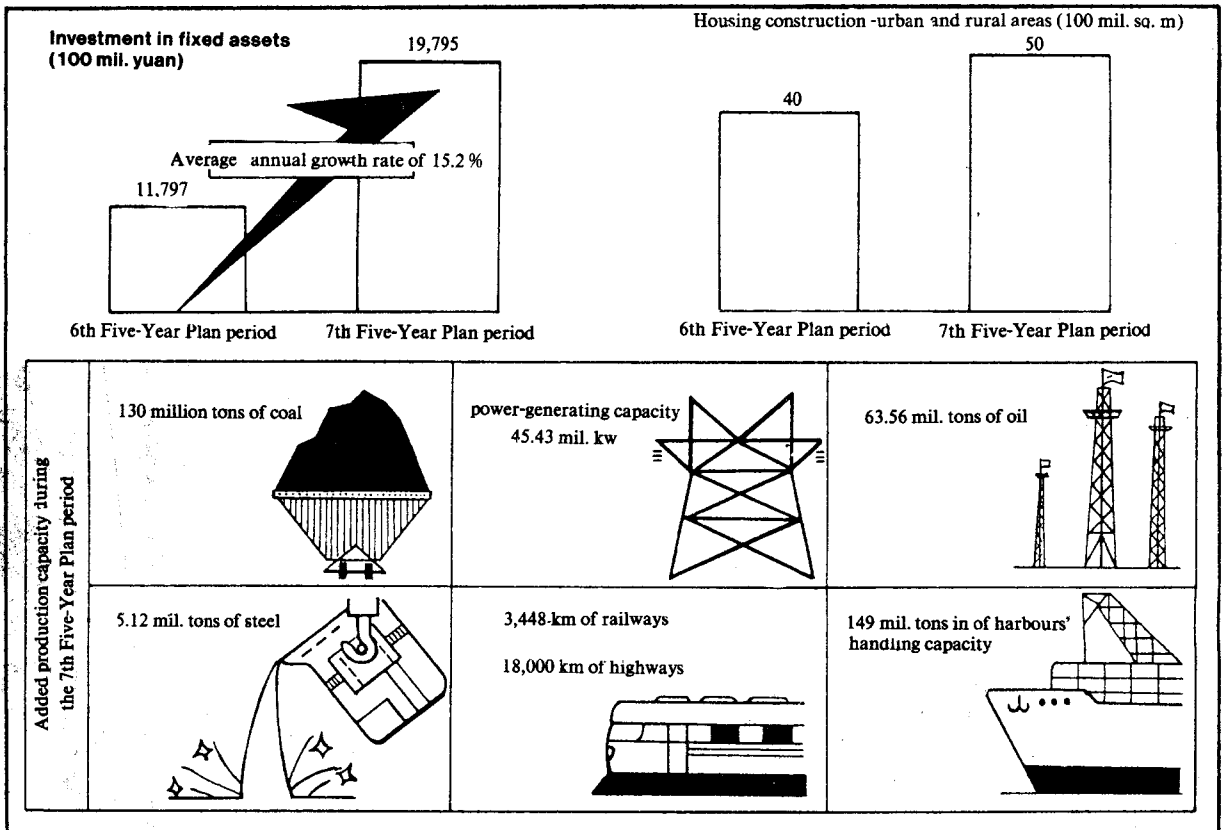
Scale of opening to the outside world was expanded. During the

period, the state actively advanced its policy of opening to the outside world and accelerated reform of the country's foreign trade structure in an effort to speed up the development of an export-oriented economy.

China expanded the open economic belt along its coast. To complement the five special economic zones and 14 coastal cities opened previously, China established open coastal economic areas in the Changjiang (Yangtze) River and Zhujiang (Pearl) River deltas, and in the triangle area formed by the cities of Xiamen, Zhangzhou and Quanzhou in south Fujian Province. These areas were opened in the hope of enhancing China's ability to co-operate with foreign countries as well as the ability of coastal cities to co-operate with inland areas.

As a means of accelerating the policy of opening to the outside world, the central government decided in 1990 to open and develop Shanghai's Pudong area.

Imports and exports increased dramatically and resulted in a readjustment in commodity mix. The anticipated turnover of imports and exports handled by customs houses during 1990 is expected to exceed US\$108 billion, a 55.2 percent increase over 1985, which translates into an average annual growth of 9.2 percent. A breakdown of this figure reveals that total export volume reached US\$57 billion, while the import volume was US\$51 billion. The annual average growth rate of exports was 15.8 percent, with imports somewhat lower at 3.8 percent. Controls placed on the importation of machinery and electric prod-



ucts and high quality consumer durables during 1990 served to curb the dramatic growth of the past several years. Combined with a faster growth speed in exports this reversed the unfavourable situation which had prevailed in the country's foreign trade. At the same time, the mix of import and export commodities improved, with the import of medium- and high-grade consumer durables having decreased by a large margin, and the export of industrial end-products having increased by over 70 percent.

China also recorded increases in the receipt of foreign funds. During the Seventh Five-Year Plan period, China received foreign loans amounting to US\$30 billion. The proportion of medium- and long-term loans increased from 59.4 percent in

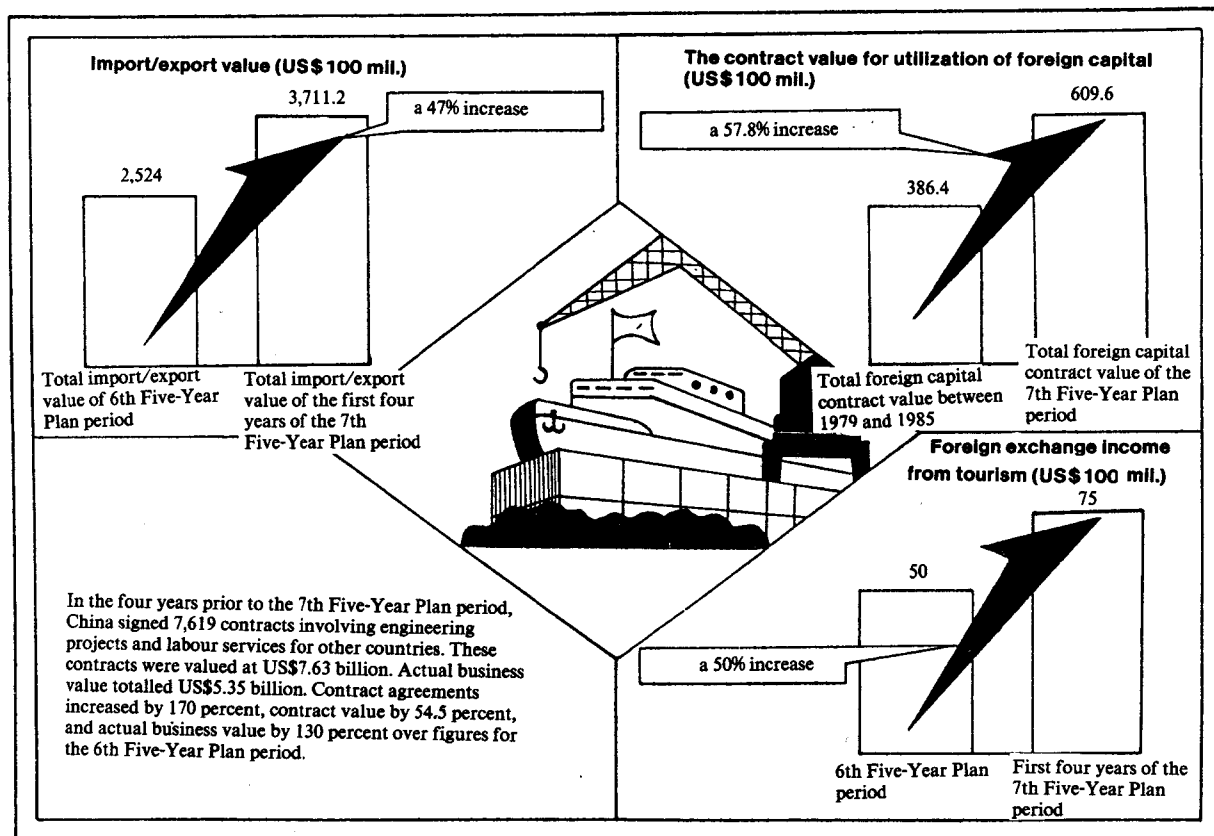
the early years of the Seventh Five-Year Plan period to about 90 percent in latter years. Direct foreign investment increased by over three times that of the Sixth Five-Year Plan period.

The causes of science, technology, education, culture, public health and sports have developed. During the five-year period China achieved major advances in science and technology. The number of projects was increased from 10,476 in 1985 to 20,278 in 1989, and by an even greater number in 1990. The number of inventions winning state prizes also rose, and scientific and technological results in some fields approached or reached advanced international levels. Large scientific research projects such as the electron-positron collider, the heavy-ion accelerator and the synchronous

radiation laboratory were initiated and, successively, became operational. The Long March-2 cluster rocket, the AsiaSat No.1 meteorological satellite and the "Fengyun-1" meteorological satellite marked breakthroughs in China's scientific and technological efforts.

Structural adjustments made in education took into account the actual needs and requirements for raising the quality of education. Postgraduate enrollment in 1990 is expected to top 30,000, while enrollment in institutions of higher education will reach 620,000, matching the figure for 1985. Enrollments in secondary vocational and technical schools will rise to 780,000, or an average annual increase of 3.1 percent.

Progress in cultural undertakings continued unabated. The



130 feature films produced in 1990 basically match the number targeted. In an effort to raise the quality of publications and to clear up the distribution of books and magazines, the country expects to publish works containing over 52.2 billion pages, 7.2 percent less than in 1985.

Medical and health undertakings continued to develop, and medical conditions were greatly improved. The number of available hospital beds in China in 1990 is expected to surpass 2.63 million which matches state targets, a 17.9 percent increase over 1985.

Achievements were recorded in the fields of physical culture and sports. The 1990 Beijing 11th Asian Games were successful, and Chinese athletes placed first in total medals, of which a

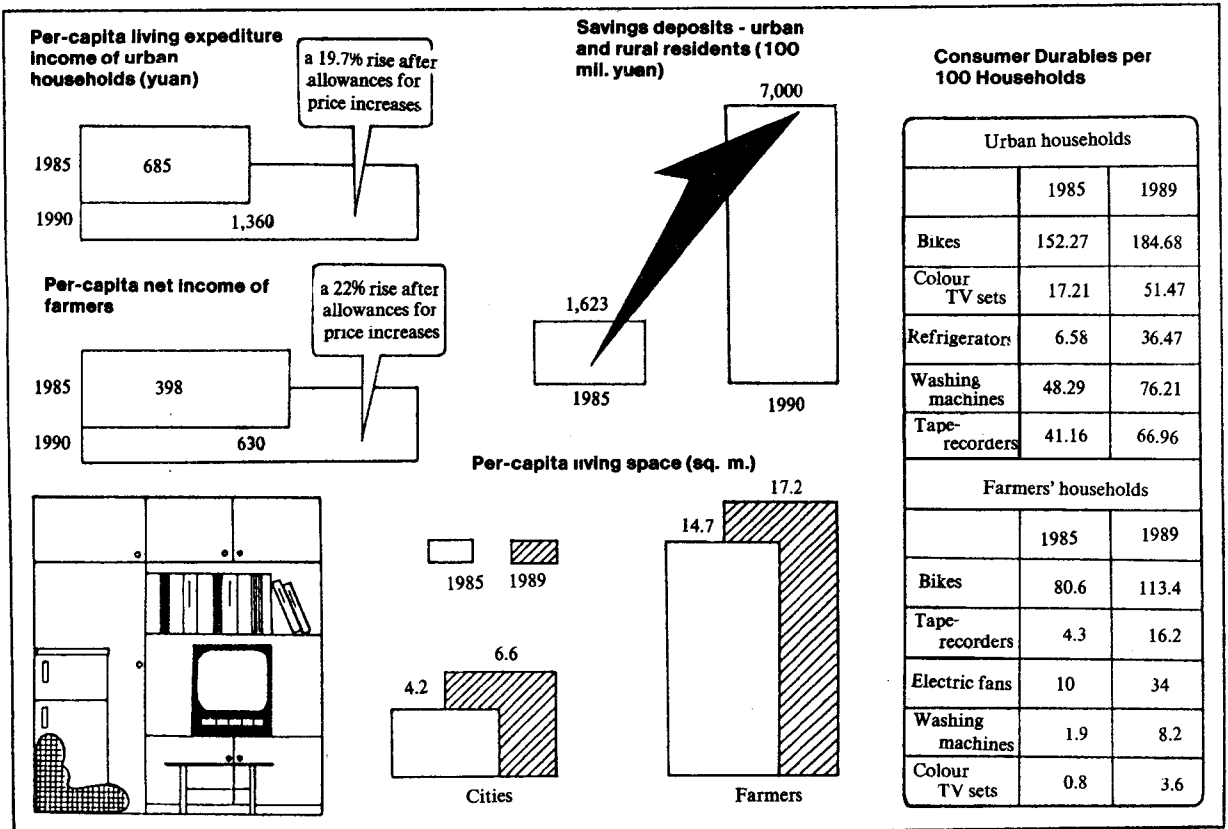
remarkable 183 were gold medals.

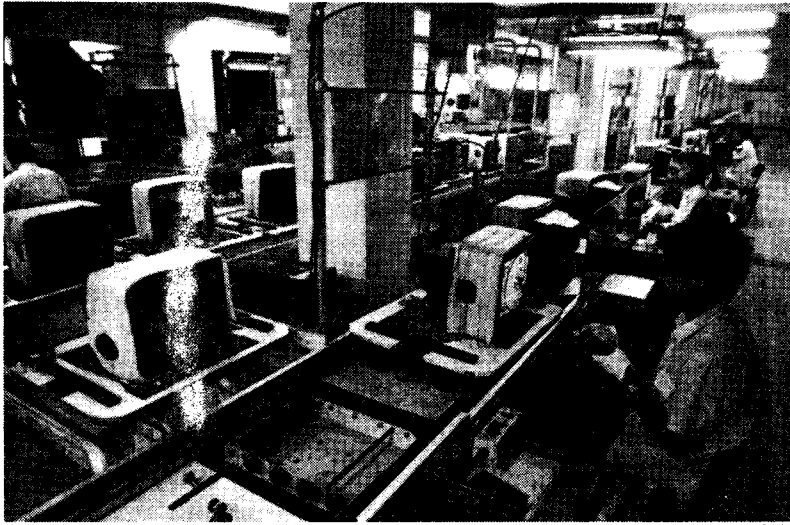
Problems

Tangible evidence shows that without a doubt China scored remarkable achievements in economic development during the period. However, because of being overanxious in pursuing quick results from reform and development, the lack of some policies for the reform and especially the incompleteness of the macro-economic regulatory system, the tendency of over-scatteredness over-stretch appeared in the economic life, affecting the stable and co-ordinated development of the macro-economy. The adverse effects can be summed up as follows:

1. Fluctuations in economic development characterized by big

ups in the early period and big downs in the latter period. Influenced by rapid economic growth in the latter part of the Sixth Five-Year Plan period, economic development was still overheated at the beginning of the Seventh Five-Year Plan period. In the first three years (1986-88) of the new plan period the gross national product (GNP) increased by 10.1 percent, or almost the same as that in the Sixth Five-Year Plan period, or 2.6 percentage points higher than called for in the plan. The national income averaged an annual increase of 9.7 percent, 3 percentage points higher than planned. At the same time investments in fixed assets increased at an average annual rate of 20.2 percent, 17.2 percentage points higher. Because economic development





LIU YUSHENG

Over 75 percent of the colour TV and radio cassette recorders produced on this assembly line at the Huaqiang-Sanyo Electronics Co., Ltd. in the Shenzhen Economic Zone, are sold in European and American countries.

was out of control, the country had to initiate economic improvement and rectification. As a result the speed of economic growth slowed down noticeably. In the last two years of the period (1989-1990) GNP increased by an average of 4.0 percent annually, while national income recorded an annual increase of 3.6 percent, or 6.1 percentage points lower than the first three years. Investments in fixed assets registered a zero growth. During the period the growth rate of GNP saw the maximum drop of 7.4 percentage points, national income 7.8 percentage points, and investments in fixed assets by 31.5 percentage points. This type of fluctuations in the economy was the main factor causing low economic efficiency.

2. Industrial structure was seriously disproportioned. During the Seventh Five-Year Plan period, for various reasons, not enough attention was paid to such key sectors as agriculture, energy, transport and raw materials. As a result of this failure, some sectors were even weakened.

The Seventh Five-Year Plan required readjustments—calculated in terms of constant prices—in the ratio of agriculture, light and heavy industries from 23.9:38:38.1 in 1985 to 21:39.4:39.6. However, the ratio in 1990 is expected to be 17.4:42.4:40.2. The proportion of output value of agriculture in relation to the total output value of industry and agriculture in the five years dropped by 6.5 percentage points, or 3.6 percentage points deeper than the target. The ratio between the growth rate of agriculture and that of industry dropped from a ratio of 1:1.48 during the Sixth Five-Year Plan period to 1:3.28 during the Seventh Five-Year Plan period. While production of basic industries was stagnant, the processing industry increased by 16.5 percent annually. The raw materials industry increased by 11.2 percent and the exploration industry by only 6 percent, figures which indicate imbalanced development. Following readjustment in the last two years of the period, the strained supply of energy and raw mater-

ials was eased somewhat, but the problem of a sluggish economy remained unsolved. During the Seventh Five-Year Plan period, the proportion of energy in all the industries dropped in most years, and is expected to settle at 9 percent in 1990, a drop of 1.4 percentage points from 1985. The processing industry developed rapidly, thus adding to the strain on the raw materials industry. The ratio of output value between the raw materials industry and the processing industry dropped from 1:1.49 in 1985 to 1:1.68 in 1989. The third problem is the serious contradiction between transport capacity and economic development. Even though the state constructed railways and highways during the plan period, the throughput of passengers and freight per kilometre of railways and highways still increased by 20 percent over that of the Sixth Five-Year Plan period.

3. Economic efficiency slid downward. During the Seventh Five-Year Plan period there was a sharp downward slope in economic efficiency, due not only to fluctuations in the economy, but also because there were no stimulation and regulatory mechanisms in place to raise the economic efficiency in the period of reform and opening to the outside world. A result of this is that the material consumption rate of products increased substantially. During the period agriculture, industry, construction, transport and commerce as proportion of the gross product of society did not change noticeably. However, the material consumption rate increased from 57.6 percent in 1985 to 62.1 percent in 1989. Secondly, the profit and tax rate on funds of industrial enterprises that conduct accounting independently decreased from 23.9 per-

cent during the Sixth Five-Year Plan period to 20.3 percent. Costs grew dramatically, enterprises' losses increased by a large margin. Thirdly, proportion of fixed assets that put into operation as capital construction projects dropped from 75.5 percent in the Sixth Five-Year Plan period to 73 percent. The phenomenon of importing blindly and continuously building the same kind of projects was quite glaring.

4. Increased supply of credit and money contributed to inflation. The use of credit funds exceeded planned targets by over 900 billion yuan. Currency issuance increased dramatically to bring the total to over 170 billion yuan, thereby obviously contributing to inflation. This, plus price reform, forced the national retail price index to grow at an average annual rate of 10.3 percent, or four times that for the Sixth Five-Year Plan period. The general retail price index reached 18.5 percent in 1988 and 17.8 percent in 1989, increases unheard of since the founding of New China in 1949.

5. Macro-economic control was seriously weakened. In the process of reform the decentralization of administrative power was over-stressed and there was a failure to establish control mechanisms which resulted in weakened macro-economic control causing the appearance of a serious irrational distribution of national income. The main outcome of this was that the proportion of state revenues obviously decreased. According to comparable calculations, state revenues dropped from 26.1 percent in 1985 to 18.8 percent in 1989, while the distribution of national income tilted favourably towards the individual. As proportion of GNP, residents' income increased from 58.6 per-

cent in 1985 to 62.9 percent in 1989. Because of poor macro-economic control, it was difficult to correct the behaviour of localities and enterprises which deviated from the macro-economic targets. These facts seriously affected economic development.

6. Population growth exceeded targets, thereby adding new pressures to economic growth. During the Seventh Five-Year Plan period, China recorded the third highest birthrate since the founding of New China. The natural growth rate of 14.3 per thousand exceeded targets by 19 percentage points. China's population by the end of the 1990 is expected to exceed 27 million more than the target. Excessive population growth has made the work to control the population more difficult and economic burden heavier.

Looking to the Future

By basically meeting the targets of the Seventh Five-Year Plan, China's economic development has created conditions for continued improvements during

the coming five-year plan period. Drawing on the economic practice of the Seventh Five-Year Plan period and looking forward to the tasks facing us, we must pay attention to the following basic principles for macro-economic control during the next five-year plan period.

1. Correctly understand any new changes in the economic environment. In the past decade of the reform obvious changes have been made in the operational mechanisms related to China's national economy. Many new features have surfaced: the first is that China's economy has gone commercial and money-oriented high degree. Secondly, although China's economy still retains many basic features of restriction by resources, the sluggish market which appeared in the fourth quarter of 1989 obviously revealed the features that the economy is being restricted by demand. On the other hand, changes in consumers' psychology is exerting an increasing impact on the economy. Thirdly, the operational mechanism has

Scientists and technicians from the Hefei Synchronous Radiation Laboratory monitoring systems in the central control room. FU ZHENXIN



passed the stage of product economy subject to highly concentrated planning and entered such a new economic stage that the planned economy is tending to integrate with market regulation. In addition, the means of macro-economic control have been transferred from centralized financial administrative control to the combined use of multiple economic levers including money supply, finance, price, interest rate and exchange rates. Finally an improved social security system has become an important factor in deepening reform and stabilizing the economy.

All of the changes and features mentioned above require that, in the process of formulating plans and readjusting its economy, China uses economic and legal methods while maintaining and improving what have proved effective of economic management methods featuring administrative levers. The country must also actively abide by and apply the law of value so that policy decisions will be made and economic management be conducted in a scientific and effective manner, and the national economy develop more healthily.

2. Seek truth from facts. During the Seventh Five-Year Plan period, fluctuations in China's economy combined with difficulties facing the current reform have been directly related to our policy decisions which were not suited to the country's conditions, to our over-eagerness for good results and thirst for transition. Therefore, looking forward to the Eighth Five-Year Plan period, in order to ensure order in the country's economic life, it is extremely imperative for China to assume the attitude of "seeking truth from facts" in dealing with the relationship be-

tween economic readjustment, structural reform and the economic development.

3. Make sure that reform and opening to the outside world go in tandem. During the Eighth Five-Year Plan period it is necessary to establish, as soon as possible, a general programme for reform and opening to the outside world as well as annual plans for its implementation, so that medium- and long-term programmes can be implemented accordingly, and that reform measures will support and promote each other, thereby improving the overall performance of the reform and opening to the outside world.

4. Effectively control the macro-economy and enliven the micro-economy. This will ensure the national economy to operate dynamically and in an orderly manner. During the Eighth Five-Year Plan period, efforts should be made to establish step by step a reasonable scientific macro-economic control system which will maintain balance between supply and demand, in relation to finance, credit, materials and foreign exchange. The annual growth rate in prices should be controlled within single digit. The country should, through reform, use economic methods to reverse the situation of over-scatteredness of financial and material resources, to eliminate structural disproportion and low efficiency and to gradually establish a rational distribution mechanism. The country should gradually cultivate a healthy market system and establish a normal economic order through the reform.

From the micro-economic point of view, the country should remould enterprise mechanisms and further strengthen their vitality by transforming their employment system in the

light of the needs for developing a planned commodity economy. Direct administrative interference in the operation of enterprises should be reduced to a minimum. Economic levers should be used as much as possible to regulate enterprises' behaviour. China should constantly improve the enterprise contract responsibility system and gradually turn enterprises into economic entities which operate independently, assume sole responsibility for their profits and losses and use their own resources for expansion, thereby bringing into full play the initiative of the workers and staff members.

5. Ensure proper economic growth under the prerequisite of readjusting the industrial structure and raising economic performance. Optimization of industrial structure and geographical layout is an important way to improve macro-economic performance. During the Eighth Five-Year Plan period, China should consider the establishment of a rational industrial structure as an important content for economic development, which should be supported by relevant policies and implementation measures so as to increase the efficiency of the economic readjustment. While optimizing the structure, the country should expend great effort to fully use and rationally rearrange elements of production to raise economic efficiency. Meanwhile, China should constantly consider the ultimate needs of society when considering proper economic growth rate, striving for an average annual GNP growth rate of no less than 6 percent. The aim is to make the relationships between the economic structure, efficiency and growth further reasonable. ■

Communique of the 7th Plenary Session of The 13th Central Committee of the Communist Party of China

(Adopted on December 30, 1990)

The Seventh Plenary Session of the 13th Central Committee of the CPC was held in Beijing from December 25 to 30, 1990.

Attending the plenary session were 171 full members and 107 alternate members of the CPC Central Committee. Present at the session as observers were 161 members of the Central Advisory Commission, 67 members of the Central Commission for Discipline Inspection and 78 leaders of relevant departments.

The plenary session adopted after deliberation the "Proposals of the CPC Central Committee for the Drawing-up of the 10-Year Programme (1991-2000—Tr.) and the Eighth Five-Year Plan (1991-95—Tr.) for National Economic and Social Development." The proposals set forth the basic tasks of and principles and policies for China's economic and social development in the coming decade. The document consists of seven parts: (1) the main objectives to be achieved and the basic guidelines; (2) the industries to be emphasized in economic development and regional distribution; (3) the tasks of and policies for developing scientific, technological, educational and cultural undertakings; (4) raising the people's living standards, and improving the social security system; (5) the direction, tasks and measures of deepening the reform of the economic structure; (6) opening wider to the outside world; and (7) the whole Party and the people of the whole country unite and strive to realize the 10-year programme and the Eighth Five-Year Plan.

The plenary session highly evaluated the tremendous achievements China has scored in reform and opening to the outside world and in socialist modernization since the Third Plenary Session of the 11th CPC Central Committee. It fully reaffirmed the marked successes in all fields of work since the Fourth Plenary Session of the 13th Party Central Committee. In the past decade and more, since we have persistently followed the Party's basic line and, in particular, the reform and opening have released the enthusiasm of all quarters, the economic and social life in both rural and urban areas and from the coastal regions to the interior have shown vigour and vitality. The first-step strategic objective of modernization has been attained, with marked increase in the country's economic capability and noticeable betterment of the life of the people in

both town and country. The socialist system has been improved step by step through reform, and political stability and unity have been consolidated and developed continuously. All these achievements have laid a solid foundation for China's development in the 1990s and enhanced our confidence and strength in pressing ahead by overcoming difficulties.

The session pointed out that the years from 1991 to 2000 will be very pivotal in the historical process of China's socialist modernization. This is determined by the current domestic and international situation. Success or failure in our efforts in the 1990s to consolidate and develop the achievements made in 1980s and to greatly promote economic growth and social progress will have a direct bearing on the rise or fall of China's socialist system and the future and destiny of the Chinese nation. We should grasp the opportunities offered by history, meet the challenges and work hard to attain the second-step strategic objective of modernization, thus raising the quality of the national economy as a whole to a new level. The basic requirements are: first, on the basis of greatly improving economic efficiency and optimizing the economic structure, the GNP of 1980 will be quadrupled by the end of this century in terms of constant price; second, the people's living standards will improve from just having enough to eat and wear to a state of leading a fairly comfortable life, with ampler means of subsistence, significantly improved dwelling conditions, more colourful cultural life, and continuously improved health and social services; third, efforts will be made to expand educational undertakings, promote scientific and technological progress, improve economic management, readjust the economic structure, and give priority to the key construction projects, so as to lay the material and technological foundation for China's sustained economic and social development in the early 21st century; fourth, an economic structure and operating mechanism will be initially established, which meet the need for the growth of the socialist planned commodity economy based on the public ownership and which combine the planned economy with market regulation; and fifth, socialist culture and ethics will be raised to a new high and socialist democracy and legal system further improved.

The plenary session listed the following as the key point in economic construction during the coming decade and the Eighth Five-Year Plan period: strengthening agriculture; strengthening the basic industries and infrastructure, and reorganizing and transforming the processing industry; and strengthening educational, scientific and technological undertakings. China's regional economic distribution should be further improved in accordance with the principle of "overall planning, rational division of work, supplementing each other's advantages, and co-ordinated development." Along with economic development, the modernization of national defence should be stepped up.

The session maintained that correct guiding principles must be observed in drawing up and implementing the 10-year programme and the Eighth Five-Year Plan. The most essential ones are:

—Firmly follow the road of building socialism with Chinese characteristics. This is the fundamental guarantee for attaining the second-step strategic objective. On the initiative of Comrade Deng Xiaoping and beginning from the Third Plenary Session of the 11th Party Central Committee through the 12th and 13th National Party Congresses, our Party has arrived at the scientific conclusion that China is in the primary stage of socialism, and formulated the basic line of making economic development our central task while adhering to the four cardinal principles (keeping to the socialist road and upholding the people's democratic dictatorship, the leadership by the Communist Party, and Marxism-Leninism and Mao Zedong Thought—tr.) and persevering in reform and opening-up, as well as a series of effective principles and policies. All this was made in accordance with the principle of integrating the universal truth of Marxism with the concrete practice in China and on the basis of penetratingly summing up historical and current practical experiences. Practice has proved that the road of socialism with Chinese characteristics conforms to China's conditions and will make the country strong and the people rich. So long as we continue unswervingly along this road in the 1990s and make apt explorations in practice and sum up experience, we are certain to withstand every kind of storm and score even more brilliant achievements that will give further evidence to the great vitality of the socialist system in our country.

—Firmly push forward reform and opening to the outside world. Reform in our country is a process by which the socialist system improves itself and develops, and it aims at promoting the growth of the productive forces and all-round social progress, and giving full play to the superiority of the socialist system. We shall go on deepening the reform and open still wider to the outside world on the basis of summing up the experience in the reform and opening in the 1980s and in line with the requirements of the development of the productive forces. The responsibility system with the household contract linking output to payment as the main form is in keeping with the present level of the productive forces in China's rural areas and must be main-

tained as a basic system for a long time to come while improvement should be made continuously. On this basis, the socialized service system should be developed vigorously, and the dual management system that combines household with collective operations should be strengthened and improved so as to gradually boost the strength of the collective economy. Further enhancement of the vitality of the enterprises, especially the large and medium-sized state-owned enterprises, is of special significance for developing China's economy and consolidating the socialist system. The laws, regulations and policies already promulgated with the aim of invigorating the enterprises must be earnestly implemented. It is necessary to carry out, in a co-ordinated and dovetailed manner, the structural reform in the fields of enterprises, circulation, prices, finance, taxation, banking, planning, investment, and labour and wages. These reforms should center around the goal of establishing a new economic system. This should be accompanied with greater efforts to build a system of overall regulation and control. It is necessary to handle properly the relations between the central and the local authorities and between the state and the enterprises, and give full scope to the initiative of both the central and the local authorities and both the enterprises and the workers. It is necessary to keep the stability and continuity of the open policy, run the special economic zones even better, consolidate and develop the existing economic and technology development zones, open cities and open areas. While deepening the economic structural reform, energetic efforts should be made to push forward the political structural reform and expand socialist democracy with Chinese characteristics.

—Firmly implement the principle of developing the national economy in a sustained, stable and co-ordinated manner. This principle is the result of penetratingly summing up our experience, both positive and negative, in economic construction over the past 41 years, and the correct reflection of the objective economic law. All comrades in our Party must bear this in mind. To resolve economic and social contradictions in China which has a large population and enormous demand, we must maintain a certain rate of economic growth under the precondition of raising economic efficiency. It is necessary to strike a basic balance between the aggregate social demand and supply, conscientiously follow the principle of doing what is within our capacity in arranging for economic construction and people's life, reasonably fix and arrange the major ratios in the national economy, guard against and overcome the tendency of being impatient for success, and strive to avoid a recurrence of big ups and downs in economic life. There should be no wavering in implementing the basic state policy of family planning so as to control excessive population growth.

—Firmly follow the principle of self-reliance, hard struggle and building up the country through thrift and diligence. China is a big developing socialist country and must base economic construction on its own efforts. The use of foreign capital and technology must

go along with the efforts to develop China's economy and enhance its ability of self-reliance. The realization of China's modernization and the common prosperity of the people of all nationalities in the country requires the hard work of several generations. For a long time to come, we must persist in the principle of building the country through thrift and diligence, practise economy in all fields of work, do everything with industry and thrift, and rid extravagance and waste that exist to a serious extent in various fields.

—Firmly implement the principle of promoting both material civilization and socialist culture and ethics. The promotion of socialist culture and ethics under the guidance of Marxism-Leninism and Mao Zedong Thought is an important feature of socialism with Chinese characteristics. In face of complicated international situation and arduous tasks of reform and construction at home, it is all the more necessary for us to promote socialist culture and ethics in real earnest, while working for material improvement, so as to raise the ideological and ethical standards and cultural and scientific levels of the whole nation. We should make sustained efforts to carry out education in the four cardinal principles and the struggle against bourgeois liberalization; we should strengthen ideological and political work in real earnest, carry out in-depth education in patriotism, collectivism and socialism, and re-energize the national spirit; we should do more to advance our socialist culture and carry forward the fine cultural legacy of the Chinese nation so as to enrich and enliven the cultural life of the people. Both the central and the local authorities should include the promotion of socialist culture and ethics in their economic and social development plans and gradually increase the necessary input.

The plenary session pointed out that in the 1990s we shall, according to the principle of "one country, two systems," bring Hong Kong and Macao back to the embrace of the motherland, vigorously develop exchanges between the two sides of the Taiwan Straits and work for the peaceful reunification of the motherland. All comrades in the Party and people of all nationalities in the country, including our compatriots in Hong Kong, Macao and Taiwan and Chinese nationals residing abroad, should take an active part in the great cause of making China powerful and strong and promoting the reunification of the motherland.

We shall, as always, pursue the independent foreign policy of peace, oppose power politics and hegemonism, handle state-to-state relations in accordance with the Five Principles of Peaceful Coexistence, expand our friendly exchanges and sincere co-operation with other countries, and make due contributions to the establishment of new international political and economic orders and the promotion of peace and development in the world and progress of mankind.

The plenary session stressed that the key to the smooth implementation of the ten-year programme and the Eighth Five-Year plan lies in strengthening and improving Party leadership. Great efforts are required to do well in Party building and raise the

standard of the Party members. Cadres, and leading cadres in particular, must earnestly study Marxism, conscientiously carry out the resolution of the Sixth Plenary Session of the 13th Party Central Committee, serve the people wholeheartedly, inherit and carry forward the Party's fine traditions of integrating theory with practice, maintaining close ties with the masses and practising criticism and self-criticism, uphold the principle of democratic centralism and the method of work of "from the masses, to the masses," and maintain flesh-and-blood ties with the masses, so as to enhance the rallying call and combating power of the Party.

The session emphasized that the formulation and execution of the ten-year programme and the Eighth Five-Year Plan mark a new stage of development in China's socialist modernization. In face of complicated and ever-changing international situation, it is crucial that we manage our domestic affairs well. 1991 is the first year of the Eighth Five-Year Plan and it is also a year of continuing economic rectification and deepening the reform. We should concentrate our efforts on doing the economic work well, resolving outstanding contradictions and key problems, especially the problems of invigorating large and medium-sized state-owned enterprises and maintaining steady development of agriculture. We should truly shift all economic work onto the track of raising economic efficiency, and strive for marked improvement in the quality, variety and efficiency of industrial production. We should expand socialist democracy, strengthen the socialist legal system, safeguard the stability of the country and society and the great unity of all nationalities. Party organizations at all levels and all Party members should be honest in performing official duties, work hard, maintain close ties with the masses, and hail the 70th anniversary of the Party with excellent achievements in construction and reform.

The plenary session was presided over by the Political Bureau of the CPC Central Committee. Comrade Jiang Zemin delivered an important speech, and Comrade Li Peng gave an explanation of the draft proposals.

The session was convened after full preparations. In the process of drafting the proposals, opinions were solicited extensively from comrades within the Party and among non-communist personages to pool the wisdom of all quarters. After the plenary session, the State Council will proceed to hammer out draft outlines of the ten-year programme and Eighth Five-Year Plan, to be submitted to the Fourth Session of the Seventh National People's Congress for deliberation.

The plenary session called on all members of the Communist Party and the Communist Youth League, workers, peasants and intellectuals of all nationalities, cadres and the people's armed forces, democratic parties, people's organizations and patriots with no party affiliation, to rally more closely under the leadership of the Party Central Committee with Comrade Jiang Zemin at the core, immerse themselves in hard work with one mind, and strive for the fulfillment of the magnificent tasks set in the ten-year programme and Eighth Five-Year Plan. ■

New Satellite To be Launched

The Asia Satellite Telecommunications Co. Ltd. in Hong Kong, which launched the Asia No.1 comsat in April 1990, is now planning to launch the Asia No.2 comsat. At present, the feasibility and marketing research report on the new satellite has been finished.

The Asia Satellite Telecommunications Co. Ltd. was established by the Hutchison Whampoa Ltd. of Hong Kong, the Cable and Wireless PIC of Britain and the China International Trust and Investment Corp. The corporation's administrative President Xue Dong noted that currently there is greater demand for the capacity of the man-made satellite in Asian areas than that when the Asia No.1 comsat was first designed. With the readjustment of Asian countries' government policies, he said, they are more willing to open their telecommunications business to private investment. Asia's telecommunications industries are expected to follow the path of advanced European and American countries in order to bring about a rapid growth.

The Asia No.2 comsat, like the previous one, will use C frequency channel as telecommunications transmitter. However the capability of the new satellite is greater than that of the Asia No.1 comsat, as its communication area moves lightly to the western part of Asia and extends to East European regions. If bidding is invited in the third quarter of 1991, it is highly likely that the new satellite will be launched in 1994.

Since the Asia No.1 comsat was launched, its 24 relay transmitters have either been leased out or used by clients of the Asia Satellite Telecommunications Co. Ltd. Presently, 15 relay

transmitters are being leased by Hong Kong, Myanmar, Pakistan and Mongolian People's Republic. ■

Largest Sino-French Joint Venture

The agreement on a joint-venture between the China Second Automobile Works and French Automobiles Citroen for producing sedans was signed in Paris on December 19, 1990. It is the largest Sino-French economic and technological co-operation project since the establishment of diplomatic relations between the two countries. The French government will offer a large sum of mixed loan to the project.

The China Second Automobile Works and Automobiles Citroen commenced contract talks in November 1987. After two years of discussions, a draft agreement was signed in December 1989.

According to Chen Qingtai, director of the China Second Automobile Works, the joint venture, Aeolus-Citroen Automobile Co. Ltd., with its headquarters in Wuhan in central China, is another large joint venture enterprise signed into agreement not long after the Changchun No. 1 Automobile Plant and the German Volkswagen Corp., signed an agreement calling for the production of 300,000 sedans. The total investment is about 4.6 billion yuan, of which the Chinese side contributes 70 percent and the French side 30 percent. The time limit of this agreement is 35 years.

The joint venture is scheduled to start construction in 1991 and to begin production by the end of 1994. It will manufacture the FX model sedans which the Automobiles Citroen introduced in 1991. The output during the initial stage will be 150,000 sedans per annum, and the maximum output is expected to reach 300,000

per year.

To ensure the balance of foreign exchange, the Automobiles Citroen, the China Second Automobile Works and the joint venture company will be jointly responsible for exporting the products. It is decided that six years after production, one-third of the venture's annual output will be exported.

Director Chen revealed that his factory has to renew its equipment for the production of the sedans. About US\$500 million worth of technological items and equipment will be purchased in foreign markets.

by Yao Jianguo

Foreign Funds For Lianyungang

In order to expand economic co-operation with foreign countries, Lianyungang city in Jiangsu Province has recently targeted 66 key products for the purpose of luring foreign investment.

The 66 key products come from such areas as the machine-building, electronics, light industrial, textile and chemical industries.

The machine-building products include fully sealed corrosion-proof pumps, the production of 50,000-ton-class container ships and bulk cargo ships, special mini-electrical machinery and min-bearings.

The electronics products include electronic analog components, high-frequency quartz crystals, a mini-satellite ground receiving system and a series of capacitors.

The light industry includes PVB resin, PVB film, plastic conveyor belts for harbours and mines, glassware and civil life-saving equipment.

The textile items include fur-processing, fur clothes and fine denier filament.

The chemical industrial prod-

ucts include deicing solvents, and phenol and lubrication oil. Other products include the exploitation and processing of marble and granite, ceramic wall and floor bricks and high-molecular materials for medical purposes.

Wang Wenqing, mayor of Lianyungang City, noted that the Lianyungang municipal government will simplify procedures for foreign investors, implement the preferential policy and provide various services to ensure that investors will earn profits.

Lianyungang is one of China's 14 coastal cities opening to the outside world. It boasts convenient communications and complete infrastructure facilities. In the past decade, it has invested 2.6 billion yuan in developing communications and telecommunications networks and energy projects. According to statistics, since 1984 the Lianyungang municipal government has approved more than 100 projects using foreign capital, totalling US\$310 million. The city has set up 35 foreign-funded enterprises and investors come from more than 20 countries and regions.

by Li Ming

Dinosaur Lantern and Trade Fair

The Third International Dinosaur Lantern and Economic and Trade Fair will be held in Zigong City, Sichuan Province from February 5 to March 11, 1991.

Wang Renyuan, deputy mayor of the city, noted that the fair would use the Zigong Decorated Lamp Park as its main exhibition area and have smaller exhibits in other areas of the city. The majority of the exhibits will consist of porcelain lanterns and medicine bottle lamps which accent the local flavour of the region through their unique characteristics. In addition, the city's residents will parade their home-

made lanterns, visit the Dinosaur Historical Museum and the Big Buddha in Rongxian County, as well as a number of other local tourist spots.

The fair, like the previous two, Wang said, is expected to promote Zigong's economic and trade development. It will provide a series of projects using foreign funds and various export-oriented commodities including salt, chemicals, electronics, metallurgic materials, machinery, textiles, building materials, food, agricultural and sideline products, traditional medicine, silk, arts and crafts and hundreds of other special and native products.

Wang said that foreign businessmen involved in economic and technological co-operation with the city will enjoy preferential treatment granted by the state and Sichuan Province. The city will provide them with ideal business conditions and personal conveniences. These include special privileges and access in the following area: energy resources, profit distribution, land use, transportation fees, taxes, industrial and commercial registration, foreign exchange adjustment and credits.

Zigong, located in the southern part of the Sichuan Basin, is one of China's 62 famous cultural cities open to foreign investment. It is known as China's "salt capital" for its ancient salt industry and as the "dinosaur village" for the rich dinosaur fossils which have been found there.

by Li Ming

News in Brief

● A seven-member economic and trade delegation headed by Gu Yongjiang, vice-minister of Foreign Economic Relations and Trade, attended the Tenth Annual Meeting of the Canada-China Trade Council held in Ottawa, Canada in early December 1990. Gu noted in his speech that

China needs advanced Western technology and equipment, while Canada's assistant minister of foreign trade said that the Chinese delegation's visit helps to restore and develop economic relations between the two countries.

● The Feiyue multi-g geared chainless bicycle produced by the Guangxi Yulin General Bicycle Factory recently won top awards at the Second National Exhibition of New Technology and Products.

The new generation of bicycles, whose variable system consists of gear wheels and right angles, has broken through the century-old traditional structure of depending on the bicycle's chains to facilitate movement. The bicycle's weight is 2 kg less than bicycles featuring conventional chains. With compact mix, high efficiency drive and of dust-proof, it is free of maintenance for three years.

● The Beijing Benchi Group Corp.(BBGC) recently decided to set up a joint venture with the Far East Trade Co. of the United States for the production of shirts and other garment fashions. The US side will provide special facilities, advanced technology and funds which account for 55 percent of the total investment, while the BBGC will offer factory buildings, office space and ordinary production equipment. The venture's products will mainly be sold abroad.

The BBGC boasts eight direct member enterprises and more than 20 integrated processing units. The company has an annual output of 3.5 million shirts and 2 million other garments. About 70 percent of its products are exported to Japan, Canada, the United States, Chile, Hong Kong and Macao. ■

CORRECTION: The fourth line, third column, on p.33 of Issue No.52, 1990 should read "is economical as 1.89 litres per 100-km, which is 17.8 percent lower than similar products and lowest among the domestic motorcycles."

Neo-Confucianism Studies Intensified

An international symposium on Zhu Xi's thought was recently held in south China's Fujian Province to celebrate the distinguished scholar's 840th birthday on November 1, 1990. More than 200 experts and scholars from over ten countries and regions including China, the United States, Japan, France, South Korea and Taiwan attended the symposium. Delegates discussed 120 theses that focused on Zhu Xi's heritage, transformation and development of Confucianism, and on the historical position, world influence and modern value of his thought.

Zhu Xi (1130-1200), who combined the rare qualities of a penetrating thinker and an erudite scholar, is the undisputed representative and spokesman of Neo-Confucianism, developed from Confucianism as founded by Confucius (551-479BC). With a genius for clarity and coherence, and embracing the contributions of his predecessors, Zhu Xi's views, especially his *Annotations of the Four Books*, namely, *The Analects of Confucius*, *Mencius*, *The Great Learning* and *The Doctrine of the Mean*, had been enshrined as the orthodox and official interpretation in the imperial examinations during the Yuan, Ming and Qing dynasties (1206-1911).

In addition, carrying forward the tradition of education in the Confucian school, Zhu Xi founded Bailudong, Wuyi, Kaoting, Tongwen and Yungu academies of classical learning. While imparting knowledge, he summarized his educational experiences and contributed much to China's history of education.

Zhu's thought has exerted great influence on China's poli-

tics, cultural structure, mode of thinking and social code, and has extended to Japan, Korea and some Southeast Asian countries.

The thought of Zhu Xi, as a thinker in feudal China, was inevitably influenced by the period in which he lived. Since the May 4 "new culture" movement in the early 1920s that called for democracy and science, the authority of Zhu's thought has been doubted and criticized, and the controversy between opposing Zhu and respecting him has never stopped.

Chen Rongjie, 90, who is a noted scholar at Pittsburgh University, the United States, writes in his thesis entitled *Zhu Xi's Ideological System* that no one, except Confucius, Mencius, Lao-tze and Zhuang-tze, has had a greater influence over China's ideology than Zhu Xi. In the article, Professor Chen examines the ancient scholar's ideological system by explaining such key concepts of Neo-Confucianism as *taiji* (supreme ultimate), *li* (principle or reason), *qi* (material force), *xing* (mind) and *ren* (virtue, love or benevolence). These concepts, however, were first put forward by ancient Chinese philosophers preceding Zhu Xi and annotated and generalized by Zhu Xi.

Cai Shangsi, a professor in the History Department of Fudan University in Shanghai, said, "It is impossible to know Zhu Xi completely if we limit ourselves to studying only Zhu Xi himself. What is needed is the collaboration of many scholars on one comprehensive book on Zhu Xi's ideology." In his thesis *History Outlines for Zhu Xi Studies* Professor Cai proposes the essential contents of such a book which

would be entitled *History of Zhu Xi Studies*. This proposal was well received by many of the scholars at the symposium.

The symposium was jointly sponsored by three non-governmental academic organizations—the Wuyishan Zhu Xi Research Centre, the Fujian Zhu Xi Research Institute and the China Confucius Foundation. According to Gong Dafei, vice-chairman of the China Confucius Foundation, all-round study and scientific evaluation of Zhu Xi's thought are of positive practical significance. Not only does it enable us to selectively assimilate our traditional culture, but it also strengthens cultural ties between China and foreign countries, thus promoting the progress of world civilization.

In recent years, China's mainland has made extensive studies on Zhu Xi's works. Since 1988, the Chinese Academy of Social Sciences, the Shangrao Normal School in Jiangxi, and the Wuyishan International Lanting Institute in Fujian have been cooperating in publishing *Zhu Xi Xuekan* (Zhu Xi Studies Journal). So far, dozens of research papers, many of high academic value, written by Chinese and foreign scholars, have been published in the journal.

In Fujian and Jiangxi provinces, where Zhu Xi lived, research activities proliferate. Fujian has set up the Wuyishan Zhu Xi Research Centre and built the Zhu Xi Museum, while in Jiangxi Province, a special research office has been established in the Shangrao Normal School to study Zhu Xi's thought on education, philosophy, history, ethics and aesthetics. *Studies*

of *Zhu Xi's Thought in Education*, a treatise written by Han Zhongwen, a teacher in the school, is the first monograph of its kind on China's mainland.

Studies of Zhu Xi's ideology are also being carried out in Japan, the United States, Britain, Germany, South Korea and the Soviet Union. International symposiums held include the first international symposium on Zhu Xi's thought in Hawaii in 1982, an academic discussion on Zhu Xi and his Bailudong Academy of Classical Learning at Mt. Lushan, Jiangxi Province, in 1986, and the second international symposium on Zhu Xi's thought in Xiamen, Fujian Province, in 1987.

Why has Zhu Xi's thought become a world research topic? According to Prof. Takahashi Susumu of Tsukuba University, Japan, the economic boom has brought about social decadence, alienation, dehumanization, environmental pollution and ecological imbalance. It is hoped that a method may be found in the Oriental culture to ensure a harmonious co-existence of man, nature and society. With the concept of *ren* as its core, Chinese Confucianism is a philosophy that deals with relations between man and man, man and society, and man and his environment. Therefore, Zhu Xi's thought is not only of academic value, but of practical significance.

Probing the practical significance of Zhu Xi's thought is one of the tasks of the current Zhu Xi research activities. According to Prof. Takahashi Susumu, this exercise combines scientific methods with philosophical and ethical considerations so that man can create positive rather than destructive circumstances for existence by following the principles and laws of nature and mankind.

by Feng Jing

Buddhist Scripture Written in Gold

Zhao Zhizhong, a renowned Chinese calligrapher, has written out the 5390-word-long Buddhist text, *Vajracchedika-sutra* (Jin Gang Jing in Chinese), using special gold ink made from 24-karat gold powder.

In order to write this great Buddhist classic, Zhao Zhizhong made several visits to Buddhist monks in the Guangji Temple and the Fayuan Temple, and carefully studied the ancient manuscripts of Buddhist scriptures and their meaning. Zhao followed the strict rules of Buddhism and always took a bath and burned incense before copying the *Jin Gang Jing*. Zhao spent 55 days finishing the work.

Zhao Zhizhong prepares his gold ink by first making gold into thin leaves. Then he grinds these into powder, and finally mixes the powder with water and glue. It is very difficult to write clear Chinese characters with this peculiar ink and requires great craftsmanship and total attention. But Zhao managed these difficulties and his finished work is one of extreme perfection, each character being less than one square centimetre in size.

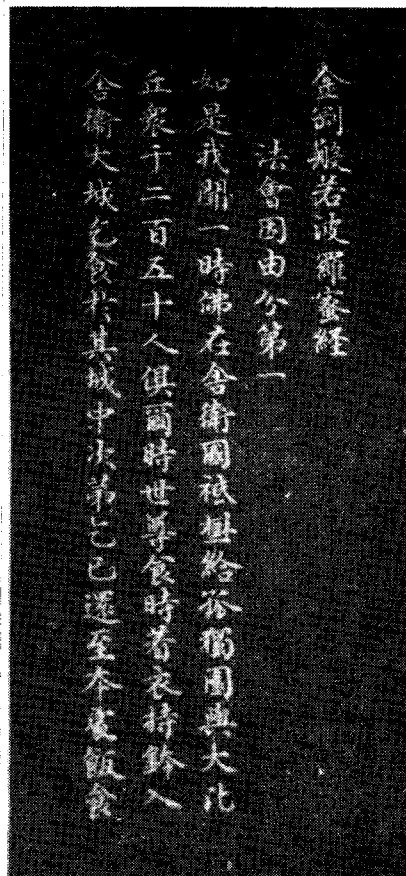
Zhao, now aged 58, has had a deep love for calligraphy since he was a small boy. For more than half a century he studied and imitated the works of classical Chinese calligraphers, especially the calligraphic works of Wang Xizhi and Wang Xianzhi. Later he became a student of well-known Chinese calligrapher Xie Bingyan, a standing council member of the Chinese Calligraphers Association. After many years of practice and study, he gradually developed his own style. His works have won several awards in calligraphic competitions held both abroad and within the country. In the last three

years, Zhao has won the three first prizes in the calligraphic competitions of Beijing, and in 1986, he won first place in the first national televised calligraphy competition.

In 1989 Zhao Zhizhong spent 10 months copying the selected poems of Ma Wanqi, a renowned patriotic entrepreneur from Macao. When Ma saw Zhao's calligraphic copy of his works he was very pleased and said, "Zhao's calligraphy added much colour to my poems."

It is reported that for his next works Zhao is prepared to write out "Dao De Jing" by Lao-tze and "Dialects" by Confucius in his gold ink. ■

The first page of *Vajracchedika-sutra* written in gold. LI QIANG



Manchurian Tigers Barely Surviving

The destiny of the wild Manchurian tigers has been an issue of common concern and discussion. Recently, their existence was witnessed by three workers of the Bajiazi Forest Bureau of Jilin Province when they saw a female tiger and her baby in the dense forest 30 kilometres from the town of Bajiazi at the foot of the Changbai Mountains.

People had argued that all the Manchurian tigers had died on the grounds that no tigers were found in the 1987 aerial survey in the Greater and Lesser Hinggan Mountains and Changbai Mountains. But experts believe that in the late 1960s, four scores of wild Manchurian tigers lived in these regions. The figure was reduced to 30 in the early 1980s and now to only about 10.

Reports of traces of the tigers have constantly come from the forest regions ranging from the foot of the Wanda Mountains to the Lesser Hinggan Mountains and the Changbai Mountains. Last spring, the Manchurian tigers "visited" the Mahao Village of Antu County and ate a farm cattle. According to investigations made by the relevant departments of Heilongjiang Province, tiger traces were also found in Fangzhengyabuli, Qinhe and Suiyang of the Lesser Hinggan Mountains, as well as in the Qixinlazi tiger protection zone in Heilongjiang Province—the only natural reserve for tigers in China.

Currently, the remaining tigers are facing a dangerous situation because, in theory, each tiger needs a radius of 100 kilometres of forest in which to live; in fact, the virgin forest is shrinking. In addition, the illegal hunting of wild animals such as roe deer, red deer and wolf has

caused a food shortage for the tigers. A further concern is the dwindling numbers of tigers which should ideally live in groups of ten. Thus, it remains a difficult task to provide enough living space in the verdant mountains. ■

Fledgling Jingpo Literature

Ma Po, a woman writer of the Jingpo nationality, was recently awarded a prize at the third awards of the Chinese Nationalities' Excellent Literary Works, held every five years, for her *Noren*, the first novel written in the Jingpo language.

Over the past decade, Yue Jian and Yue Ding, both Jingpo writers, had respectively won the same prize for their short works *Who's Error* and *Longing for Love*. The successive winning of the prize three times by writers of the same minority nationality, some critics remarked, "was seldom to be seen among China's 55 nationalities—almost a miracle in a nationality's literary development."

The Jingpo nationality, with a population of about 110,000, lives mainly in the Dehong Dai and Jingpo Autonomous Prefecture, in the western part of Yunnan Province. Prior to the founding of New China in 1949, this nationality, living in isolated mountainous areas, was economically backward, and had a history of only one hundred years of written language, which had been taught by Western missionaries. As for literature, except for storytelling, there were no written works.

The massive creation of literary works by Jingpo writers began in the late 1970s. Thus far,

the literary army expanded to more than 200, publishing 1,000 works.

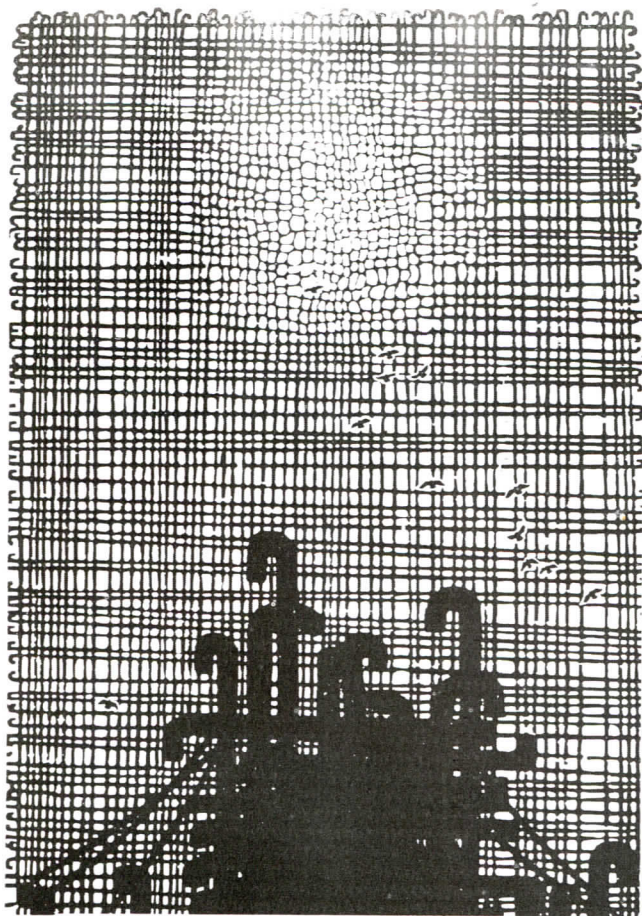
Ma Po, the first Jingpo woman member of the Yunnan branch of the China Writers' Association and deputy editor-in-chief of a Jingpo language periodical, is only 31 years old and a mother of two children. *Noren* portrays the life in the frontier regions with particular Jingpo flavour. Highly appraised by literary circles, it was rated as the best one among the Jingpo works.

Shi Rei, a graduate from the Chinese Literature Department of Yunnan University and now a lecturer at the Yunnan Nationality College, was the first Jingpo writer. He began his literary career in 1977 and now he has written about 60 stories, thus he was elected the president of China Jingpo Literature Society.

Zhang Chengyuan, vice-chairman of the Prefecture's literature association, said that the Jingpo writers are primarily comprised of young people, some having received higher education. The world outside their mountain villages enlarged their visions and enabled them to start their literary careers at a higher level.

When Yue Ding wrote *Longing for Love* which won him the excellent works' prize at the second national nationalities' literature selection, he was a 22-year-old student at the Yunnan Nationality College. He said, "I can't create this kind of work without my life experience in the Jingpo mountains. Likewise, without further study at university, I can't examine life from a literary point of view."

To date, a group of Jingpo writers has come to the fore, among whom Yue Jian, Ma San, Jin Ming, Mu Rumai, Li Xiangqian and Jing Wanggan are becoming well known to the literary newcomers of all China's nationalities. ■



Reinforced Steel Structure (woodcut) by Liu Rongxi.

Engravings by Steel Workers

These engravings are created by workers from the Panzihua Iron and Steel Co. in southwest China. The works encompass the full flavour of life and passionate feelings of workers. They exhibit the steel workers' rich variety of ideas and bold spirit of exploration.



Mask-Shaped Steel-Casting Ladle (woodcut) by Guan Wei.

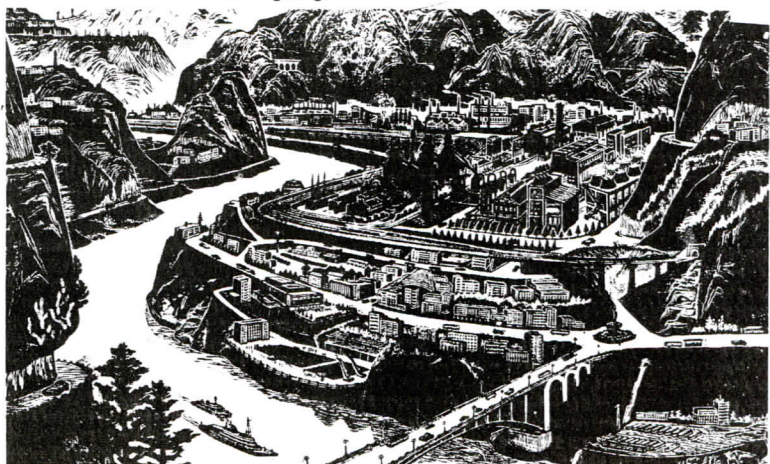


Colourful Stream of Shuttling Traffic (engraving from a papercut) by Zhao Ziming.

ART PAGE



Steel-Casting Ladle and Workers (woodcut) by Zhang Shengliang.



A View of the Panzihua Iron and Steel Co. (woodcut) by Xu Jingchun.

友好の翼。

北京⇄東京、北京⇄大阪、上海⇄東京、上海⇄大阪、上海⇄長崎
中国と日本、5つのルートで結びます。中国へのお届けは、日航機どうぞ。



JAL