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June 11, 1984

BEIJING REVIEW

北京周报

A CHINESE WEEKLY OF
NEWS AND VIEWS

Zhao's Report on Government Work
Christianity in China • The Gezhouba Project



SPOTLIGHT



The China Buddhist Association celebrates its 30th anniversary at Beijing's Guangji Temple.



Moslems pray during Djumah Friday in the Huaisheng Mosque, Guangzhou.



The Xuanmiao Taoist Temple in Suzhou opens to visitors.



A Protestant pastor baptizes a new member of his church.

Bishop Louis Zhang Jiashu consecrates a new bishop.



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CONTENTS

NOTES FROM THE EDITORS	4
Regional Autonomy for Minorities	
LETTERS	5
EVENTS & TRENDS	6-12
Zhao Makes First Stop in France	
Zhao Meets Journalists in Paris	
Fruitful Visit by Brazil's President	
Hu and Deng Meet With Willy Brandt	
Hu on Party Ties	
NPC Closes With Call for Reforms	
Gezhouba: Construction in Full Swing	
Information Access Spurs Expansion	
Olympic Delegation Officially Named	
INTERNATIONAL	13-16
Kampuchea: Vietnamese Offensive Peters Out	
Namibia: Prospects for Independence Unclear	
Andean Pact: On the Road to Regional Integration	
Japan: Financial Frictions With US Defused	
Federal Germany: Unemployment Versus Recovery	
Report From Mexico: Government Favours Co-operation, Peace	17
New Conscription Law Strengthens Defence	18
Special Report:	
Christianity in China Today	
Present State of Protestantism	21
Key to Rapprochement Lies in Vatican	23
Christian Activities Restored	26
Training Priests at the Sheshan Seminary	28
FROM THE CHINESE PRESS	30-31
CULTURE & SCIENCE	32-33
BOOKS	34
DOCUMENTS (See centrefold pages)	
Report on the Work of the Government — Zhao Ziyang	
COVER: The Gezhouba construction site at night.	
Photo by Han Xuezhong	

HIGHLIGHTS OF THE WEEK

Zhao Ziyang in France

In France on the first stop of his six-nation tour of Western Europe, Premier Zhao Ziyang expounds China's foreign policy and stands on major international issues. He hopes Sino-French economic relations can keep pace with their political ties (p. 6).

About the New Conscription Law

The newly adopted conscription law combines compulsory with voluntary service, and the militia with the reserves. Ranks have been restored, helping to clarify the responsibilities of each soldier (p. 18).

Regional Autonomy for Minority Peoples

The system of regional national autonomy is possible because of China's long history of unification. Autonomous areas help minority peoples maintain their culture and identity, while drawing on the wealth and experience of the whole country to further develop (p. 4).

Christianity in China

Since the end of the "cultural revolution," religious freedom has been restored in China and religious believers have resumed their activities. The Christian churches in China are arranging friendly exchanges with foreign churches on the basis of equality and friendship, mutual respect for each other's sovereignty and non-interference in each other's affairs (p. 21).

Government Work Report to NPC Session

Full text of Premier Zhao's report to the Second Session of the Sixth NPC. It emphasizes the need for reform and a continuation of China's open policy, summarizes China's developments and diplomatic activities in 1983, and outlines the work for 1984 (centrefold).

Gezhouba Under Construction

The foundation for the second phase of the Gezhouba Hydroelectric Power Station was completed this past March, and construction of subsidiary facilities has begun. Upon completion, the Gezhouba station will produce 14.1 billion kwh electricity a year, to help ease the power shortage in central China and transmit electricity to east China (p. 11).

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Regional Autonomy for Minorities

by AN ZHIGUO

Political Editor

The Law on Regional Autonomy for Minority Nationalities adopted by the Second Session of the Sixth National People's Congress reflects the common needs and wishes of all ethnic groups in China.

All peoples in China are equal. It is basic to China's political system to practise regional national autonomy under the unified leadership of the state in areas where minority peoples live in compact communities.

Currently China has 5 autonomous regions, 31 autonomous prefectures and 78 autonomous counties. China's system of regional national autonomy is different from that of a federation composed of many states where a particular nationality predominates, as it is based on unique conditions.

Regional national autonomy is possible because China has such a long history of unification. Emperor Qin Shi Huang unified China and established centralized state power in 221 B.C. National unification has been the mainstream ever since.

This long history of unity has promoted intermingling among different minority peoples living either in compact communities or over scattered areas. They have come to be economically interdependent.

Soon after its founding in the early 1920s, the Chinese Communist Party put forward a

thorough programme for national liberation, which included provisions for regional national autonomy. In the prolonged revolutionary struggle, all nationalities in China, under the leadership of the Communist Party, formed a single group dedicated to a common cause. This laid a solid political foundation for practising regional national autonomy.

Given China's uneven distribution of natural resources and the

Given China's uneven distribution of natural resources and the unbalanced development of the economy, regional national autonomy is an important guarantee for the common prosperity of all nationalities.

unbalanced development of its national economy, regional national autonomy is an important guarantee for the common prosperity of all nationalities. Of China's total population, 6.7 per cent belong to 55 ethnic minorities (the rest are Hans). They live over an area which accounts for 50-60 per cent of China's total territory. These areas abound with natural resources. But their economies and culture are underdeveloped. Therefore, in their economic construction, the people of various minorities must receive financial

support from the Central Government and technical help from the Han people. China's modernization drive, in turn, needs the enthusiastic support and participation of the people of all minority nationalities.

The Law on Regional Autonomy for Minority Nationalities has drawn on China's experience in exercising regional autonomy over the past three decades and more. It stipulates that self-governing bodies shall be established in national autonomous areas to fully exercise the right of autonomy.

Apart from enacting autonomy regulations and specific regulations, the governments in these areas may introduce special policies and flexible measures, as long as they do not violate the Constitution of the People's Republic of China and the state law. If the resolutions, decisions, orders and instructions of the higher authorities do not suit the practical conditions of the national autonomous areas, the local governments may, with the approval of the higher authorities, make appropriate adaptations or simply not comply.

The law says the administrative head of an autonomous region, prefecture or county shall be a citizen of the nationality, or one of the nationalities, exercising regional autonomy in the areas concerned. It also includes provisions on the composition of governments in autonomous areas, and the number and training of minority cadres, with the aim of increasing the contingent of cadres from minority groups.

Under the guidance of state plans, the law allows national



autonomous areas to develop their economies independently by formulating the principles, policies and plans for their own economic development according to the characteristics and needs of each locality.

The people of all minorities have the freedom to use their own spoken and written languages, actively develop their culture and education and, in line with the state's educational principles, decide on their own educational plans, systems and facilities.

The state will render the national autonomous areas financial, material and technical help to promote the economic and cultural development of these areas.

The exercise of regional autonomy will play a great role in establishing and promoting equality, unity and mutual help among all nationalities. This is important for guaranteeing the success of socialism. The adoption and implementation of the Law on Regional Autonomy for Minority Nationalities will further strengthen the unity of China and promote the progress and prosperity of all its people.



LETTERS

Respect for Your Dauntless Spirit

I am a frequent reader of *Beijing Review* and am hooked on it.

You criticize all acts of aggression, including those of the two superpowers. Your dauntless spirit, which rejects national egotism, is deeply respected and appreciated. Although by speaking out, your national interests might be harmed, you realize it is impossible both to eliminate aggression and offend no one, except by compromising your principles.

At a time when many Europeans are filled with hatred for dissidents and want to forbid them to state their views, the people of Beijing are even preparing to welcome people from Taiwan. Although the relationship between them has been very strained, people on China's mainland are now willing to co-operate with Taiwan, with a tolerant and rational attitude.

Deng Xiaoping even said that there might be two kinds of political systems within China. Neither side would be harmed by the other. We must firmly believe in this.

Ernst Oltrogge
Goslar, FRG

Expanding Friendship

I very much enjoyed your first three issues of 1984. All the well written and accurate articles — not only about the Chinese way of life — are very interesting! Congratulations!

Beijing Review exports friendship to many nations all over the world. This is valuable and praiseworthy. I do believe you will continue to do the same.

I admire your rich ancient culture. I myself, and many of my

writer colleagues in this country, are very interested in contemporary Chinese literature. Will you please try to cover this topic someday, if possible?

Irena Prezwlocka
Sopot, Poland

'Beijing Review,' China's Envoy

I'm very glad to receive the first few issues of *Beijing Review* of 1984. With a wide reportage and nice colour covers, *Beijing Review* has become more outstanding. It has become a diplomatic envoy of the People's Republic to the entire world.

Beijing Review's great improvements deserve congratulations. It acts as a faithful medium for learning about China's views on world events.

I like the inside front cover, full of news photos, and the inside back cover, with unique papercuts and other works of art.

I like to read *Beijing Review*, and wish other readers also save their copies as a reference.

Though we live far apart, I feel China is just around the corner, thanks to *Beijing Review* and Radio Beijing.

Miguel Ramon Bauset
Alboraia, Spain

International Column

As I'm interested in diplomatics and foreign relations, I like those reports on foreign relations in the "International" column. Here I particularly appreciate the article about Sino-Canadian relations in issue No. 2. Many Canadians hope the relationship between our two countries will develop rapidly and smoothly.

Peter Hunter
Ontario, Canada



Premier Zhao Ziyang speaks before the French National Assembly.

Zhao Makes First Stop in France

Premier Zhao Ziyang's visit to France, the first stop on his six-nation tour of Western Europe, has advanced the cause of seeking peace, friendship and co-operation.

During his stay in France from May 30 to June 3, Zhao held separate talks with President Francois Mitterrand and other leaders, among them were Prime Minister Pierre Mauroy, Foreign Minister Claude Cheysson, Senate President Alain Poher, National Assembly President Louis Mermaz, and Mayor Jacques Chirac of Paris.

He also met representatives from business and cultural circles.

In their talks, Zhao and Mitterrand agreed that both China and France treasure national independence and sovereignty, oppose hegemonism and have a common

concern for world peace. They hoped to see not only greater commonality but also that these common stands would cover still wider fields.

They also discussed ways to strengthen economic and trade co-operation. When the Chinese Premier was in Paris, the two governments signed accords on investment protection and on the prevention of double taxation.

Zhao made a sidetrip to Lyon, travelling on the world's fastest train, the TGV, which he inspected en route. There he toured the construction site of the St. Alban-St. Maurice nuclear power plant on the outskirts of the city before flying back to the French capital in an Airbus, produced jointly by six Western European countries. In Lille, a city in northern France,

Zhao visited the control centre of the world's first wholly automatic subway and the subway coach repair shop.

But, the highlight of the premier's visit was his address to an audience of French senators, National Assembly deputies, diplomats and guests at the Hotel de Lassay in Paris where he elaborated on China's independent and peaceful foreign policy. (see the next issue for the text of his speech.)

Speaking on the European situation, he said that the tension in there, is caused by the arms race between the superpowers and especially by their nuclear escalation.

He appreciated the efforts made by the countries of Western Europe for unity to safeguard their inde-

Zhao Meets Journalists In Paris

On June 2, Premier Zhao Ziyang met the press in Paris. The following are excerpts from the press conference.

Sino-French Economic Co-operation. Zhao said that China and France will co-operate in two major projects: a nuclear power station and the supply of telecommunications equipment.

He said that a general agreement had been reached on the two projects, with some specific problems remaining to be solved.

"Both sides have shown great application, but more efforts are needed, and I believe that our co-operation is very promising," he said.

Hongkong Issue. Since China has proposed "one country, two systems," Zhao said, "the Chinese Government will not apply the mainland's system to Hongkong and I do not think that the system in Hongkong should be extended to the mainland."

Opening to the Outside World. Asked whether China's policy of opening to the outside world will affect ideology within the country, Zhao said the Chinese people are confident that this policy will not give rise to changes in China's social system; otherwise, he said, China would not be opening its door.

"As the door is open," Zhao said, "good things will be introduced into China. At the same time undesirable things which we don't like would also be brought in."

There are things in Western Europe, he said, which neither governments nor the public like, for instance, terrorism, narcotics and the bombing of buildings.

"I don't think you would agree to have our hall blasted by a bomb while we are holding a press conference," he said.

pendence and sovereignty, and supported an easing of relations between Western and Eastern Europe. China would also like to see improved US-Soviet relations, he said, and expressed regret over the breaking-off of the Soviet-US Euromissile talks in Geneva.

Zhao said China attaches importance to developing relations

with Western Europe not for mere expediency but because it values these relations, which have a solid foundation.

China is willing to provide facilities and preferential terms for importing technology and absorbing funds from Western Europe, Zhao said, and it hopes that Western Europe make efforts to do the same. The conditions exist for developing long-term, stable and comprehensive co-operation between the two sides.

Meeting with French business leaders on June 2, Zhao said that it is the common wish of both governments to develop their economic relations to a level commensurate with their excellent political relations. One obstacle in the way of their economic and trade relations is perhaps the lack of mutual understanding, he added, hoping the two sides would have broader vision.

Zhao received a Silver Medal of Honour from the University of Paris, its highest award, and the title of honorary citizen and a medal from the city of Lille.

Fruitful Visit by Brazil's President

Brazilian President Jaes Baptista de Oliveira Figueiredo said his first visit to Beijing in late May had shown that China and Brazil are willing to further expand their mutual understanding.

Speaking at a return banquet in the Great Hall of the People on May 29, Figueiredo said, "Our common interests will be further expanded as our two countries are sharing more views on international issues."

After four days of separate talks with Chinese leaders Deng Xiaoping, Li Xiannian, Hu Yaobang and Zhao Ziyang, the two countries found they agreed on

many issues, including their opposition to hegemonism and respect for all countries' independence and sovereignty.

Five agreements were signed between China and Brazil on co-operation in the peaceful use of nuclear energy, trade and other matters during the president's visit.

Sino-Brazilian relations have been developing since they established diplomatic relations in 1974. Official and non-official visits and exchanges have been increasing. A joint trade commission was set up in 1980, and a co-operative agreement on science and technology was signed in 1982. Although the volume of trade increased from US\$20 million in 1974 to US\$700 million in 1983, economic co-operation still has great potential for expansion.

As a developing country, China is keenly interested in the economic development of Brazil, the biggest country in Latin America and one of the most advanced. Chinese leaders hope to learn from Brazil's experience.

In their talks with Figueiredo, the Chinese leaders stressed the following points:

- China and Brazil, both with plentiful natural resources and a large population, have much in common. Both countries are working to bring prosperity to their people as quickly as possible. Both peoples love peace and oppose power politics. These common points broaden the prospects for their future relations.

- China recognizes the increasingly significant role Brazil plays in international affairs, and respects its "peace and development" foreign policy.

- China supports South-North dialogue. At the same time, it believes South-South co-operation is essential for the solution of many issues. South-North problems are



Chairman Deng Xiaoping meets with Brazil's President Jao Baptista De Oliveira Figueiredo.

obstacles to the rehabilitation and development of the world economy, and must be resolved.

- China treasures its unity and co-operation with Latin American countries, and supports their demand for the establishment of a new international economic order and their struggle to maintain national independence, safeguard sovereignty, and develop their economies. The presidents of Argentina, Brazil, Colombia and Mexico recently issued a joint declaration expressing their worries over the international commercial banks raising interest rates and the prevailing trade protectionism. They called for easier loan conditions, longer repayment periods, lower interest rates, more imports from debtor nations and supplementary capital transformation to the debtor nations. China believes these demands are just.

- China believes the internal issues of the Central American countries should be settled by their own people, without interference from any foreign power. It holds just and reasonable solutions should be sought to disputes through negotiations, without resort to force.

Hu and Deng Meet With Willy Brandt

General Secretary Hu Yaobang has declared that the Chinese Communist Party is willing to hold friendly exchanges with all socialist parties, social democratic parties and labour parties which are willing to establish ties with it.

Speaking on May 29 at a banquet in honour of Willy Brandt, Chairman of the German Social Democratic Party (SDP), and his

delegation, Hu said these exchanges would be based on the principles of independence, complete equality, mutual respect and non-interference in each other's internal affairs.

The delegation, including Hans-Jurgen Weschnewski and Egon Bahr, members of the SDP Presidium, visited China from May 28 to June 3.

It was the second West European Socialist delegation to visit China at the invitation of the Chinese Communist Party. The first was the political delegation of French Socialist Party led by its leader Francois Mitterrand, which visited China in February 1981.

The well-known Brandt was Chancellor of Federal Germany when it established diplomatic relations with China in 1972.

At a banquet on May 30 given by Federal German Ambassador Guenther Schoedel, Hu noted that not everything in the world is made of the same mould and that one could not demand that everyone should think the same thoughts. "Our exchanges," he said, "showed that 'putting aside differences to seek, discuss and develop ideas held in common' brings a more vital friendship."

"The German nation is a great nation which has produced many great revolutionaries, scientists, thinkers, artists and men of letters," Hu said. "The Chinese people should learn from your country's strengths."

During his stay in Beijing, Brandt exchanged views widely with Hu on maintaining world peace, developing third world countries and other questions of common interest, as well as bilateral relations.

Hu said the fundamental points of China's foreign policy are its opposition to hegemonism and its desire to safeguard world peace. China opposes hegemonism but



General Secretary Hu Yaobang (second from right) hold talks with SDP Chairman Willy Brandt (second from left).

does not intend to strain its relations with the superpowers, he said. It still hopes that the strained relations between the superpowers could be eased, he said, because an intensified superpower rivalry would bring disaster both to the people of their own countries as well as to the peoples.

The Chinese people, along with the peoples of Europe and of other countries, would make unremitting efforts to ease world tensions, check the arms race and prevent a nuclear war, Hu said.

Brandt said that, in the contemporary world, peace does not mean everything. But if there were no peace, nothing could be done. Even if a world war does not break out, the result of the current arms race would still be death, he said. Hundreds of thousands of people are starving, and the arms race has a direct bearing on this situation.

Brandt urged the developed countries to promote exchanges with third world countries. He opposed linking East-West conflicts to South-North relations. He said the lack of mutual knowledge was the primary obstacle in the

way of the South-North co-operation.

On May 30, Brandt met with Deng Xiaoping, Chairman of the Central Advisory Commission of the Chinese Communist Party. He made a speech on the question of peace at the Beijing International Club on the same day. He also delivered a speech on the South-North relations at Tongji University during his visit in Shanghai.

At a press conference on May 31, Brandt said that his visit had convinced him that China was such a large and important country that no other country could use it as a political card. China, with its open policy, constituted an important stabilizing factor in world politics, he said.

Referring to the ties between the German Social Democratic Party and the Chinese Communist Party, Brandt said that he had reached "identical views on some substantial questions" with Chinese Party leaders. The two parties agreed to exchange documents and arrange talks between high-ranking officials once a year.

Brandt also invited Hu to visit his country, and Hu accepted.

Hu on Party Ties

"The Chinese Communist Party, the German Social Democratic Party headed by its Chairman Willy Brandt, and the socialist, social democratic parties and labour parties of many other countries share identical or similar views on a number of major questions [the maintenance of world peace and the development of the third world countries] which affect the destiny of the world," General Secretary Hu Yaobang has said.

"The Chinese Communist Party is willing to conduct dialogues, exchanges and co-operation with these parties based on their identical or similar views. China holds that in the final analysis the people of various countries should choose their own ideologies, social systems and roads to development. Divergence of views and differences should not be obstacles in the way of seeking such co-operation.

"Chairman Brandt has said that 'ideology should not transcend peace.' Indeed, under new historical conditions, we should go beyond our ideological differences and seek mutual understanding and co-operation to jointly safeguard world peace.

"Our Party not only does not interfere in the internal affairs of other parties, but also does not interfere in the internal affairs of foreign countries through its ties with other parties, nor does it act against a third party through its ties with other foreign parties. We are genuine and sincere in developing exchanges with them, our aim being to increase mutual understanding, develop friendly co-operation, safeguard world peace and promote the progress of mankind."



The resolutions are voted by a show of hands.

NPC Closes With Call for Reforms

The Second Session of the Sixth National People's Congress ended on May 31 in Beijing with a unanimous resolution calling on governments at all levels to implement economic reforms.

The resolution also endorsed the government work report given by Premier Zhao Ziyang, saying the decision to single out economic reform and opening to the outside world as the focus of future economic work was made in accordance with the country's needs.

In his closing address, Peng Zhen, Chairman of the NPC Standing Committee, said the session had pooled the wisdom of deputies from all ethnic groups throughout China in carefully and comprehensively examining Zhao's government work report, the annual economic and social development plan, the state budget and the final accounts presented by the State Council.

Peng said the State Council had revised and supplemented the re-

ports in accordance with the opinions of the deputies, and decided to appropriately increase the funds for education and scientific research so that in the future these funds will increase in step with other state expenditures.

Peng added that the draft resolutions adopted by the session today had all been debated by the presidium and the delegations to the NPC.

At the closing session deputies also passed the Law on Regional Autonomy for Minority Nationalities and the Conscription Law. Other resolutions adopted during the 17-day meeting include the 1984 economic and social development plan, the 1983 state final accounts and the 1984 state budget and the work reports of the NPC Standing Committee, the Supreme People's Court and the Supreme People's Procuratorate.

In order to step up the development of Hainan Island, the session

also approved a decision on the establishment of the Hainan Administrative Region, a regional organization of state power under the leadership of the Guangdong provincial government. It will take charge of the counties on the island, the Hainan Yi and Miao autonomous prefectures, the Xisha, Nansha and Zhongsha Islands and the surrounding waters.

The session selected Ma Man Kee, president of the Chinese General Chamber of Commerce in Macao, to be a member of the NPC Standing Committee.

During the Second Session of the Sixth National People's Congress, deputies put forward 114 motions and 2,501 suggestions and criticisms, most of which concentrated on the reforms in industry, education and scientific work. There were also more proposals on legislation than in past NPC sessions. The proposals have been passed on to the departments concerned, which are asked to report directly to the deputies before September 30 about how the questions they raised are handled.

Gezhouba: Construction in Full Swing

The second-phase construction of the Gezhouba Hydroelectric Station, the largest in China, is now in full swing.

Situated north Yichang in Hubei, on the main stream of the Changjiang (Yangtze) River, this ambitious project will help tap the water resources of the Changjiang, the third longest river in the world. The Gezhouba dam was completed three years ago, laying a solid foundation for the hydroelectric station. Gezhouba was originally the name of an islet in the river.

Construction of the hydroelectric station has been divided into two phases, according to differing natural conditions. The first phase, with a generating capacity of 965,000 kw, was finished in July 1983 and is now in full operation.

making Gezhouba one of the major power stations in central China.

The project, and the dam, has withstood three flood seasons, including the extraordinary flood (72,000 cubic metres per second) in 1981. Nothing was damaged or weakened.

The second phase, begun in January 1981 when the river was dammed, will build a hydroelectric station with 14 generators, each with a capacity of 125,000 kw, a nine-arched scouring sluice, a lock gate and other dams and dykes. Workers will have to remove 42.89 million cubic metres of earth and stone, and pour 5.12 million cubic metres of concrete. The lock gate, through which a flotilla of 12,000 to 16,000-ton ships can pass at one time, is one of the largest in the

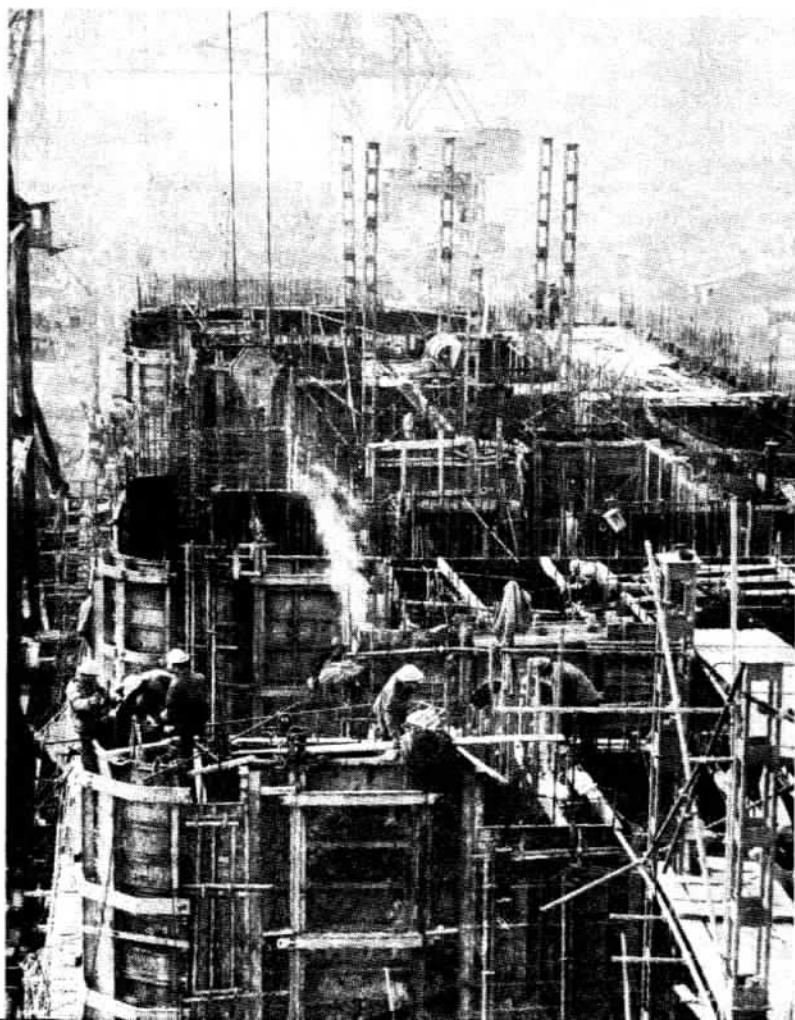
world. Each of its gate leaves is as high as a 12-storey building.

The foundation work for the construction was completed this past March, after moving 5 million cubic metres of earth and stone and pouring 3.5 million cubic metres of concrete. Construction of some subsidiary facilities has also begun.

The Gezhouba Hydroelectric Station, with a generating capacity of 2.71 million kw, will produce 14.1 billion kwh electricity a year, saving the country 5.8 million tons of standard coal. It will not only help relieve the power shortage in central China, but will also transmit electricity to industrially developed east China.

The Gezhouba project is one part of the Three Gorges Water Control System now being planned. Upon completion, Gezhouba will provide power, trained specialists and valuable experience for the construction of the rest of the system.

A maze of construction at the Gezhouba site.



Information Access Spurs Expansion

In recent years people engaged in all walks of economic life have come to see the importance of keeping up with information in constantly opening up new fields in production and improving business management.

At the Shoudu Iron and Steel Company in the western suburbs of Beijing, an information feedback system composed of manual and 23 computers gathers and processes more than 30 million pieces of data on supplies of raw material, production, marketing and transportation each day.

In Jiangyin County in Jiangsu Province, almost all the township-run enterprises have set up their own information networks. In ad-



Peasants in Liuzhuang village using a microcomputer.

dition to collecting information at the county and commune levels, these enterprises send people to other parts of the country to collect economic information, which helps them to decide what goods to produce and how to market them.

In rural Sichuan Province, some 9,000 people from about 2,450 agricultural information centres are busy gathering information about agricultural production and marketing farm produce, which they feed back promptly to the peasants.

According to cadres from several Shanghai watch factories, the watch industry in that city has secured a competitive position by producing lady's watches, calendar watches and medium-sized watches and reducing the production of mechanical watches for men, thanks to timely information.

When Wenchang County on Hainan Island learnt that the coconut candy production had exceeded market demand, it promptly decided to reduce the size of a new coconut candy factory, which helped save it 3.66 million yuan.

Micro-computers have also showed up in some prosperous rural areas. Recently, peasants in the village of Liuzhuang in Henan

Province, which is already well-known as the first village to buy an ultralight airplane for agricultural use, have purchased a microcomputer with their collective funds for cost accounting, income distribution and various kinds of data processing in agricultural research.

To meet the ever-growing demand for information, departments in charge of economic construction under the State Council have set up a series of information organizations. For instance, the information networks of the Ministry of Commerce and the People's Bank of China are busy exchanging market information. A Ministry of Textile Industry information centre monitors changes in buying trends for 10 major products and news about new products both at home and abroad.

Of China's 29 provinces, municipalities and autonomous regions, seven have set up their own information organizations. The others also conduct information gathering and research in different ways.

Research institutions and colleges now vie with each other to offer training courses in information gathering and processing. More than 30 newspapers and magazines also provide economic information services.

However, much information gathering and processing is done manually. Therefore, it is the fervent hope of the people throughout China to speed up modernization of information services. There is still a far cry from meeting the needs of specialized rural households for market information services, which remains a pressing problem on promoting the production of commodities for the peasants.

Olympic Delegation Officially Named

China has officially announced that it will send a delegation of 300 to the Olympic Games in Los Angeles this summer. The delegation will be headed by Li Menghua, Minister in Charge of the State Physical Culture and Sports Commission and Vice-President of the Chinese Olympic Committee.

China will compete in volleyball, basketball, track and field, gymnastics (including rhythmic gymnastics), swimming (including diving and water polo), weightlifting, shooting, archery, fencing, wrestling, judo, cycling, rowing, canoeing, yachting and handball.

Among the country's leading athletes who are going to the Olympic Games in Los Angeles from July 28 to August 12 are Lang Ping and Zhang Rongfang (volleyball), Song Xiaobo and Guo Yonglin (basketball), Zhu Jianhua (high jump), Liao Wenfen (long jump), Chen Xiaoxia and Li Hongping (diving), Tong Fei and Li Ning (gymnastics), Wu Shude (weightlifting), Wu Xiaoxuan (shooting), and Luan Jujie (fencing).

An observers' delegation will also attend the games.

Kampuchea

Vietnamese Offensive Peters Out

by MEI ZHENMIN

WITH the approach of the rainy season in Kampuchea, the sixth Vietnamese dry-season offensive against Democratic Kampuchean liberated areas is limping towards an unsuccessful close.

There have been many changes in the war that are unfavourable to the Vietnamese. First, the Democratic Kampuchean armed forces have become more powerful, while the morale of the Vietnamese troops, who have been reported to have fled when under attack, has further sagged. From mid-January to early March, the Democratic Kampuchean forces have penetrated areas around the Tonle Sap Lake and launched attacks against the Vietnamese troops stationed in the provincial capitals of Kompong Thom, Siem Reap, Pursat and Battambang. They have destroyed Vietnamese command systems, disrupted plans to launch another dry-season offensive, and forced the Vietnamese to concentrate their troops to attack and strengthen their defences.

The Vietnamese at one point occupied the Democratic Kampuchean camps in the villages of Ampil and Damnek Chek, but the Kampuchean quickly recaptured them and expanded even further into Vietnamese-held areas. They have raided the capitals of Kompong Speu and Koh Kong Provinces, as well as Sisophon, Mongkol Borei, Bavet and several other district towns, effectively checking Vietnamese operations.

Encouraged by the policies followed by the Democratic Kampuchean patriotic forces in their resistance against the Vietnamese troops, which are bent on colonialist expansion, the Kampuchean people are extending increasing support to the Democratic Kampuchean forces. According to frontline reports, the Democratic Kampuchean forces, deep in the hinterland and the Vietnamese rear areas, are actively supported by the local villagers, who often send food and water and provide them with information on Vietnamese troop movements. This support has contributed to a number of victories.

The further unity and co-operation between the three sides of the Democratic Kampuchean Coali-

tion Government is apparent. In addition to co-ordinating their political and diplomatic moves, the three sides have started to dovetail their military actions. At two military co-ordination meetings in February and March, they agree that if the forces of one of the three sides come under a Vietnamese attack, the other two will provide military help and supplies. Thus, in late April, the National Army of Democratic Kampuchea mounted a series of concerted actions in the north of Sisophon, Battambang Province to back up the resistance activities of the Son Sann-led patriotic forces.

The situation in Kampuchea is heading in a direction favourable to the Democratic Kampuchean forces, despite no fundamental change yet in the balance of power and the numerical advantage of the Vietnamese. It would seem that even more difficult times lie ahead for the Vietnamese.

Namibia

Prospects for Independence Unclear

by XU DEWEN

THE recent conference in Lusaka on Namibian independence, sponsored by Zambian President Kenneth Kaunda and attended by representatives of the South West Africa People's Organization (SWAPO), the "Multi-Party Conference" representing six parties functioning inside Namibia, and South Africa, failed to reach any concrete agreement on a peaceful solution to the dispute.

The mid-May meeting was the first between SWAPO and South Africa since January 1981, when

talks in Geneva under the auspices of the United Nations broke down after South Africa refused to sign a ceasefire agreement.

The various representatives in Lusaka explained their respective positions on a ceasefire, implementation of UN Security Council Resolution 435 and linking Namibia's independence with the pull-out of Cuban troops from Angola. It is reported that the three-day conference was marked by heated debate. Villie Van Niekerk, the South African administrator-general in Namibia and head of the South African delegation, said that if the Cuban troops remain in

Angola, South Africa will not implement Resolution 435 or carry out its planned troop withdrawal from Angola. The Angolan representative stated that the Cuban troops will be immediately withdrawn from Angola only if South Africa withdraws its troops from Namibia.

The conference was inconclusive because the South African delegation insisted that Cuban troops leave Angola before Namibia becomes independent. However, at the end of the meeting Kaunda said that the conference had not broken down and that the parties would continue to make contacts at all levels. The fact that the formerly belligerent parties sat down together at the negotiating table was considered in itself a success.

In recent months there have been frequent exchanges between South Africa and the frontline African countries. In February, Angola, South Africa and the United States, at talks in Lusaka, agreed upon a military disengagement between South Africa and Angola. An Angolan-South African joint commission was set up to supervise the ceasefire. In March, Mozambique and South Africa signed an agreement of non-aggression and good-neighbourly relations in the border town of Nkomati, 100 kilometres northwest of Maputo. At the same time, South Africa held separate talks with Lesotho and Swaziland on joint security.

South Africa has also released Herman Toivo ja Toivo, former SWAPO chairman, who was sentenced to 20 years' imprisonment in 1968, and exchanged prisoners of war with Angola, at the same time suggesting talks on Namibia's independence. The recent Lusaka conference was proposed by South Africa.

However, the inconclusive Lusaka conference shows that the world must still wait and see

whether the South African authorities are sincere about seeking a solution to the Namibian issue and about easing the situation in the region. By pursuing a policy of racial segregation and constant aggression against its neighbours, Pretoria has come up against worldwide opposition and condemnation, gaining a bad image and growing exceedingly isolated. Carrying on the war and governing Namibia is rather costly. The South African authorities revealed that they spend about US\$1,580 million each year in Namibia and US\$1.5 million a day in Angola. For a country with economic difficulties, this is a heavy load. Pretoria admits that its hostile relations

with the frontline countries are becoming an increasing burden and it may have to relax these relations if it is to strengthen its racist rule at home. The frontline countries also hope to ease their tense and hostile relations with South Africa to bring about the peace and stability necessary for reconstruction in their own countries. This explains in part the recent warming in relations between the countries of the region.

Considering that the South African authorities continue to insist on linking Namibian independence to a withdrawal of Cuban troops from Angola, it remains to be seen whether the situation in southern Africa is really relaxed or not.

Andean Pact

On the Road to Regional Integration

by **XIAO FANGQIONG**

THE Andean Pact Organization of Latin America has survived 15 difficult years to finally achieve some measure of success.

The organization, also called the Andean group, was established by the Cartagena Agreement in 1969 to promote, through economic integration, the development of its members, Bolivia, Colombia, Ecuador, Peru and Venezuela.

Since its founding, the Andean group has done much to safeguard the sovereignty and common economic interests of its members. For example, the Common Regime for Treatment of Foreign Capital adopted in 1971 restricts the rights of foreign monopoly capital to invest in certain areas, to remit profits abroad and to reinvest profits. The group reinforced its negotiating position with foreign countries, forcing the United States to lift the restrictions which prevented Venezuela and Ecuador from participating in its preferential

trade system. And trade among its members rose from US\$90 million in 1969 to US\$1,300 million in 1980.

A few years ago, however, troubles began to crop up within the group because of unbalanced development and certain historical problems. In 1976, Chile, originally a member of the group, withdrew. This was followed by the outbreak of armed border conflicts between Peru and Ecuador.

The economic crisis gripping the developed Western countries was also strongly felt among the Andean group members, causing an average yearly drop of 4 per cent in their gross domestic product in 1983. Unemployment hit 10 per cent, and has steadily increased. In 1983 piled-up foreign debts totalled US\$66,000 million and internal trade among its member countries dropped by 30 per cent.

To chart a course out of their economic plight, the Directive Commission of the group called a meeting in Santa Cruz, Bolivia in

1983. Representatives at the meeting stressed that the best way to solve their economic problems was through regional integration. They emphasized the necessity of drawing up a new programme to speed up this integration, in light of world economic conditions. The Directive Commission formulated plans on agriculture, livestock-breeding, industry, trade, geographical integration, science and technology, finance, external relations and special treatment for Bolivia and Ecuador.

These plans emphasized trade, external relations, agricultural production and stock-raising. In another move to boost trade, the group's technical committee met in April to take a series of emergency measures, including the gradual removal of barriers to regional trade, and the formulation of just and fair trade measures designed to promote direct trade among member countries. The committee also mapped out plans to open the group's markets to the rest of the world, with stress on Latin American and Caribbean countries and then the United States and the European Economic Community (EEC).

In addition to signing economic and trade co-operation accords with Argentina and Panama, the group reached co-operative agreements last year with the United Nations Economic Commission for Latin America and the EEC. It took the group more than three years of negotiations with the EEC to reach an agreement. According to the agreement, the EEC will increase financial and technical aid which promotes the development of agriculture, industry and energy in Latin America.

The Andean group has also paid special attention to the critical problems of food supply in the region. In the past several years, five Andean countries have sub-

stantially increased their imports of agricultural and animal products from the developed countries. Their annual bill for food imports comes to about US\$3,100 million.

On July 25, 1983, five Andean countries signed the Jose Celestino Mutis Agreement, deciding to raise their output of grain, meat, eggs, edible oil and other agricultural and animal products, to reduce the sharply rising food imports. They also decided to intro-

Japan

Financial Frictions With US Defused

by XU QIXIN

AN agreement between Tokyo and Washington to open Japanese financial markets and internationalize the yen, reached after months of intensive talks, is a product of compromises and may for the moment ease their long-time financial frictions.

Under the agreement, which was announced on May 30, Japan will allow foreign governments, companies and financial institutions to issue Euro-yen bonds starting Dec. 1, authorize foreign and Japanese banks to issue short-term Euro-yen certificates of deposit for sale outside Japan, liberalize one-year Euro-yen loans from June 1 on, and remove restrictions on the conversion of foreign currencies into yen. It will deregulate interest rates on large-denomination deposits in two to three years and will allow qualified foreign banks to participate in trust activities in Japan beginning next year.

The US demand that Japan open its financial markets was raised last November when US President Ronald Reagan visited Japan. After the agreement was announced, Washington expressed satisfaction with it, while Japanese Finance Minister Noboru Take-

duce some advanced scientific and technical experience from foreign countries, to promote the technological development of their own countries.

The Andean group members have met with difficulties over the past 15 years along the road to co-operation. But the process of integration is sure to continue because it represents the will of the people and the tide of the future for Latin America.

shita said that Japan "must not be negligent" in implementing the new policies, which should affect Japan's economy significantly.

The United States has been pushing for the opening of Japan's financial markets and the internationalization of the yen as one way of easing its huge trade deficit with that country. In the past few years, the United States suffered an annual trade deficit of nearly US\$20,000 million with Japan (US\$23,000 million last year), partly because the yen is undervalued against the dollar. With the development of a Euro-yen market, Washington believes, the demand for the yen could rise and its value along with it. The United States has pointed out that "Japan has become the second economic giant in the world and the yen should assume responsibility commensurate with its role."

It is the belief of influential US banking interests that the declining competitive capacity of US exports is the result of an undervalued yen. Therefore, Reagan's success in opening Japan's capital markets, noted *Tokyo Shimbun*, is a present to the US East Coast financial powers whose support Reagan desperately wishes to gain in the presidential elections this fall.

In addition, US financial circles have greatly resented Japan's restrictions on financial dealings, which, they believe, have put them in an unfavourable position when doing business with Japan. Expansion of the Euro-yen market will have a great impact on the Japanese financial system and facilitate the raising and use of money by other countries.

But there are different views on whether the new measures will bring about the changes expected by the United States. US Treasury Secretary Donald Regan believes that, if all the conditions remained unchanged, then the yen's value will rise, and the recent agreement will eventually lead to the yen becoming an international reserve currency, like the dollar, British

pound and Deutschmark. Japanese bankers, however, see little possibility of that happening.

The opening of Japanese financial markets has been welcomed by most people in Japanese economic circles, who believe this represents a changing trend. Bankers, however, are concerned that chaos may result and urge that the new measures be carried out gradually.

Even with the agreement, the question has not yet been solved completely. The United States wants Japan to speed up liberalization while Japan favours a "positive, independent and phased" progress. Squabbles between the two countries over this issue are expected to continue.

all tackle unemployment and that its other economic goals should contribute to accomplishing this main priority.

However, their demand is based on the condition that current wage levels remain unchanged. Because of this, it has been opposed by the government, the ruling parties and management, who argue that this will inevitably raise production costs, and send the prices of goods soaring, thereby weakening the country's competitiveness in international markets — with the result of impeding the overall economic recovery.

Next to Belgium, Federal Germany has the shortest work week of all the Western countries. Swollen social welfare benefits, wage increases, paid holidays and increased social insurance payments have made its labour very expensive. According to an economic report, in companies employing more than 10 people, the average salary per worker rose from 22,900 marks in 1972 to 46,700 marks in 1982. A reduced work week would make labour even more expensive.

Another problem, closely related to the reduction of the work hours, is how to readjust the country's industrial structure. At present, the strongest call for bringing in the 35-hour work week comes from the traditional industries which are rapidly ageing. If funds, needed urgently to develop new industries, are instead spent on solving unemployment in the traditional sector, both the growth of the new industries and modernization of the old sector will be delayed.

There is still no way seen to narrow the gap between the two sides. It would seem that advances made in lessening unemployment would mean losses in economic growth, and vice versa. So it is expected that unemployment will continue to trouble the country.

Federal Germany

Unemployment Versus Recovery

by XU BUQING

THE heated debate between labour and management in the Federal Republic of Germany over adopting the 35-hour work week, which led to the recent crippling strike by metal workers, reflects the country's difficulties in achieving a complete economic recovery.

Since the end of last year, Federal Germany has kept pace with the other Western countries in climbing out of the recession. Many politicians and economists are arguing that the worst is over. However, there has not been much success in easing unemployment, with more than 2 million people still out of work. Every year, the government and social agencies have to lay out 50,000 million Deutschmarks in unemployment benefits for the jobless. Unemployment, which plagued the government of former Chancellor Helmut Schmidt as well as the current government of Chancellor

Helmut Kohl, is attracting increased attention and concern. Solutions proposed by different political groups generally fall into two camps: one calls for reduced working hours to provide jobs for unemployed; the opposing view calls for greater efforts to stimulate the economy.

The first proposal is championed by the Social Democratic Party and the trade union under its influence. They demand that the existing work week should be cut back to 35 hours from 40 to create job openings for 1.2 million to 1.3 million people. They also urge that the current retirement age be reduced to 58, which would provide work for another 500,000 jobless people. They argue that the other proposal — to raise employment through economic growth — is unrealistic because it would require an annual growth rate of 5 to 6 per cent, which would be a miracle under the present circumstances. The essence of their proposal is that the government should first of

Government Favours Co-operation, Peace

Mexico directs its diplomatic efforts towards uniting Latin America so as to tackle the region's economic problems and the Central American crisis.

by ZHENG FANGKUN
& TAN ZHONGSHU

Our Special Correspondents

IT happened to be a busy season for diplomacy when we arrived in Mexico City. President Miguel de la Madrid had toured South America and then North America, his first visits abroad as head of state since taking office in 1982. Foreign Minister Bernardo Sepulveda was attending two Contadora Group conferences in Panama City after his Western European trip in March.

"Mexico has been generally very active in international policies," said Undersecretary for Foreign Affairs Victor Flores in an interview.

In the last two years, the Mexican Government's diplomatic activities have been characterized by its efforts to strengthen Latin American co-operation and integration, so as to overcome the region's economic difficulties and seek a negotiated solution to the growing conflicts in Central America.

Mexico originated the Latin American Economic System, and as a member of the Contadora Group, has been known for its peace initiatives, which led to the adoption of the Cancun Declaration in July 1983. The principles put forward in the Declaration — disarmament, the withdrawal of all foreign military advisers and a halt to arms trafficking — have been affirmed not only by the five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) but by

the United States, the Soviet Union and Cuba as well, thus opening the negotiating process under the auspices of Contadora.

Before we arrived in Mexico, the local press had reported that Washington would exert economic pressure on Mexico to impel it to change its Central American policy. Though officials in both countries denied the report, it is evident that grave differences exist between the two, especially on how to bring about peace in the region. The United States is determined to use military force to settle the issue, an approach flatly disapproved of by Mexico. The latter believes that both the United States and Nicaragua must rule out the use of force, which, it says, would poison international relations and court disaster for the people of the region.

Mexico's differences with Washington have deep historical roots. In its more than 160 years of independence, Mexico has held diverging views on many matters with its powerful neighbour to the north. In spite of its underdevelopment, Mexico has retained its dignity. Both countries feel uneasy about the Central American crisis, but Mexico does not consider it a threat to US security, which the United States does. Mexico sees it as a knotty problem, for which a solution should be found that will remove the internal and structural factors causing the current conflicts.

As Miguel Gonzalez, President of the Senate's Grand Committee, told us, "Our country thinks the essence of the problem in Central

America is a question of underdevelopment, a lack of political development, and what the big powers must do is contribute within the framework of international co-operation to development programmes that can remove these countries from their plight of backwardness and allow them to reach a higher level of social organization, economic development and political evolution."

Accordingly, the Mexican Government has taken a clear and impartial stand on the Central American issue. However, beginning last March, the situation has been deteriorating for various reasons. "Recent issues are delicate," said Undersecretary Flores. "The mining of ports, the increased assistance to the Somoza rebels in Nicaragua, and a third question, which troubles the Mexican Government very much — the obvious escalation of the arms race in Central America — that is to say, the presence of [foreign] military personnel, equipment and technology. Everything indicates that the war games held jointly by Honduras and the United States have allowed American soldiers . . . to stay in Honduran territory."

Senator Gonzalez explained the worries that have grown as the conflicts have intensified. "Often, because of the evolution of armaments themselves and the complexity of modern security systems, a local conflict may rapidly become a worldwide conflict. That is why the Mexican President sees a need to solve the Central American problem as soon as pos-

sible through political negotiations and dialogue."

Furthermore, Mexicans don't believe a military solution can be an option. In Flores' words, "If there were a military occupation tomorrow, it might give a superficial impression of having solved the issue. Nevertheless, it would not be a long-term solution."

Today, the conflict in Central America is increasing, as is opposition by the Contadora Group and the other countries to any attempt to intensify and internationalize the regional war. Mexico insists that the approach taken by the Contadora Group should be the basis for a negotiated peace, and that the solution put forward by President de la Madrid, when he said that the countries of Central America must be allowed to choose their own path of development in an atmosphere of international understanding, solidarity

and effective co-operation, is the best solution.

The second major point in Mexican diplomacy is a far-sighted initiative to seek Latin American co-operation. Analysts agree that Mexico has managed to establish concrete agreements for co-operation and closer policy co-ordination between key Latin American countries in order to seek a common solution for the continent's mounting problems.

"There is a lot on which we in Latin America can collaborate," de la Madrid said as he ended his Latin American trip, "by means of exchanges and trade ties, through the complementing of our economies, the advancement of the economic integration process and reciprocal technical assistance."

Gonzalez, who accompanied de la Madrid on his tour, said: "We found in the countries we visited

an attitude of great understanding of President de la Madrid's concept that Latin American countries must increasingly unite to present a more coherent and unified position in dealing with international issues.

"Traditionally," he said, "Latin America has been practically an integrated world. But in the past we have not been able to combine this cultural and historical unity with an equally consistent, an equally united presence in the field of international relations."

The strengthening of Latin American unity will undoubtedly contribute to increasing these countries' ability to face in an appropriate and unified way the question of foreign debt and debt-related economic troubles, and unify their position regarding the Central American conflicts, all of which will help to solve those conflicts by peaceful means. □

New Conscription Law Strengthens Defence

by **SHI RENYU**
Our Guest Writer

THE Conscription Law of the People's Republic of China, which was recently examined and adopted at the Second Session of the Sixth National People's Congress, defines China's military service system, including the requirements and forms of citizens' military service, the rights and duties of those who serve, and the restoration of the military ranking system within the People's Liberation Army.

By reserving the strong points of its 1955 predecessor and adding a great deal that's new, the current conscription law combines the compulsory service with voluntary service and the militia with the

reserve service, taking compulsory military service as its mainstay.

Compulsory and Voluntary Service

The new law stresses the duty of every citizen to serve in the army. All young people between the ages of 18 and 22 must be tested at an army recruitment centre, and are eligible to be called to service any time. However, full-time students and people who are the sole support for their family may postpone their service. And those who are not asked to join the active army should register with their work units as reserve soldiers.

To realize the modernization of China's defence, it is not enough to just have modern arms and

equipment. It is even more important to have an army composed of people with high political consciousness, scientific knowledge and the ability to operate sophisticated equipment. The army, the air force, the navy, and the specialized military units all need a backbone of technical and military forces serving over a fairly long period, so that the use of modern arms and equipment can be mastered efficiently. Two measures have been taken to ensure this. First, those under compulsory service are required to prolong their stay, so as to reserve the army's technical forces and grass-roots support. But more importantly, the voluntary service system has been established to supplement the compulsory service system.

Report on the Work of the Government

(Delivered at the Second Session of the Sixth National People's Congress on May 15, 1984)

Zhao Ziyang

Premier of the State Council

Fellow Deputies,

On behalf of the State Council, I now submit a report on the work of the government for examination and approval by the current session.

Domestic Development

In accordance with the resolutions adopted by the First Session of the Sixth National People's Congress held in June 1983, all levels of government, together with the people of our various nationalities, have made unremitting efforts to create a new situation in every field of the socialist modernization drive. Over the past year, we have made heartening progress on all fronts, and the trend of events is most encouraging.

The national economy has developed steadily, thanks to continued implementation of the policy of readjustment, restructuring, consolidation and improvement. In 1983, there was another bumper harvest following four consecutive years of increased agricultural output. There has been an all-round expansion in farming, forestry, animal husbandry, sideline occupations and fishery. A large number of specialized households have emerged, providing more produce for the market. Economic associations of various descriptions organized by the peasants on a voluntary basis have been on the increase. The vast rural areas are thriving. Light and heavy industries have developed in good proportion, energy production has risen steadily and the volume of transport has further increased, all of which has yielded better economic results. We have improved the investment structure of capital construction and accelerated the building of a number of key projects. The domestic market has been brisk, and foreign trade and economic and technical exchange with the

outside world have made new headway. The living standards of both urban and rural people have further improved. In 1983, the average per-capita income of families of workers and office staff available for living expenses rose to 526 yuan, an increase of 6.4 per cent over the preceding year, while the per-capita net income of the peasants rose to 309.8 yuan, an increase of 14.7 per cent. The gross output value of industry in 1983 went up by 10.5 per cent and that of agriculture by 9.5 per cent. The gross output value in both sectors and the output of over 30 major products such as grain, cotton, coal, crude oil, steel, rolled steel, pig iron, cement and chemical fertilizer reached or exceeded, two years ahead of schedule, the targets set for 1985 in the Sixth Five-Year Plan (1981-85). Industrial output for the first quarter of 1984 increased by 12 per cent over the corresponding period in 1983. In state-run industrial enterprises, profits have grown faster than production, and the amount of profits or taxes delivered to the state has increased substantially. Now we can say with certainty that all the targets set for the Sixth Five-Year Plan will be fulfilled or overfulfilled.

There have been new advances in science, education, culture, public health, and physical culture and sports. A number of major successes have been scored in science and technology, which are geared to economic development. The successful manufacturing and launching of the experimental communications satellite and its entry into its geostationary position represent a new breakthrough in China's space and electronics technologies and materials science. This is of great significance to the modernization of our telecommunications, including radio and television transmission. Enrolments have continued to grow in regular universities and colleges, in all other types of institutions of higher learn-

ing for adults and in secondary vocational schools. At the same time, schools offering courses through correspondence and periodicals or by radio and TV, training schools for workers and office staff and spare-time technical schools for peasants have sprung up in large numbers. Study activities organized by workers and office staff are developing vigorously, and the drive to acquire general knowledge and learn science and technology is gaining momentum in both town and country. Departments concerned with literature and art, the press, publishing, broadcasting, television and research in social sciences have done much to promote socialist spiritual civilization and enrich people's cultural life. Outstanding works have been produced that give profound expression to China's drive for socialist modernization and to the creativity of the people engaged in it. And we have scored considerable achievements in the fields of sports, public health and family planning, which have played an important part in improving the general level of the people's health and the quality of the population.

As we all know, in order to prevent or check the corrosive influence of the decadent ideas of the bourgeoisie and other exploiting classes under the new historical conditions, to uphold the four cardinal principles and to correctly implement the policy of "letting a hundred flowers bloom and a hundred schools of thought contend," the First Session of the Sixth National People's Congress held last year stressed the necessity of criticizing the tendency towards bourgeois liberalism in the cultural and ideological spheres. Then, at the Second Plenary Session of the 12th Central Committee of the Party and the Third Meeting of the Standing Committee of the Sixth National People's Congress, it was again emphasized that we must not allow spiritual contamination on the ideological front. Acting in accordance with the principles set out in the Constitution and with the correct policies of the Party and government, the ideological and cultural departments have done a great deal of work in resisting spiritual contamination and have achieved notable results. They have succeeded in checking the unhealthy tendency towards spiritual contamination that had been promoted by a few people some time ago and have had pornographic literature banned according to law. Because at the beginning we failed to draw clear lines of demarcation in regard to some policies, some areas and units took inappropriate actions in the course of opposing spiritual contamination. However, once these actions came to light, they were corrected in time. The people's demand for a better cultural and material life is justified and should be encouraged, and this should in no circumstances be confused with spiritual contamination on the ideological front.

Facts prove that our effort to oppose spiritual contamination in a serious but correct way has played a positive role in raising people's ideological consciousness and fostering such moral values as integrity and industry. It is an indispensable factor in the building of a socialist spiritual civilization and will constitute one of our fundamental tasks for a long time to come.

State power and the legal system have been further strengthened and there has been a marked improvement in public order. We have in the main completed the reform of government structure in the provinces, municipalities and autonomous regions as well as in the prefectures and cities directly under provincial authorities. Throughout the country we have also started reforming the structure of the county governments, separating government functions from the management of production in the communes and setting up township governments. Fresh results have been achieved in economic and administrative legislation. In accordance with the Decision on Severe Punishment for Criminals Who Seriously Jeopardize Public Security, adopted at the Second Meeting of the Standing Committee of the National People's Congress in September 1983, we launched a struggle throughout the country to deal sternly with serious criminal cases according to law. The results have been highly gratifying. The average monthly crime rate has dropped, and our actions have protected the interests and safety of the people and educated and redeemed a good number of juvenile delinquents. The struggle has won enthusiastic support from the people of the whole country, as it defends the dignity of the legal system, helps to maintain public order and improves the standard of social conduct. Though it has already been extremely successful, it will go on as a part of the comprehensive effort to improve public order. We believe that the joint efforts of the government and the people are sure to bring about a fundamental improvement in public order and the standard of social conduct.

New progress has been registered in modernizing and regularizing the Chinese People's Liberation Army and making it more revolutionary, and national defence has been further consolidated. The army units have conducted in-depth education in the Party's ideological and political lines, strengthened military training and logistics work and helped PLA men to learn science and to acquire general knowledge so that they can become competent for both military and civilian services. All this has enhanced the quality of the army and improved its combat effectiveness. The PLA has taken an active part in socialist construction and given it firm support, and the army and the people are working together to build spiritual civilization. As a result,

the relations between the army and the government and between the army and the people are becoming closer than ever.

In the past year there has been sound development of our socialist civilization in both its material and spiritual aspects and growing political stability and unity. The people of all our nationalities have given increasing support to the line, principles and policies formulated by the Third Plenary Session of the 11th Party Central Committee and by the 12th Party Congress. Through practical experience they have gained even more confidence in the attainment of the magnificent goal of quadrupling the nation's gross annual value of industrial and agricultural production by the turn of the century and in the bright prospects of the socialist cause.

Fellow Deputies,

To consolidate and develop further the excellent situation, in the coming year we must work hard and do a good job in all fields, in accordance with the principle of building a socialist civilization both materially and spiritually. In this connection, the central task remains economic development.

We should keep clearly in mind that we still have a lot of difficulties at present. Though somewhat higher, economic efficiency is not yet satisfactory. What is most important is that economic relations are yet to be straightened out and in particular, the price system, irrational as it is, lacks the conditions for overall reform in a short period of time. This will greatly affect the virtuous circle of the economy as a whole. As the state bears a heavy burden of financial subsidy, the central financial departments are having a lot of difficulties. We are faced with the task of carrying out large-scale construction, but we are short of funds. This is a fairly big contradiction, an outstanding problem in China's economic development, and we must not treat it lightly just because the overall situation is good. To ensure the construction of key projects, straighten out economic relations and thus attain our strategic goal by the end of the century, we must have investment needed by both short-term economic growth and long-range development as well as money to raise people's living standards. There are many things to do but our financial resources are limited. It is therefore necessary for us to tap all available potentialities, achieve better economic results, open up new financial sources and be efficient at planning and management. In the next few years in particular, efforts should be made to achieve more output in production with less input in order to alleviate the financial difficulties of the state. To this end, all industries and trades should continue their consolidation efforts, raise the quality of their products, reduce production costs, strive to increase

production and practise economy and exert themselves to reduce losses and increase profits, in order to raise simultaneously industrial output value, profits and the taxes or profits to be delivered to the state. We should continue to follow the principle of acting according to one's capability, exercise strict control over the scope of capital construction, concentrate financial and material resources on key projects, carry out technical transformation of the existing enterprises and strive to achieve more economic results with less investment within a relatively short period of time. In planning construction projects in energy and transport, we should adhere to the principle of building large, medium-sized and small projects simultaneously, taking into consideration both short-term and long-range needs, and correctly handle the relations between building new projects on the one hand and renovation, expansion and the tapping of existing potential on the other. While building large new projects, we should appropriately speed up the exploitation of existing mines and oilfields when conditions permit. We should encourage localities and individuals to invest considerable financial and material resources in the construction of small and medium-sized projects in energy, transport and communications. In this way, we will be able to weather our difficulties in the course of development, ensuring the steady growth of our national economy in the coming years as well as conserving our strength for future economic advance.

The State Council holds that in our future economic work we should pay special attention to two major issues: restructuring the economy and opening to the outside world. As for reform in the rural areas, it is necessary to consolidate and improve the various forms of the contracted responsibility system based on the household with remuneration linked to output, promote specialized households and various forms of economic associations, continue to improve the structure of the agricultural economy and support the peasants in actively expanding commodity production. Reform in the cities should be quickened. We should start with tackling the relations between the state and enterprises and between enterprises and workers and staff members and try to work out a set of reform measures that are suited to present needs and to put them into practice simultaneously. Here I would like to stress the following:

1. Strive to overcome step by step the prevailing defect of "everybody eating from the same big pot" in the urban economy so as to bring the initiative of the enterprises and workers and staff into fuller play.

At present, the central task in the structural

reform of the urban economy is to eliminate the practice of making no distinction between well run and badly run enterprises or between employees who do more work and those who do less and to see to it that enterprises will not eat from "the big pot" of the state or employees from "the big pot" of the enterprises.

First of all, we should properly handle the relationship between the state and the enterprises in financial distribution in order to ensure a steady rise in state revenues and at the same time give the enterprises a certain amount of financial resources and decision-making power in their operation and management and in their expansion. In recent years we have carried out various experiments in reform at selected units. Practice has proved that in state-owned enterprises it is more advantageous to replace profit delivery with tax payments than to use other methods. The first step in putting this reform into practice was taken last year with very good results. The State Council has decided that starting with the fourth quarter of 1984, the second step should be taken so that all enterprises will gradually switch to the substitution of tax payments for profit delivery, instead of having the two methods in use simultaneously. The concrete measures to be taken are: appropriately readjust the rate of the product tax; introduce a resources tax, a value-added tax and several local taxes; and collect the regulatory business tax, based on differing circumstances, after the income tax is levied, with enterprises retaining after-tax profits for their own use. Small state-owned enterprises may be run by the collective or by individuals under contract or lease. Or these enterprises may pay taxes to the state in the same way as collective enterprises do. This second step of the reform, namely, having every enterprise pay taxes to the state instead of delivering profits, is of vital significance. First, the relationship between the enterprises and the state in financial distribution will be fixed by laws and decrees, so that state revenues can grow steadily in pace with economic development. Second, enterprises will retain more earnings from their newly increased profits, thereby increasing the incentive for better economic performance through improved management and operation. Third, through the regulatory function of the taxation lever, contradictions arising from the current irrational price system will be alleviated and enterprises will thus be able to compete with one another after the wide gap in their profits is narrowed. This will encourage enterprises that are advanced and spur those that are backward. Fourth, since enterprises will no longer turn over their profits to the administrative unit to which they belong, better economic relations will develop between departments and regions and between central and

local authorities. We must fully understand the significance to the structural reform of China's economy of substituting tax payments for profit delivery and strive to make a success of this change.

After the switch from profit delivery to tax payments, the relationship between the state and the enterprises in financial distribution will in the main be resolved, thus providing a prerequisite for smashing the "big pot" practice within the enterprises. All enterprises should, through various forms of the economic responsibility system, strictly define the tasks their workers and staff members must fulfil and give remuneration in strict accordance with their performance, thus closely linking their incomes with the enterprises' overall performance and with their personal contribution and doing away with egalitarianism in income distribution. After delivering taxes to the state as required, the enterprises have the authority to decide on the amount of wages and bonuses. In the light of differing conditions, enterprises may adopt various forms of remuneration, such as bonuses based on work points, piece-rate wages, floating wages, wages appropriate to posts and subsidies appropriate to particular jobs. Where conditions permit, enterprises may initiate wage reforms financed by themselves in accordance with relevant stipulations by the state. So far as bonuses for workers and staff members are concerned, we will introduce the practice of imposing "no ceiling or lower limit." In other words, enterprises may duly increase their bonuses when they have fulfilled or overfulfilled all the quotas of the state plan and paid more taxes and earned more profits than in the preceding year. But they must reduce or stop bonuses or even withhold portions of wages when they have failed to fulfil their quotas and paid less taxes and earned less profits. With the exception of the mining, short-haul transport and building trades, where strenuous manual labour is required, the state will collect a tax on bonuses from enterprises whose bonus awards exceed a certain limit, so as to prevent uncontrolled growth of the consumption fund. All the above methods will be tried out first in enterprises with strong leadership, normal production levels and a fairly sound internal economic responsibility system. These methods will be extended to all enterprises when the second step in substituting tax payments for profit delivery is implemented.

To boost the enthusiasm of enterprises for production and management, it is necessary to appropriately expand their decision-making power. The State Council has promulgated the "Provisional Regulations on Further Extending the Decision-Making Power of the State Industrial Enterprises," giving such enterprises due power in the following 10 aspects: planning for production and operation, sales

of products, pricing, selection and purchase of materials, use of funds, handling of assets, structural establishment, administration of affairs concerning personnel and labour, wages and bonuses, and inter-unit associated operation. In state-owned enterprises the system under which a director or manager assumes full responsibility will gradually be instituted. Directors or managers will be entrusted by the state with full responsibility for directing the production, management and operation of their enterprises. It is also necessary, at the same time, to adopt a series of measures for ensuring effective participation by workers and staff in the democratic running of enterprises, improving the system of workers and staff congresses and giving full play to its important role in such matters as examining and deciding on major measures to be taken by the enterprises and protecting the rights and interests of workers and staff, so that they function as the true masters of the enterprises. This is an important feature of our socialist enterprises and must not be ignored.

The switch from profit delivery to tax payments, the introduction of various forms of the economic responsibility system within enterprises and the proper expansion of their decision-making power will constitute quite a major readjustment of the economic relations and interests between the state and enterprises, between enterprises and workers and staff members, and between the workers and staff members themselves. Various departments and localities should strengthen their leadership role in this work, undertake in-depth investigation and study, adopt necessary reform measures, simplify administrative procedures, delegate powers to lower levels, check or prevent interference with enterprises, respect their decision-making powers and assist factory directors in executing their duties and making their enterprises a success. At the same time, it is necessary to improve the guidance through state plans and bring into play the supervisory and managerial role of the financial, taxation, pricing, banking, auditing statistical and industrial and commercial administrative departments and deal severely with all cases that violate financial or economic discipline, in order to keep a firm grip on major aspects while allowing flexibility in minor ones.

2. Restructure the managerial systems of the building industry and of capital construction and substantially increase returns on investment.

The economic results of the building industry have an important bearing on the economy as a whole. For long years, the building industry has lacked the essential conditions for independent management and has been plagued with such problems as a long construction cycle, a high rate of consump-

tion, huge waste and technological stagnation. If this situation is not changed, it will seriously affect both large-scale economic construction and the effort to improve urban and rural housing. The building industry has had a tradition of making contracts. Its tasks are relatively clear-cut. Its relations with the state can easily be defined and it does not involve too many other sectors. Moreover, there is no lack of market for its products. For these reasons, the building industry can be the first of the urban trades to carry out reform across the board.

Reform of the building industry should focus on shortening the construction cycle, reducing costs, improving quality and increasing the returns on investment. The key task is to institute a system of investment responsibility and a system of public bidding.

From now on, investment agreements specifying the responsibilities of the units for which construction projects are built should be signed wherever conditions permit, and these units should be fully accountable to the state. For all projects where repayment is possible, financial appropriations should be replaced by bank loans in accordance with the principle of compensation for the use of funds. The state will allocate the total sum as specified in the investment responsibility agreements to the Construction Bank, which in turn will provide the funds as required according to the progress of the project. The funds need not be limited to a particular year, provided they do not exceed the total amount of investment. We must work out policies that encourage a shorter construction cycle, lower investment, and commissioning of projects and attainment of designed production capacity ahead of schedule. Funds saved by early completion of a project should go to the unit which contracts for the project, while any additional funds which it has to borrow because construction takes longer than expected should be repaid. This will sharpen the sense of responsibility and initiative of both the contracting units and at the same time will enable the Construction Bank to play its role as overall regulator of funds.

We must promote multiform economic responsibility systems centred on contracting through public bidding. All contracts for important projects and urban development must be awarded by the system of inviting tenders. Under unified state planning and supervision, the unit that contracts with the designers and builders will select the best ones through public bidding. State-owned and collective designing and building units, whatever region or department they come from, may all enter into the bidding after their qualifications are established through examination. We must encourage competition and prevent monopoly.

We should set about organizing both various types of companies to contract for engineering projects and comprehensive development corporations. Tenders for a productive construction project in industry, transport or the like should be submitted by companies that contract for such specialized projects and take overall responsibility for the whole process from feasibility study through design, the supplying of a complete set of equipment and construction to trial operation upon completion of the project. Then the company selected will invite tenders from various units that specialize in design, building and supplying equipment and sign subcontracts with them. Building urban housing, developing new industrial and mining areas and installing the related public utilities are projects that should be undertaken by development corporations. These corporations will take sole responsibility for matters concerning requisition of land for the projects and for their designing and construction, including all supporting facilities, in accordance with the overall plans of the cities and towns concerned. We must guarantee the status of contracting enterprises as legal persons and accord them necessary decision-making powers. Administrative departments at higher levels must not interfere with their normal economic operation and yet must exercise effective supervision over them with regard to engineering quality and finances.

After the construction of whole projects and whole development areas is contracted, the contracting enterprises themselves should put into effect various forms of the contracted responsibility system appropriate to their own circumstances. For instance, in industrial and transport projects, contracts may be signed to fix the budget for the project as determined on the basis of the blueprints. In housing construction, contracts may be signed for a small area or a specific block of buildings. Contracts may also be signed to fix the amount of wages for every 100 yuan's worth of finished work.

We should reform the method of supplying building materials and institute the system of fixing the amount of materials in accordance with the amount of work contracted. In the past there were too many links in the chain of supply. Storehouses were set up at all levels and materials that were surplus in one place could not be moved to others where they were needed, so that some units were often obliged to halt their work. This situation should be gradually changed. We should have the materials departments send the materials directly to the units that contract for the project and we should introduce corresponding reforms in the procedures for ordering materials and equipment. At the same

time, we should allow the supply of a certain amount of materials and equipment to be regulated by the market.

In the state-owned building enterprises the proportion of regular workers (as opposed to temporary or seasonal ones) has risen from about 50 per cent in the 1950s to more than 80 per cent. Consequently, in each enterprise the administrative apparatus and the support department have expanded, but there is only a small number of people engaged in actual production work. With such a burden, it is difficult to get things moving. The system of recruitment must change. We should gradually reduce the proportion of regular workers and introduce a labour contract system so as to sharply increase the number of temporary and seasonal workers. The peasants' building teams should be allowed to take part in public bidding for contract projects in the cities.

Designing is the cornerstone of a project. We should reform the design work by adopting advanced scientific and technical methods, revising irrational design standards and working out new norms and quotas. Institutes of design should gradually turn themselves into community-oriented enterprises. In designing, we should pay attention not only to the advanced level, applicability and safety of technique, but also and especially to economic efficiency. We should implement a system of strict technical and economic responsibility to bring the initiative and creativity of the designers into full play. We should establish appropriate relations between diversity and standardization, and new buildings should not all be of the same design. Special rewards should be given to designers who have made outstanding contributions.

We should try to extend the experiments in putting urban housing construction on a commercial basis and develop a real estate business. We should gradually make up for the shortage of urban housing by drawing on various sources to expand the funds available for this purpose.

In the management of capital construction, we must simplify the procedures for examination and approval of projects and delegate this power to the lower levels so as to reduce the number of intermediate links and raise efficiency. Except for above-norm projects that must be examined by the State Planning Commission to ensure overall balancing and should therefore be reported to the state for approval, all projects should be handled and balanced by the competent departments at lower levels. The State Planning Commission is considering ways of simplifying the procedures for handling projects that require state approval, so that only two items out of the existing five will need such approval, namely, the proposals for the projects and the proj-

ect designs. Once a design has been approved, the department concerned may investigate the cost and place orders in advance.

We believe that, when these reforms have been carried out, the building industry will assume a new look and there will be a substantial increase in the returns on investment.

3. Reform the circulation system and unplug circulation channels so as to ensure the smooth flow of goods.

China's current commercial system took shape in the context of an underdeveloped commodity economy with goods in short supply and in the course of socialist transformation of capitalist and individual commerce. With the growth of commodity production, however, there is a growing abundance of most agricultural and industrial products, and we are now faced with the new task of developing markets and expanding sales. Unless the circulation system is reformed in the light of these new conditions, it will be hard to overcome certain difficulties in rural sales and urban purchases, and further growth in production will be seriously affected. Acting on the principle of maintaining the leading role of the planned economy supplemented by market regulation and meeting the need to promote socialist commodity production and exchange, we should, in the spirit of promoting production in the service of the people, transform the existing commodity circulation system, which consists of unified purchase and supply of goods according to administrative divisions and levels, into an open, multi-channel system with fewer intermediate links. In this way, a criss-cross circulation network extending to all parts of the country will be formed to ensure the smooth flow of goods between town and country and exchange of goods between different regions and the expansion of a single socialist market.

It is necessary to reduce in a planned way the variety and quantity of farm and sideline products subject to unified or fixed state purchases and to expand the scope of free purchase and marketing. After the quotas under the state purchase plan have been fulfilled, major farm and sideline products vital to the nation's economy and the people's life can be traded through many channels and transported for sale over long distances. As for the purchase and marketing of ordinary farm and sideline products, it is all the more necessary to further encourage flexible operation along with the growth in production, and to organize production and the sale of products according to market demand and price changes. State-run commerce and supply and marketing co-operatives should engage in market competition and strengthen their guidance and regulation with regard to purchasing and retailing ac-

tivities. While improving its own market management, the state should use economic means to guide the production, purchase and marketing of various kinds of farm and sideline products.

In keeping with the new situation marked by growing commodity exchange in the rural areas, the system of supply and marketing co-operatives must be reformed. The essential thing is to change them from being run by the government to being run by the people, that is, to change them into co-operative commercial enterprises that are collectively owned by the peasants. It is necessary to restore the characteristics of mass participation, democratic management and flexible operation and boldly encourage peasants to buy shares by abolishing restrictions on their buying so that co-operative undertakings are closely linked with the economic interests of the peasants. It is essential to reform the labour and personnel system of supply and marketing co-operatives so that cadres can be elected and can work at higher or lower levels as required, and workers and office staff can be recruited or dismissed according to a contract system. New breakthroughs should be made in the distribution system, price control, and the scope of business and services so as to enable supply and marketing co-operatives to render better services not only in supply and marketing but in processing, storage, transport and the spread of technology.

It is also necessary to explore ways of reforming wholesale and material supply systems. We should break out of the confines of the current wholesale business, which is run at three-tiers. All wholesale enterprises should be turned into economic entities operating independently and having equal status in their economic and business relations. Some cities, such as Chongqing in Sichuan Province, have merged second-tier wholesale stations at the provincial level with specialized wholesale corporations at the municipal level. At the same time, they have set up trade centres for manufactured goods, combining wholesale and retail sales, as well as combining self-operated businesses with transactions on commission. All economic units, whether state, collective or individual and regardless of the regions and departments to which they belong, can do business and compete with one another at these trade centres. Practice shows that commodity exchange through trade centres helps establish direct links between the producer and the seller and break down barriers between different regions and between different trades. It is a good way to unplug the channels of commodity circulation and make transactions smoother. Trade centres and wholesale markets of various kinds should be established gradually in all cities and trading areas for farm and sideline prod-

ucts. Apart from certain kinds of essential means of production and badly needed consumer goods, which will remain under the control of the state and be supplied according to plan, all goods produced over and above the plan or not covered by it can be traded freely at the trade centres and wholesale markets. Erection of trade barriers and, consequently, protection of the sale of inferior goods, is impermissible.

With state-run commerce playing the leading role, the socialist market needs to have rational arrangements and co-ordinated development among the various sectors of the commercial economy. A more flexible policy should be instituted with regard to small-scale commercial enterprises run by the state, especially the catering trade, the service trades, the repair businesses and small-scale retail trades, all of which mainly offer labour services. These should be contracted to collectives or leased to individuals for operation with a view to expanding services and making people's daily life more convenient. Large and medium-sized commercial enterprises should also introduce various forms of the economic responsibility system in a planned way and according to their own specific conditions. They should make an all-round assessment of the work of their personnel, issue bonuses rationally, reward the good and fine the bad in order to raise economic efficiency and better serve their customers. All commercial enterprises, whether owned by the state or collectives or individuals, must abide by business ethics, provide first-rate service, do business with civility and not harm the interests of consumers by shifting losses to them. At the same time, attention should be paid to reform in industries that are run by commercial enterprises. In order to change the long-standing situation in which some of these industries are poorly equipped and technically backward, we should render them support by offering preferential treatment in taxation, investment and loans. In this connection, we should adopt even more flexible policies and help such enterprises in their technical transformation and in their efforts to improve product quality.

To further develop foreign trade, we must gradually reform its structure. In foreign trade there must be unified leadership and centralized management by specialized departments, thus doing away with the phenomenon of each unit acting on its own. At the same time, we must cater to the new situation and adopt effective measures to further enliven foreign trade and give wider scope to the enthusiasm of various quarters. The emphasis in such reform should be on helping to combine foreign trade with the increased production of enterprises and the introduction of new technology, as well as to separate

government functions from business management. To achieve this combination is a major policy for developing our external trade and accelerating China's technical progress, and we must firmly and earnestly put it into practice. In organizations engaged in foreign trade, government functions should gradually be separated from business management. Specialized import and export corporations, integrated companies and local foreign trade companies should develop on a specialized and socialized basis, operate independently and become economic entities with sole responsibility for their profits or losses. Companies and enterprises should be given a free hand in their internal affairs, while competent authorities at different levels should concentrate on overall planning and co-ordination, providing services, supervising the work of lower bodies and working out policies, programmes and standards as well as issuing licenses. These authorities should promote the development of foreign trade mainly through administration and through economic regulation and legislation.

4. Strive to make the special economic zones a success, open more coastal cities and create a new situation in economic and technological exchanges with the outside world.

To open to the outside world is a correct policy that suits China's actual conditions and that we must resolutely implement. Under the guidance of unified state policies, all localities and departments should be active in carrying out external economic and trade activities. They should, in particular, be bolder and take bigger strides in using foreign capital and importing advanced foreign technology. The State Council has decided to run the special economic zones still better and to open more port cities along the coast. This is an important policy decision involving many areas of work. We must take a positive approach to it, conduct in-depth investigations and studies and make adequate preparations in order to achieve good results. All special economic zones should go on summing up their experience, build on their achievements and do solid work. They should strive to import advanced technology from abroad and adopt effective measures to draw foreign investment. The special economic zone in Xiamen will be extended. At the same time, 14 coastal cities — Dalian, Qinhuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang and Beihai, as well as Hainan Island, will be opened to the outside world. Certain special policies designed for the special economic zones will be applied there and their decision-making power will be extended. Foreign businessmen who invest in factories in these port cities will enjoy

more preferential tax treatment in accordance with the relevant stipulations. The power to examine and approve construction projects using foreign investment and importation of foreign technology will be decentralized. Entry and exit procedures for foreign businessmen will be simplified. Foreign businessmen will be allowed to establish enterprises through their own exclusive investment. The period of joint management of joint ventures can be appropriately extended. Foreign investors who have truly provided China with advanced technology will be allowed to sell a certain amount of their goods in the domestic market. Together with the four special economic zones, these 14 port cities will form a line along China's coast that will serve as the forward position for China's opening to the outside world. They can speed up their own economic development as well as give impetus to the development of the hinterland areas in their endeavour to absorb advanced technology, popularize experience in scientific management, transmit economic information and train and supply qualified personnel. All this will greatly promote China's socialist modernization.

A new technological revolution is currently taking place in the world. This presents both an opportunity and a challenge to the economic development of our country. We should seize this opportunity and make selective use of the new scientific and technological achievements so as to accelerate our modernization and narrow the economic and technological gap between China and the developed countries. Here, the key is for China to proceed from its reality and formulate a correct strategy for technological development. We must not ape others or mechanically follow each and every step they take, nor should we be over-anxious for quick results and rush headlong into mass action regardless of our actual conditions. We should stress unified leadership, overall arrangements, co-ordinated organization and close co-operation among the departments concerned and, on the basis of investigation and study, determine our priorities and concentrate our forces for a breakthrough. In the application of new technology, we should keep in mind the transformation of China's existing trades and enterprises so that they can be quickly shifted to modern technology and management. The coastal regions are better grounded industrially, scientifically and technologically, and they have richer experience in economic and technological exchanges with foreign countries. They should give fuller play to their advantages and do more both in preparing our country for the new technological revolution and in invigorating China's economy.

5. Attach still greater importance to the role of

knowledge and the intellectuals, intensify the development of intellectual resources and constantly improve the qualities of workers and staff members.

Restructuring our economy, preparing for the technological revolution and promoting our economic development — all this badly needs a large number of personnel with modern scientific and technological knowhow and managerial knowledge. There is now an acute shortage of specialized personnel in various fields, and the ideological and technical level of our workers and staff members is not up to the requirements of the modernization programme. While allocating more funds for educational undertakings and striving to develop education and train more personnel, we must also adopt effective measures to raise the political consciousness and the scientific, cultural, technical and professional level of the present contingent of workers and staff. Every locality, department and unit should do this work well. All cadres engaged in economic work should conscientiously learn economic management and modern science and technology. The records of their studies should be made an important criterion for appraising their work and for promotion in wage grade and rank. Various channels should be used to speed up the training of these economic workers in rotation. The state will organize uniform examinations (plus assessment of professional performance) for factory directors and managers. Those who fail must not be allowed to remain at their posts. On the basis of fixed numbers of employees and fixed quotas of work, all enterprises and institutions should train their employees in a planned way. To obtain practical results the content and requirements of such training should vary with the posts and the ages of employees. From now on, in recruiting workers and staff members, the enterprises must provide pre-job training for candidates and enlist those who have done well in examination. This is to ensure the quality of workers and staff, labour discipline, production safety and the good condition of equipment in factories and mines.

We must give full play to the role of intellectuals in socialist modernization and put the talents of all trained personnel to rational use. We must promote, boldly and in large numbers, young and middle-aged scientists and technologists to important posts of scientific and technological work. At present, there is a lack of such personnel in certain places, while other departments and units are over-staffed and the talents of personnel there are largely wasted. There are also some persons who would rather remain idle in big cities, refusing to go and work in less comfortable places where they are badly needed, despite the favourable treatment offered

them by the state or the localities concerned. It is hoped that public opinion will help the government in its effort to solve these two problems. In order to facilitate the rational flow of trained personnel and enable them to use their ability to the full, we must also reform the administrative system concerning scientific and technical personnel and specialized cadres. Furthermore, we must continue our effort to eliminate the pernicious influence of "Left" ideas and implement our policy towards intellectuals. Cases of discriminating against, repressing and attacking intellectuals must be dealt with sternly. We must unhesitatingly remove from leading positions those cadres who to this day take exception to Party and state policies towards intellectuals and refuse to implement them. We should do our best to create conditions that will enable the intellectuals to do their work better and improve their knowledge. We should resume the work of determining academic and technical levels and conferring appropriate titles after such work has been strengthened through the summing-up of experience. We should adopt appropriate measures to gradually raise their wages in accordance with their work performance and their posts and titles and improve their material well-being. We should show serious concern for the health of middle-aged intellectuals and do our best to improve medical and other services for them. We must commend and reward those intellectuals who have rendered outstanding contributions to socialist modernization and, when necessary, bypass convention to promote them to leading posts.

To meet the needs of economic construction, government at all levels should make the reform of educational and scientific research systems an important item on their agenda and carry it out as a strategic task. Some fruitful explorations and experiments in education and scientific research have been performed in the past few years. Jiaotong University, Shanghai, and some other institutions of higher learning have restructured their administration, extended decision-making powers at various levels, delimited their organizational structure and fixed the number of people employed, undertaken transfer of personnel, tapped their potential in scientific research, conducted research on subjects linked to China's economic construction, drawn up work regulations for the faculty, defined personal responsibilities for the non-teaching staff and introduced trial arrangements of job subsidies and salaries appropriate to specific posts. As a result, they have improved teaching quality and given a new look to their scientific research. The Zhuzhou Electronics Research Institute of Hunan Province and more than 100 other scientific and technological research institutes have geared their work to the needs of society as a whole, signed contracts with user or-

ganizations that list remunerations, introduced the contract system for internal research jobs and financed their activities with their own funds instead of depending on the state treasury for operating expenses. These reforms have provided the key to the solution of many problems that have long plagued scientific research units. In the first place, they have greatly impelled those units to orient their work to the country's urgent needs in economic construction. Secondly, they have helped to break down barriers between different departments and between different regions, promoted the rational flow of personnel and enabled competent people to fully display their talents. Thirdly, they have fruitfully tapped the initiative and creativity of scientific and technological personnel, invigorated the scientific research institutions themselves and created favourable conditions for their speedy development, as well as increased by a fairly wide margin the income of the scientific and technological personnel who have contributed to economic construction. This is the orientation of the reform of our scientific research system. Those units engaged in the development and spread of technologies should, according to their characteristics, follow suit and energetically carry out reforms along these lines. The departments concerned should make it a point to find out such experience and sum it up for popularization and continuous enrichment in the course of practice.

To accomplish the above tasks will greatly enhance China's economic efficiency and increase state revenues, thus laying a solid foundation for strengthening major construction projects, stimulating urban and rural markets, keeping commodity prices basically stable, raising the people's living standards and bringing about a fundamental improvement in the nation's finances and overall economy.

Foreign Affairs

In the past year, China has carried out extensive diplomatic activities and expanded its ties and contacts with other countries, thus enhancing mutual understanding and friendship, and developing and improving its relations with many countries.

Our relations with Korea, Pakistan, Bangladesh, Nepal, Burma and other friendly neighbours have become even closer. We have had good cooperation with ASEAN countries in the struggle to preserve peace and security in Southeast Asia. Friendly and good-neighbourly relations between China and Japan have developed to a new level. Sino-Indian relations have continued to improve. We have started talks with Bhutan to formally delineate the boundary line. Our friendship with the Palestinian and other Arab peoples has grown fur-

ther in the struggle against Israeli aggression and expansion. Our friendly relations with many other countries in Asia, Africa, Latin America and Oceania have also been developing steadily. There has been ever-growing co-operation between China and Romania and Yugoslavia, and our relations with other socialist countries in Eastern Europe have improved. We have established full diplomatic relations with the European Communities with which we have regular political consultations. China and the Netherlands have resumed their relations at the ambassadorial level. Significant progress has been made in the Sino-British talks on the Hongkong question. We have expanded our co-operation in various fields with West European countries and with Australia, New Zealand, Canada and other developed countries. There has been progress in Sino-US relations through the exchange of visits between the heads of the two governments. Sino-Soviet consultations at the deputy foreign ministerial level are still going on, and economic, trade, cultural and other contacts between the two countries have increased. In the past year, Chinese leaders have paid visits to many countries and more than 20 foreign heads of state or government have visited China. Meetings and consultations between senior officials of China and other countries have become more frequent, and there has been an upsurge in people-to-people activities too. China has recently joined some international organizations in which it has been playing its due part. What deserves particular mention is that we have achieved initial results in pursuing the policy of opening to the outside world and expanding our economic and technological exchanges and co-operation with developed and developing countries according to the principle of equality and mutual benefit. This fact shows that there are broad prospects for this co-operation.

Adhering to principle and upholding justice in face of the complex and volatile world situation, we have taken a clear-cut position in supporting the people of other countries in their struggle to oppose aggression and expansion and to win and safeguard national independence, and at the same time we are actively working for the maintenance of peace, promotion of disarmament and relaxation of international tensions. This has earned China prestige and friendship in the world.

In our contacts with other countries over the past year, we have both safeguarded our national dignity and interests and fulfilled our international commitments, and have both developed our relations with other countries and played our due part in upholding international justice and defending world peace. China's influence in world affairs has grown still further.

We have been able to score these achievements because we have unswervingly adhered to the general principle of our foreign policy set forth in our Constitution, worked hard to strengthen our unity and co-operation with other third world countries, actively developed friendly relations with countries all over the world on the basis of the Five Principles of Peaceful Coexistence and firmly opposed hegemonism in defence of world peace. Meanwhile, in the light of recent developments, we have been timely in readjusting and enriching some specific policies and measures so that they are better suited to reality and can better embody the general principle of China's foreign policy.

We are pursuing an independent foreign policy. At all times we determine our policy independently on the merits of each case, proceeding as we do from the fundamental interests of the people of China and the world as a whole. We will never act on expediency, nor will we yield to any external pressure. We treasure our hard-won right to independence and respect the same right of other people. We will never practise great-nation chauvinism or national egoism. We have consistently abided by the norms governing international relations and dedicated ourselves to the cause of world peace and human progress. This is why, whatever the circumstances, we have been able to maintain the continuity of our policy and combine firm principles with flexible measures to meet the challenge of international developments in conformity with the trend of the times.

Now, I would like to explain at some length China's foreign policy in the following three aspects, namely, safeguarding world peace, upholding the Five Principles of Peaceful Coexistence and strengthening our unity and co-operation with other third world countries.

1. Safeguarding world peace is the primary objective of China's foreign policy. We will work unswervingly to help ease international tensions, halt the arms race, realize disarmament and prevent a world war.

China desires peace, not war. In the effort to modernize our country, we Chinese people naturally need a durable and stable peaceful international environment. We desire peace not only today, but also in the future when our socialist modernization is achieved. We definitely would not like to see what we have built through hard labour devastated by war. Neither would we like to see our people suffer tremendous loss of life and property or mankind be ravaged in the holocaust of another world war. It is disturbing that the present international situation remains tense and turbulent. The two superpowers are locked in an ever intensifying

global rivalry, and their nuclear arms race continues to escalate. Their military confrontation in Europe is sharpening and their military expansionist activities in the Asian-Pacific region continue unabated. The "hot" spots in various parts of the world have not at all cooled down. Rather, some of the conflicts are likely to expand. The danger of a world war still remains. Faced with these stark facts, the Chinese people cannot but be gravely concerned about the question of war and peace.

China is opposed to cold war as well as hot war. The rivalry between the two superpowers for global hegemony is the root cause of international tensions. To ease these tensions it is imperative, first and foremost, to put an end to the arms race between the two superpowers and the local wars instigated or supported by them in Southeast Asia, Southwest Asia, the Middle East, Southern Africa and Central America and to eliminate the turmoil resulting from their rivalry. We wish to see an easing of US-Soviet relations rather than a sharpening of their confrontation, which increases the danger of war. We are also in favour of improved relations between East and West European countries and the removal of acute antagonism between the two military blocs. It is our sincere hope that the general international tension and all regional tensions will be relaxed and armed conflicts abated. All efforts to this end will have China's support.

China is for disarmament and against the arms race, especially the nuclear arms race. It stands for the complete prohibition and thorough destruction of nuclear, chemical, biological and space weapons and for a substantial reduction of conventional weapons. China is going all out to develop its economy and improve the living standard of its people. Together with the people of all countries, we will continue to make unremitting efforts to help bring about disarmament and relax tensions.

China is a nuclear state. However, we solemnly declared long ago that at no time and under no circumstances will China be the first to use nuclear weapons and that it undertakes the commitment not to use nuclear weapons against non-nuclear states. China is critical of the discriminatory "Treaty on the Non-Proliferation of Nuclear Weapons" and has declined to accede to it. But we by no means favour nuclear proliferation, nor do we engage in such proliferation by helping other countries to develop nuclear weapons. It is the demand of all non-nuclear states that all the nuclear states should undertake not to use nuclear weapons against them, and this demand is fully justified. In our view, all nuclear states should unconditionally undertake not to use, or threaten to use, nuclear weapons against non-

nuclear states and nuclear-free zones and should reach agreement on a commitment not to use nuclear weapons against each other.

We have consistently held that the threat of nuclear war can be removed only through the complete prohibition and thorough destruction of nuclear weapons. All peace-loving countries are striving for this goal. We maintain that the United States and the Soviet Union, whose nuclear arsenals account for over 95 per cent of the world's total, should take the lead by drastically cutting back their nuclear weaponry. Only thus will it become meaningful for the other nuclear states to participate in nuclear disarmament. This is China's principled stand on the question. With a view to promoting nuclear disarmament, we formally put forward a new proposal at the United Nations General Assembly last year that after the two nuclear superpowers have taken the lead in stopping testing, improving and manufacturing nuclear weapons and have agreed to substantially reduce their nuclear arsenals, a broadly representative international conference should be convened with the participation of all nuclear states to negotiate the mutual reductions of nuclear weapons. China is ready to fulfil its due commitment on nuclear disarmament.

China shares the view that there should be a reduction in conventional armament in addition to nuclear arms. It is the opinion of the overwhelming majority of countries in the world that the United States and the Soviet Union, which possess huge nuclear and conventional arsenals, should assume the main responsibility for arms reduction. We will support any practical proposal for disarmament which is in keeping with the fundamental principle that the two superpowers take the lead by reducing their arsenals of nuclear and conventional weapons.

At present, the two superpowers are competing in the deployment of new intermediate-range missiles in Europe, each trying to gain nuclear supremacy over the other. If this is allowed to go on unchecked, it will only lead to progressive escalation of their nuclear arms race, thereby greatly aggravating the threat of nuclear war to Europe and the rest of the world. All peace-loving countries and people should urge the United States and the Soviet Union to stop this dangerous race, resume negotiations and reach agreements that do not jeopardize the security and interests of other countries. We demand that the United States and the Soviet Union refrain from deploying new missiles in Europe or Asia or anywhere else in the world and that they considerably reduce and destroy those already deployed.

Safeguarding world peace is the common aspiration of people everywhere. Over the past few years

there have emerged in Europe, Japan and in many other countries massive peace movements involving people of virtually all walks of life against nuclear weaponry, nuclear threats and the nuclear arms race. This is a phenomenon in the political life of the world today that merits great attention. It demonstrates the strong desire of the people of all countries for peace and disarmament and their opposition to the nuclear arms race and nuclear war threats. The Chinese Government and people express sympathy and support for them.

The broadly-based non-aligned movement constitutes a major force in safeguarding world peace. We will further strengthen our ties and co-operation with it.

In the political, economic, cultural, social and other fields, there are numerous multilateral international activities aimed at enhancing mutual understanding and friendly co-operation among all peoples and promoting common progress. These activities play a significant role in safeguarding world peace. We will continue to support and take an active part in them, comply with the rules and regulations of the international organizations concerned and fulfil our obligations in earnest.

Opposing hegemonism is inseparably linked to safeguarding world peace. Hegemonism constitutes the main threat to peace in the world. In order to protect world peace, it is imperative to oppose hegemonism of all descriptions, particularly the super-power rivalry for world domination. China will never seek hegemony, nor will it yield to any hegemonistic pressures. We will resolutely oppose any act of hegemonism, no matter which country may commit it, where it may happen and what form it may take. This stand of ours will never change.

A grave threat to world peace now exists, but the people of the world are by no means inert and powerless. Although the danger of a world war remains, the forces in defence of world peace are growing in strength. We are convinced that so long as the people of all countries strengthen their unity and struggle and continue to foil the attempts of the superpowers to pursue policies of aggression and war, a new world war can be averted and world peace maintained. The one billion Chinese people stand firmly on the side of those safeguarding world peace and strongly support all just endeavours on behalf of world peace.

2. We will develop our relations with all countries on the basis of the Five Principles of Peaceful Coexistence, and we maintain that all countries in the world should abide by these principles so that they become general norms governing international relations.

The five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence have long been written into our Constitution. They are the basic norms which China follows in handling its relations with all countries. All nations, big or small, strong or weak, rich or poor, should be treated as equals, respect one another, live in harmony and engage in friendly co-operation. The affairs of a country should be determined by the people of that country themselves, and no other country has the right to interfere. This is the main reason why we adhere to the Five Principles of Peaceful Coexistence.

As mentioned above, we lay special stress on developing good-neighbourly relations with countries which are close to us geographically, because these relations affect not only the security and development of China but peace and stability throughout the Asian-Pacific region. Today, this region is becoming increasingly important both strategically and economically. It has prospects for rapid development, yet at the same time there are various troubling crises. Under these circumstances, it is of even greater immediate significance that China should establish and maintain good stable relations with its neighbours and develop active and friendly co-operation with them. We will work to consolidate and expand the friendly relations and co-operation with those countries with which we have lived in harmony. As for those countries that have differences of one kind or another with us we will do our best to seek a settlement of the differences through friendly consultations so that our relations will gradually improve. We are ready to wait patiently even if the differences cannot be ironed out for the time being. Our desire to coexist peacefully with other countries is sincere, and the misgivings of certain countries about China will eventually be dispelled. With regard to Viet Nam, which remains hostile to China, we still hope that it will change its policies of aggression against Kampuchea and opposition to China, even though it keeps intensifying its war of aggression in Kampuchea, encroaching upon Thai territory and stepping up its armed provocations along the Sino-Vietnamese border. The Chinese and Vietnamese peoples have an age-old tradition of friendship and it is saddening to see that relations between the two countries should have deteriorated to the present state. We sincerely hope that this state of affairs will change. We are ready to resume talks with Viet Nam to seek better relations provided that Viet Nam makes a commitment and declares its intention to withdraw all its troops from Kampuchea and commences to do so.

China's close relations with its fraternal neighbour Korea, characterized by amity, mutual respect and mutual support, have become even stronger thanks to the exchange of visits between leaders of the two countries and to increased co-operation. We support the proposal of the Korean Government for the independent and peaceful reunification of Korea and the just demand of the Korean people for the withdrawal of US troops from South Korea. We hope that the parties concerned will turn the Korean Armistice Agreement into a peace agreement through negotiations, and we are in favour of tripartite talks among the North and the South of Korea and the United States at an early date.

The leaders of China and Japan have made farsighted policy decisions with a view to furthering their relations in the 21st century. The two sides have agreed on the four principles of "peace and friendship, equality and mutual benefit, mutual trust, and long-term stability," thus laying a foundation for the healthy development of good-neighbourly relations between the two countries. We are determined to work with the Japanese Government and people to realize our common wish that the Chinese and Japanese peoples will remain friendly from generation to generation and to ensure that both countries will continue to pursue foreign policies in the interest of world peace.

China's friendly relations and co-operation with Romania and Yugoslavia have a firm foundation, and we will further promote co-operation with them in all fields. We support the just stand of the Romanian Government in the struggle to safeguard European security and world peace, and we highly appreciate the positive role played by the Yugoslav Government in easing international tensions and its important contributions to the non-aligned movement. There are also broad prospects for developing friendly relations between China and other socialist countries in Eastern Europe. We are ready to strive for increased economic and technological co-operation and friendly contacts with them.

China maintains good relations with many developed countries such as Canada, Australia, New Zealand and the West European countries, on the basis of the Five Principles of Peaceful Coexistence. China and these countries share a common need and common desire to promote political, economic, cultural, scientific and technological exchanges according to the principle of equality and mutual benefit. We are ready to have more political consultations with these countries on the question of maintaining world peace and to strengthen co-operation with them in economic, trade, scientific and technological fields.

In handling our relations with the two big

powers, the United States and the Soviet Union, we likewise adhere to the Five Principles of Peaceful Coexistence.

We attach importance to the development of Sino-US relations, which constitute a significant factor in maintaining world peace and stability. However, there remains an obstacle to the development of Sino-US relations, namely, the Taiwan question. It will be possible to make steady and sustained progress in Sino-US relations so long as the United States strictly abides by the principles established in the Sino-US joint communiqués, truly pursues the one-China policy and takes noticeable practical measures to gradually and substantially reduce its arms sales to Taiwan, leading to a final resolution of this question. During his recent visit to China, President Reagan reiterated that the United States will abide by the three communiqués between China and the United States. We appreciate this and expect the US Government to take effective measures to honour its commitment.

We sincerely desire the normalization of Sino-Soviet relations and are ready to develop economic, technological and cultural exchanges with the Soviet Union. As is known to all, China and the Soviet Union co-operated for a long time in revolution and construction. For the two big countries to live in amity is not only in keeping with the fundamental interests and common aspiration of our two peoples, but also conducive to peace in Asia and the world. Of late, there has been an increase in trade and exchange of personnel between China and the Soviet Union. But the Soviet Union still has massive concentrations of troops stationed along the Sino-Soviet border and in Mongolia, still backs Viet Nam in its aggression against Kampuchea and provocations against China and continues its armed occupation of China's neighbour, Afghanistan. These pose a grave threat to China's security, which is an indisputable, objective fact. Since the Soviet Union has expressed its readiness to improve relations with China, it should take practical measures to remove these obstacles.

We take a principled stand in handling our relations with the United States and the Soviet Union. We will not refrain from improving relations with them because we oppose their hegemonism, nor will we give up our anti-hegemonist stand because we want to improve relations with them, nor will we try to improve our relations with one of them at the expense of the other.

This year marks the 30th anniversary of the inauguration of the Five Principles of Peaceful Coexistence proposed by China together with India and Burma. These principles have stood the test of time

and are demonstrating more clearly than ever their strong vitality. They are applicable not only to relations between countries with different social systems but also to relations between countries with similar social systems, including socialist countries. Facts have shown and will continue to show that if the Five Principles of Peaceful Coexistence are adhered to, countries with different social systems can live in harmony and maintain amicable co-operation, but if not, even countries with similar social systems may come into sharp confrontation or even conflict. Whether relations between countries are good or bad depends on whether or not they strictly adhere to these principles. If all countries adhere to them, the international situation will be stable, the purposes of the UN Charter will be realized and world peace will be maintained.

5. We have always regarded the safeguarding of the rights and interests of third world countries as our international duty. We firmly support these countries in their struggles to safeguard national independence and develop their national economies, and work to strengthen co-operation with them and promote their unity.

With their independence and security seriously threatened as a result of fierce superpower rivalry, many third world countries are faced with the urgent task of opposing foreign aggression and safeguarding national independence. We resolutely support the struggles of third world countries against imperialism, hegemonism, colonialism, expansionism and racial discrimination. We give firm support to all their struggles to resist foreign aggression and intervention and safeguard national independence and state sovereignty. No matter which imperialist or hegemonist power is the target of their struggle, we will never accommodate ourselves to acts of aggression and intervention out of consideration for our relations with the power in question. We are in favour of a political settlement of international disputes, but the settlement must be fair and reasonable and must ensure the independence, sovereignty and territorial integrity of third world countries subjected to aggression and intervention. We will firmly support third world countries in their efforts to realize global as well as regional peace and stability.

Many third world countries have entered a historical period in which their central task is the development of their national economies. They desire a rapid change of their state of poverty and backwardness, eagerly demand a transformation of the current unjust and inequitable international economic order and strongly hope to strengthen co-operation with other countries in the third world. As a developing socialist country, China gives full

support to all developing countries in their struggle to establish a new international economic order. It also maintains that the effort to achieve the fundamental goal of establishing the new international economic order should be appropriately integrated with the solution of the pressing problems the developing countries face today. We highly appraise the efforts of the Group of 77 in this connection. China supports North-South dialogue and is willing to take an active part in South-South co-operation. As is well known, we put forward the four principles of "equality and mutual benefit, stress on practical results, diversity in form, and common progress" in order to increase economic and technological co-operation with the African countries, and this has won appreciation from many of them. We consider these principles to be equally applicable to China's economic and technological co-operation with all other third world countries. With regard to existing co-operative projects with other third world countries, we will continue to render various services to the countries concerned and, through joint efforts, strive to achieve the best economic results. With regard to projects China has already undertaken, we will honour the agreements, guarantee quality and do our work well. As for third world countries that are in dire difficulty and in particular need of help, we will continue to give them whatever assistance is within our power, mainly by helping them to build some projects that require less investment but yield good returns and directly serve the local people.

The other third world countries are our tested friends, and it is our essential duty to uphold this precious friendship at all times. We should constantly educate our people in internationalism and in equality between nations so that everyone respects the people and countries of the third world. Because they are by no means identical in terms of historical background, social system, international status and stage of development, third world countries inevitably differ in their domestic and foreign policies. But they hold identical views on the fundamental question of opposing imperialism, hegemonism and colonialism and of seeking economic development. This they have in common. It is entirely the business of their own people to choose the kind of social system they want and we must not interfere in their internal affairs. We would like to see them establish and develop normal relations with all countries. Some have closer relations with or receive aid from one superpower or the other in the light of their own conditions, but that will not affect our efforts to develop friendly relations with them. This approach of treating others with sincerity is conducive to our co-operation with

other third world countries and to the unity of the third world as a whole.

Strengthening unity is an important task confronting the third world countries. Owing to problems left over from the past, such as those of boundaries and territory as well as issues of nationality and religion, there are contradictions, disputes and even armed conflicts between some third world countries. And more often than not the superpowers try their best to foment discord and take advantage of this situation to fish in troubled waters. We are deeply concerned about this state of affairs. We have always held that there is no conflict of fundamental interests among third world countries and that a fair and reasonable settlement of their differences or disputes should be sought through peaceful consultations, free from external interference, in a spirit of mutual understanding and mutual accommodation. Even if no settlement can be reached for the time being, the parties involved should set store by their overall interests, exercise restraint and prevent the situation from getting worse. In no case will China become involved in their disputes and conflicts, and we oppose interference by any outside force. Of course, this does not mean that we do not distinguish between right and wrong. We firmly oppose any practice of regional hegemonism in which the strong bullies the weak. In short, we will strive to do whatever is in the interest of the unity of the third world and refrain from doing anything that is detrimental to it. We will uphold this policy at all times.

Our diplomatic experience over the past year has borne out the correctness of the principles and policies China pursues in foreign affairs. We will continue to follow them in the days to come and work to open up new dimensions in our foreign affairs so as to better serve the great causes of China's modernization and world peace.

Fellow Deputies,

China's reunification and rejuvenation are sacred tasks entrusted to us by history. We are happy to see that our policy and proposals concerning the peaceful reunification of the motherland have won growing support from our compatriots in Taiwan, Hongkong and Macao and among Chinese nationals overseas who are making positive contributions to this end. Proceeding from the fundamental interests of the country and the nation and in view of historical experience and the present state of affairs in Taiwan, we have put forward the idea of "one country, two systems" to be put into practice after reunification. Our proposals and ideas are reasonable and are put forward in sincerity. We will show our appreciation of anything said and

done by the Taiwan authorities that facilitates contacts and exchange of visits between compatriots on both sides of the Taiwan Strait, enhances their mutual understanding and assists the reunification of our motherland. We hold that provided the Kuomintang and the Communist Party of China share a common language on peaceful reunification, everything else can be negotiated. It is better to solve the Taiwan question sooner than later. Any hesitation or delay is against the will of the people. We hope that the Taiwan authorities will give the matter serious consideration. We firmly believe that through the common efforts of the people of all our nationalities, including our compatriots in Taiwan, Hongkong and Macao and Chinese nationals residing abroad, the great cause of the peaceful reunification of our motherland is bound to triumph. Any plot to split China will definitely fail.

China will resume the exercise of its sovereignty over Hongkong in 1997. This is a firm policy decision. In order to maintain Hongkong's stability and prosperity, we will adopt a series of special policies towards the area upon resumption of the exercise of sovereignty, and these policies will remain unchanged for 50 years. They will include the following: a Hongkong Special Administrative Region will be established in accordance with Article 31 of our Constitution. It will be administered by the local inhabitants and will enjoy a high degree of autonomy. The existing social and economic systems and lifestyle will remain unchanged and the laws currently in force will remain basically the same. Hongkong will retain its status as a free port and as an international financial and trade centre. It will maintain and develop economic relations with foreign countries, regions and relevant international organizations. Due regard will be paid to the economic interests of Britain and other countries in Hongkong. The Chinese Government has formulated these policies after taking into full consideration the history of Hongkong and its realities, and these policies are in the fundamental interests of the people of the whole country, including our compatriots in Hongkong. They are realistic and reasonable. We hope and believe that a satisfactory settlement of the Hongkong question will be reached at an early date.

Fellow Deputies,

October 1 this year will be the 35th anniversary of the founding of the People's Republic of China, and we will celebrate this festive occasion enthusiastically and on a grand scale. Let the people of all our nationalities unite and, under the leadership of the Communist Party of China, work even harder to score new and brilliant achievements in both national construction and foreign affairs, so as to honour this glorious festival of our great motherland.



NPC deputies from the PLA discuss "The Draft Conscription Law of the People's Republic of China."

The conscription law sets the term of service at three years for the army and four years for the air force and the navy. After completion, a soldier may stay for another term if needed by the army, and if he is willing. The extra service terms are one to two years for the army and one year for the air force and the navy. A person under compulsory service who has completed a term of five years and has thus acquired specialized skills, may switch to voluntary service after his application is approved by the authorities at or above the divisional level. The voluntary service term, 8-12 years, is counted from the day he switches to voluntary service. A voluntary soldier may not be older than 35.

This decision has given the compulsory conscription a chance to expand its strengths, while counteracting its weaknesses. Experience gathered from the trial implementation of this law, beginning in 1978, has proved that the new decision is both necessary and practicable.

To implement a system with compulsory service as its mainstay, combined with voluntary service, is a significant transformation of China's military service system. This new system will

surely strengthen the Chinese army's modernization drive and enhance the national defence.

Two strong points are seen in the new service system.

First, it benefits the army's recruiting and can keep down the average age of soldiers. With the compulsory military service system, the young people may serve in the army in rotation, providing increasingly fresh, vigorous military forces.

Second, it helps the army reserve its technical personnel and increase its combat effectiveness. By continuing their service voluntarily, the technical and grassroots soldiers may master and pass on various skills, to speed up the army's modernization drive.

Militia and Reserve Service

Combining militia and reserve services will help strengthen China's reserve forces, preparing a ready army for any future conflict, increasing both the quantity and quality of soldiers and improving the effectiveness of quick mobilization, thereby laying a solid foundation for people's warfare under modern circumstances.

The militia is an organization of the masses, who continue their

regular work. It assists the Chinese People's Liberation Army and provides its reserves. China's militia has played an important role in protracted revolutionary wars and in socialist construction. However, in case of a future war of defence against aggression, the militia alone would not be enough. Modern warfare requires an all-round system of reserve service, strengthened by a great number of reserve officers and technical soldiers. The militia is able to mobilize an army of ordinary soldiers in case of war, but it is difficult for it to train numerous specialized soldiers and officers.

The reserve service comprises ordinary soldiers and officers. Reserve soldiers include not only all the militiamen, but also demobilized soldiers and specialized technical personnel who have been registered for reserve service, even if there is no militia organization in the units they belong to, and other male citizens who meet the requirements for the reserve service.

The reserve officers include demobilized officers who have been registered as reserve service officers, demobilized soldiers who have been assigned for officer service, university and college grad-

uates, professional cadres of the people's armed forces departments, militia cadres and all cadres, specialists and technicians working with non-military departments.

Together the militia and the reserve service system form China's reserve forces. The reserve military service system will better meet the needs of modern warfare, while the militia system carries on the Chinese tradition. A military service system effectively combining the two will certainly suit China's national characteristics.

Support the Army and Its Families

The Chinese people have a tradition of supporting the army and giving preferential treatment to soldiers' families. Governments at all levels and the broad masses consider it their duty to effectively raise the political and social position of the army, defend its honour, and do their best to help soldiers' families solve their living

problems. This is important in developing and strengthening the people's army, encouraging the young people to do their compulsory service, releasing the soldiers from worries about their families and inspiring their fighting spirit.

Proceeding from the long-term interests of national defence, the new conscription law has made provisions for preferential treatment for soldiers and their families including the assignment of the demobilized soldiers, according to historical experience and the present situation, giving full consideration to the nation's economic ability.

For example, disabled veterans are given priority in buying transportation tickets, and also pay less. Soldiers may post their letters free of charge.

Those soldiers' families who live in the countryside are given preferential treatment by the local

governments, and those who live in cities and towns receive subsidies from their local governments when they find it difficult to make ends meet. Demobilized soldiers are assigned to new jobs by local governments. Proper arrangements are made by local governments for those demobilized soldiers living in the rural areas and due consideration is given to them when state departments, organizations, enterprises and other units recruit workers and staff in rural areas. Demobilized soldiers who live in cities are assigned work by local governments. Those who used to be workers or staff members with state departments, organizations, enterprises and other units are allowed to resume their jobs in their original units.

Demobilized soldiers are also given preferential treatment in enrolment examinations for universities, colleges and secondary technical schools, in cases where they are equally as competent as other candidates. Regulations have been worked out to deal with problems such as medical care for demobilized soldiers who contracted chronic diseases during their military service, the assignment of work for disabled army men and demobilized voluntary service people, pensions for the families of the deceased (including those who died in action and those who died of illness). All these regulations will help strengthen the unity of the army and the government, and of the army and the people.

The publication and implementation of the new conscription law will inevitably reinforce the People's Liberation Army and its reserves, and increase China's military strength for the future defence. And a strong defence for China, a developing socialist country, will surely play a positive role in the struggle against hegemonism and for world peace. □

China's Military Ranks

THE military ranking system was first introduced in the Chinese People's Liberation Army in 1955 through a resolution adopted at the Sixth Session of the Standing Committee of the First National People's Congress. However, it was cancelled in 1965. The new conscription law has restored this system. This is an important measure to strengthen the army's modernization and regularization in the new historical period.

Giving a military rank to a soldier clarifies his responsibilities and recognizes his achievements.

The military ranking system will help co-ordinate the various service branches. It will also help raise soldiers' sense of responsibility, so that they can exert their initiative in battle and in work. It will strengthen the army's sense of organization and discipline, push forward its regularization and increase its combat effectiveness. The system will also smooth international exchanges.

Specific military ranks will be stipulated in the regulations concerning officers' and soldiers' service. However, because the system requires careful preparations, it cannot be implemented immediately.

Christianity in China Today

Under China's basic policy of religious freedom, there are now a number of religions active in the country, including Buddhism, Taoism, Islam and Christianity (both Catholicism and Protestantism). All these religions enjoy equal status, with none holding a dominant position. Within the scope of the Constitution, they handle their religious affairs independently, running their churches by themselves.

The following is a series of reports on Christianity in China. — Ed.

Present State of Protestantism

— Interview with Bishop K.H. Ting

Question: Will you please first give some basic facts about Protestantism in China today?

Answer: There are some three million Protestants in China. You can find them in almost all parts of the country, with a preponderance in provinces along the sea coast. During the "cultural revolution" ultra-Left extremists closed down all our churches. With the restoration of religious freedom in recent years, at least 1,600 churches have been reopened or built so far. Then there are many groups of Christians who worship in meeting places of one kind or another. In addition to the several thousand ordained ministers there are a large number of lay leaders serving these churches and groups. The Protestants in China are united under the China Christian Council



Bishop K.H. Ting.

K.H. Ting is an Anglican Bishop. Before the early 50s, he studied in Union Theological Seminary and Columbia University in New York, USA. He served first as a secretary of the Student Christian Movement of Canada and then as a member of the World Student Christian Federation at its headquarters in Geneva, Switzerland. At present he is Principal of Nanjing Union Theological College and Vice-President and Director of Religious Studies of Nanjing University. He is a member of the Standing Committee of the National People's Congress.

and the National Three-Self Patriotic Movement Committee.

Q: What is this Three-Self Movement?

A: This is a movement begun early in the 50s by Chinese Protestants to make the churches in China self-governing, self-supporting and self-propagating. As you know, Protestantism was first introduced into China in the 19th

century, along with Western colonial expansion and under the protection of unequal treaties. As a result, it has been looked upon by the Chinese people largely as a Western or foreign religion, at odds with Chinese national interests. The Three-Self Movement may be seen as the Chinese Christians' effort to live down that history and that image, so as to open up the lines of communication with our people.

The national, provincial and municipal Three-Self organizations, together with the corresponding Christian councils, are all people's organizations, not state groups. On behalf of the churches, they deal with complaints and requests of all sorts from Protestant groups, and see to it that the policy of religious freedom is correctly implemented by the state and other organizations at all levels.

Q: Is the Three-Self Movement nationalist and anti-foreign?

A: No, it is not. Its aim is limited to achieving a Chinese identity for the churches in China. That is, they are to be just as Chinese as churches in England are English and those in the USA are American. Churches with a Chinese identity are still a part, indeed can be a better part, of the Universal Church. We only wish to stop being merely a dot on the missionary map of Western churches. Only then can we begin to bring enrichment to the Universal Church. We

firmly believe that only by first becoming independent can we really talk of the interdependence of churches across international boundaries.

You may be interested to know that we are quite open to international relations with all Christians and churches elsewhere who respect our Three-Self principle. We were most glad to host the Archbishop of Canterbury when he came to visit us recently with a delegation of 20 from the British Council of Churches. We have also welcomed delegations from national councils of churches of Canada, the USA, Australia and Japan. It was a joy when a group of Asian church leaders came to visit us. Our delegates have been to many countries as guests of churches there. Recently I was in Democratic Germany to take part in the celebration of the 500th anniversary of Martin Luther's birth. I took that opportunity to visit churches in Hungary and the Ecumenical Centre in Geneva, Switzerland, as well.

Q: Did Chinese Christians take to the Three-Self idea easily?

A: Not all of us all at once. But Chinese Christians, after all, are self-respecting Chinese citizens and have come to see the justice and necessity of the Three-Self Movement as a principle for churches in any independent country. And we do see that as our church has gained a Chinese identity, the people in general take a more friendly attitude towards it. More of them have become willing to hear what Christianity is all about.

Q: In what ways have the churches become Chinese?

A: The churches are now entirely under Chinese leadership in personnel and in financial management. Politically Christians are generally good, loyal citizens, taking our stand with the rest of the Chinese people and playing a role in building up the ma-



Bishop Ting and Robert Runcie, the Archbishop of Canterbury, at the Great Wall.

terial and cultural wealth of our country. In worship, in church music, in art, in theological thinking and in education, we are also consciously working for the development of Chinese ways of expressing our Christian faith.

Q: What can you tell us about the unity or the lack of it among Christians in China?

A: As far as Protestants are concerned, the fact is that we are united on a much wider scale today than ever in the history of Protestantism in China. We are now post-denominational, that is, structurally, we have done away with denominational partitions. Protestants of different theological views are working together in mutual respect within the Three-Self Movement and the China Christian Council. These two bodies are doing their best to serve all Christians, those worshipping in church buildings and those worshipping in homes and other meet-

ing places. We do not see how a difference regarding the location for meetings can become a cause for contradiction or division, as some strong critics of New China are trying hard to make out in their propaganda. If they are really for the church of Jesus Christ, they have every reason to thank God instead for the love and unity that has emerged among the Christians in New China.

Q: Why don't some Christians worship in churches?

A: In the first place China is so vast that the 1,600 churches

thus far open are still not easily accessible to all Christians. Then, to meet in homes once a week or so has been the long-standing practice of many Chinese Protestants who do go to churches to worship. We also have to understand that there are Christians, for instance those converted during the "cultural revolution," who have had no experience of worshipping in a big congregation. They prefer the intimacy and fellowship of meeting together in a less formal setting. No matter in what setting Chinese Christians worship, what unites us are our common faith in Jesus Christ and our common adherence to the Three-Self principle.

Q: What sorts of things does the China Christian Council do?

A: The China Christian Council is a sister organization to the Three-Self Movement. It aims to strengthen the pastoral care of the Protestant Christians in China. In the past four years 1,300,000

copies of the Bible have been printed and distributed. More recently a new hymn-book was printed containing 400 hymns, of which 100 use Chinese melodies and texts. We are publishing religious and theological journals, collections of sermons and books for Christian growth. We try to help the theological schools in Nanjing, Shenyang, Fuzhou and Beijing and the short-term theological classes run by various provincial and local Christian councils. The provincial and local Christian councils look after the ordination of new ministers.

Q: What financial resources do you have to support yourselves? Does the state subsidize the churches?

A: Our main source of income is the offerings and gifts of Chinese Christians. They now look upon the churches as their own and support them generously. To a certain extent we still depend on the rentals we are able to collect from church properties we do not need to use ourselves. The state helps only in exempting us from taxes and in giving us the right to collect rentals, quite an exceptional privilege within a socialist system.

Q: Do you think the increase in the number of Christians is a reflection of any loss of belief in socialism in China?

A: That is indeed an interesting question. In old China people certainly could not be more dissatisfied with the Kuomintang rule. But the number of Protestants then was less than one-third of what it is today, in spite of the presence of thousands of Western missionaries and the millions of dollars which poured in each year to maintain mission universities, colleges, schools, hospitals and other institutions.

The Chinese population has more than doubled over the last 30 years. Our National Constitution

mandates respect for people's religious faiths. Discrimination against religious believers is not regarded as good but criticized and, in serious cases, punished by law. On the top of that Christianity in China has taken on a Chinese image, which the public welcomes. When you take all these points into consideration, it is not really so abnormal for there to be an increase in the number of Christians today. Chinese Christians do not see any incompatibility between cherishing our socialist motherland and affirming the political leadership of the Communist Party on the one hand, and the love for God and for the church on the other. In Shanghai, for instance, one out of every 125 Protestants is an advanced or model worker. Thus, we are at once adherents to the Christian faith and supporters of socialism.

Q: In your experience what is the most serious obstacle to the work of the Chinese church?

A: The most serious obstacle to our work is ultra-Leftism. We find it entirely possible to work with true Marxist revolutionaries who, while entertaining no high opinion of religion at all, do see the importance of the united front in propelling society forward. They work hard to unite all Chinese, including we Christians, in the common social and political task

of making China prosperous. They are most serious in implementing the policy of religious freedom. The ultra-Leftists have no respect for the united front, nor for religious freedom. We suffered from them greatly. We are glad that ultra-Leftism revealed its true character more fully than ever before in the "cultural revolution" and has largely discredited itself, to the satisfaction of all patriots and friends.

Q: What do you see as the prospects for Protestantism in China?

A: Our Christians will continue to be in political solidarity with socialism, which is the cause of the Chinese people. Of course, this solidarity does not exclude, but rather implies, our responsibility to criticize and supervise government work, as citizens of the People's Republic of China. I do not think Chinese Protestantism will cease to be a minority religion in the foreseeable future. But thanks to the thorough criticism of ultra-Leftism, the effective implementation of the policy on religious freedom, and through the good work of the Three-Self Movement and the China Christian Council, I can foresee that pastoral care, theological strengthening and the evangelistic efforts of Christians will be put on a healthier basis. This will be to the benefit of both our country and our church.

Key to Rapprochement Lies in Vatican

Bishop Fu Tieshan was born into a Catholic family in 1931. He studied philosophy and theology in various seminaries and became a priest in 1956, when he began teaching Latin at a seminary and preaching in a church. He was elected bishop of the Beijing parish in mid-1979 and consecrated later that year. In a recent interview with "Beijing Review" correspondent Zhang Zeyu, he discussed Chinese Catholicism.

Question: Could you give a general account of the Beijing Catholic Church, Bishop Fu?

Answer: The Beijing Catholic

Church is a flock of Christ's sheep and one of the first churches to be founded in the history of Chinese Catholicism. It was set up around the 14th century, but unfortunately

it quickly disappeared into the annals of history. Then, in the early 17th century, the gospel was once again spread in Beijing. But because Catholicism was not run in the light of China's specific conditions and for a long time the sovereignty of the church was not in the hands of the Chinese clergy, progress in church affairs was slow. Like other Chinese parishes, Beijing's Catholic churches gradually embarked on the road of independent administration only after the national liberation.

There are now two Catholic churches in Beijing. The Church of the Immaculate Conception, our Cathedral, was founded in 1650 with allocations from the Qing court. A dozen or so priests, including myself, now live and work in this church, where we attend Mass every morning. Because we have to serve more than 20,000 believers living all over urban and rural Beijing and run our theological seminary as well, we are really busy. Yet the fathers and I feel happy.

After the tumultuous "cultural revolution," freedom to practise the seven sacraments, including baptism, confirmation, and orders and marriage, as well as to preach, spend time in a retreat and other religious activities, was restored. The freedom of religious belief is protected by China's Constitution and other laws, and religious beliefs are respected by society. The church's income comes mainly from offerings, Mass fees and the rental of real estate. During Christmas and Easter, believers swarm into the church for services. The church is full of vitality, with about 300 new members joining every year. Naturally the Catholic missionaries and believers are delighted at this development.

It is particularly delightful that many believers are working for the welfare of society and serving the people enthusiastically. By observing the precept of love, they



Bishop Fu Tieshan of Beijing.

are fulfilling their mission to be the "salt of the earth" and the "light of the world" in their families, in society and at their posts, thus winning society's praise. Miao Yuntai, Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference, is an ardent believer who cherishes a deep love for both his country and his church.

Q: Would you say something about the friendly exchanges between Chinese Catholics and their counterparts abroad? What is the attitude of Catholics outside China towards Chinese Catholicism's principle of running the church independently?

A: Beijing is China's capital and a well-known cultural city with a long history. Since the early 1980s, the number of foreign clergy and believers coming to our Catholic church for visits, discussions and interviews and to attend Mass has been increasing year by year. For instance, King Juan Carlos and Queen Sophia of Spain, Mme. Imelda Romualdez Marcos of the Philippines, former Italian Senate President Vittorino Colombo and the American statesman Zbigniew Brzezinski have all taken part in Mass at the Church of the Imma-

culate Conception. Cardinal Franz Konig of Vienna and Gilles Ouellet, the Archbishop of Rimouski from Canada, along with many bishops from Italy, the United States, the Philippines and the Federal Republic of Germany have also come to the Church of the Immaculate Conception for visits and discussions. All these activities have promoted mutual understanding and friendship between Chinese and foreign Catholics.

Bishop Tu Shihua, Deputy Bishop Wang Zicheng and I at-

tended an international religious conference in Montreal in October 1981. Father Liu Futing of the Beijing parish and Liu Bainian, deputy secretary-general of the Chinese Patriotic Catholic Association, attended a peace conference in Japan in March 1983. During the two visits, we had many friendly contacts with bishops, missionaries, sisters and Catholics there. They were greatly inspired by the bright prospects for the development of Chinese Catholic churches. In the autumn of 1982, the Chinese Patriotic Catholic Association invited Canadian missionaries and sisters to tour Beijing, Xian and Shanghai, where they had extensive contacts with local priests and friends.

As soon as they learnt the past and present of China's churches through friendly contacts with their Chinese counterparts, most of the foreign clergy and friends expressed an understanding of and sympathy with Chinese Catholicism's principle of running its churches independently. Many visiting priests and Catholics said it was a mistake of historic significance that the Chinese clergy

had not been able to exercise sovereignty over China's Catholic churches for more than 300 years, thereby delaying the spread of the Gospel.

Q: As far as I know, foreign churches and Catholics are concerned about the relationship between Chinese Catholicism and the Vatican, hoping for a reconciliation between the two sides. What are your opinions about this, Bishop Fu?

A: Regarding this question, the feelings of foreign Catholics are understandable. But this question is very complicated, for it involves not just the relationships between churches. For several hundred years, the Vatican has treated Chinese Catholic churches like colonies under its control. Collaborating with the forces of aggression against China, the Vatican has in the past 100 years taken advantage of Chinese Catholic churches to do things both against the will of Christ and detrimental to the interests of the Chinese people. After New China was founded in 1949, the Vatican continued to pursue a policy of hostility towards China, engaging in activities intended to subvert New China through the churches. In this way, it set itself against the Chinese people, including Chinese priests and Catholics. During the 1950s, 90 per cent of Chinese parishes were without bishops. Considering the interests of the parish members' souls and the development of church affairs, the Wuchang and Hankou parishes democratically elected new bishops in 1958 and reported this to the Vatican. The Vatican, however, unreasonably refused to recognize these bishops, thus bringing its relationship with the Chinese Catholic church to an impasse. To date, the Vatican has not ceased its interference in the sovereignty of Chinese Catholic churches in an attempt to change the structure of Chinese society by regaining its

control over Chinese Catholic churches. That being the case, it is very difficult to change the situation.

In recent years, the Vatican has assumed the posture of rapprochement with Chinese Catholic churches, but at the same time it has tried to use every possible opportunity to carry out divisive and subversive activities, both overt and covert, against Chinese Catholic churches. This inevitably makes people doubt its sincerity in seeking a rapprochement. The Bible teaches us that a tree is judged by its fruit and a person by his actions. Future developments in our relationship with the Vatican depend on how the Vatican acts. The key to a reconciliation lies in its hands.

Q: Some foreign churches and Catholics have asked whether a dialogue is possible if the Vatican is willing to change its policy of hostility towards China and treat Chinese Catholic churches equally and with friendship.

A: The Chinese Catholic church has not authorized me to comment on this. In my opinion, there is

still no sign that the Vatican has fundamentally changed its policy towards China. Whether it can genuinely respect the independence of Chinese Catholic churches and treat them equally and in a friendly manner remains uncertain. The time is not yet ripe to consider a dialogue. Moreover, the Vatican still maintains "diplomatic relations" with Taiwan Province. There is no basis for dialogue when the Vatican disregards China's sovereignty and interferes in its internal affairs. As a patriotic citizen, I firmly oppose the policy of "one China, one Taiwan," or "two Chinas."

According to the Constitution, the Chinese Catholic church and church affairs are not to be controlled by foreign forces. In April of last year the joint conference of the National Administrative Commission of the Chinese Catholic Church and the Chinese Patriotic Catholic Association adopted an important resolution setting forth the principle of letting spiritual brethren around the world share the love of Christ. Chinese Catholicism adheres to the principle of running its churches independently and at the same time

Catholics kissing Bishop Fu's ring.



it actively develops friendly exchanges with foreign churches. In making contacts, it is necessary to follow the principle of equality and friendship, mutual respect for the sovereignty of each other's churches and non-interference in each other's church affairs. For many years, we have been following this principle in our contacts and exchanges with foreign churches and Catholics.

I think that Catholic churches in

China and their counterparts abroad enjoy equal status. Running Chinese churches independently is not a closed-door policy, nor is it anti-foreign. We are willing to establish relations of genuine equality and friendship with foreign Catholics and on this basis continue to expand exchanges with all Catholic brothers and sisters to jointly enjoy the love of Christ and acquire useful foreign experience in order to run our own churches well.

Christian Activities Restored

by **ZHANG ZEYU**
Our Correspondent

SINCE normal religious activities were restored in 1979, Christianity has become active in Shanghai, with more than 28,000 people taking part in each worship. Muen Church, in the centre of the city, was among the first of 15 Christian churches to reopen after the "cultural revolution" (1966-76) ended. In addition, a number of government policies on religious freedom have been implemented:

— Houses attached to churches

have generally been returned and are exempt from property taxes;

— Many religious books have been published, including two editions of hymns and 1.3 million copies of the Old and New Testaments;

— A number of new priests have been ordained and converts baptized;

— Preparations are being made to establish a local seminary to train young clergy.

Talks with clergymen and ordinary Christians revealed that they

not only adhere piously to their faith but love their socialist motherland deeply as well.

Yao Zaiyu, 30, an English teacher at the Foreign Languages College of Shanghai University, said her family have been Christians for generations. She was baptized a month after she was born. She said that as a Christian she should love the church and as a Chinese citizen she should love her country.

These two feelings are identical, she said. The Bible teaches patriotism; Jesus Christ was a patriot. According to Christian doctrine, it is hoped that, the people will live happy lives. New China, led by the Communist Party, is striving for the four modernizations, which does not contradict Christian doctrine, she said. Therefore, she is determined to both love her church and train students of foreign languages.

Ma Dongxia, 56, a leader of the Shanghai Municipal Textile Industry Bureau, a chief engineer and pianist for the All-Saints Church choir, said although he was a religious believer this did not affect his determination to serve his country. Since graduating from university in 1950, he has actively participated in socialist construction and contributed a number of inventions. For 10 years running, he had been cited as an outstanding Shanghai worker and in 1979 and 1980, following the "cultural revolution," he was again commended as a model worker.

Sun Yanli, 70, the senior priest at Muen Church, who, despite experiencing the vicissitudes of life, has remained kind-hearted and wholeheartedly supports the principles of self-governing, self-supporting and self-propagation of the gospel and of running Chinese churches independently. "Only when our country is prospering can we successfully run our churches," he said. "If China had not been lib-

The choir walking up to the altar.



erated, we would not have been able to shake off imperialist control."

Father Sun is now vice-chairman of the Shanghai Municipal Protestant Church Administrative Council and vice-chairman of the Shanghai Council for Three-Self Patriotic Movement.

Of the 28,000 regular worshippers in Shanghai, the majority are old. Young believers come mostly from families who have been Christians for generations. Only a small number of young people, most of them women, come from non-religious families.

Behind the conversion of these new Christians lie a number of reasons. Many suffered traumatic experiences during the "cultural revolution" when they were unable to attend higher schools or find work and now they seek spiritual sustenance from religion. Others, affected by Western culture, have taken an interest in religion. Still others with nothing to do in their spare time are taken to church by relatives and friends.

Dai Wenhui, a young worker at the Shanghai Card Factory, said he originally wanted to sit for university entrance exams after finishing the senior middle school. But during the "cultural revolution" his home was ransacked and he was sent to live in a village. He was greatly disappointed by this injustice, but guided and helped by a priest and other Christians after returning to Shanghai, he finally chose to become a Christian in 1981.

Apart from the young people, the other recent converts are mostly retired workers and housewives. Peng Shengyong, the priest at the Community Church, baptized seven elderly people and patients in his home last year. Four were seriously ill and died soon afterwards. Of the other three, two are an old couple named Zhu Heshun and Jiang Xie, both over 80. Once, when accompanying



Celebrating Christmas Mass at a Protestant church in Shanghai.

his wife to the hospital, Zhu fell and injured himself. While in hospital and later while recuperating at home, he was cared for by Christian neighbours. He was so moved that he grew more confident that he could overcome his ailment. When Father Peng learnt the news, he visited the old man frequently, explaining the Gospel and salvation. As a result, Zhu joined the church.

Every Wednesday evening, each of the 15 Christian churches in Shanghai holds hymn singing, and the new canon of hymns composed in Chinese are taught. Father Shi Qigui, who teaches these new hymns at the Muen Church, said they were composed and published by the Administrative Commission of the Protestant Churches of China. The newly published *Hymns* consists of 400 long songs and 42 short ones, of which the music and lyrics for about 100 have been written by Chinese Christians. Before liberation, the hymns sung by Chinese Christians had been composed by foreigners; now they sing hymns of their own creation, an effort to imbue Christianity with Chinese characteristics.

Li Yongsheng, 54, a purchasing

agent for the General Merchandise Company in Shanghai's Huangpu District, said that teaching Chinese Christians to sing their own hymns gives him a sense of affinity and pride. A young worker, Dai Wenhui, said that he had benefited greatly from learning to sing hymns, because through this he learnt that people should observe discipline and behave well.

Each church devotes one afternoon or evening a week to Bible-readings for the illiterate old people and organizes catechism classes for those who have applied to join the church but have not been baptized.

Increasing importance is being attached to the status of women in the world today. There are women prime ministers, cabinet ministers, astronauts and scientists. But there has never been a woman Pope or Catholic bishop, despite the Biblical precept that everyone is equal in the eyes of God. To eliminate inequality and imbue Christianity with characteristics of modern China, the China Christian Association has been ordaining women priests since 1979. In Shanghai there are two women priests. Sister Pang Enmei of the International Church was ordained

last November in a ceremony attended by several hundred clergy from the various churches in Shanghai, the Chinese Patriotic Protestant Association, the National Administrative Commission of the Chinese Protestant Churches, the Shanghai Council for Patriotic Movement and the Shanghai Municipal Protestant Church Administrative Council. The cere-

mony was conducted by Father Sun and the prayers were led by Father Zhang Xintian, vice-chairman of the Shanghai Municipal Protestant Church Administrative Council.

Sister Pang said: "In New China, sisters and brothers enjoy genuine equality and this makes it possible for me to do the work of a shepherd."

Training Priests at the Sheshan Seminary

by **ZHANG ZEYU**
Our Correspondent

On the slope of a small mountain in southwest Shanghai sits the Sheshan Seminary, set up in September 1982 under the China Catholic Church. It is surrounded by green trees, bamboos and streams with water running under bridges. The place is quiet and beautiful. During the month of the Virgin Mary (May), priests and church goers from across the country make a pilgrimage to the Basilica of Our Lady on the top of the mountain, which is why it is called a holy mountain.

Jin Luxian, 68, director of the seminary, studied as a novice in Gregory University in Rome and Lyons Theological Institute in France. He explained how the seminary was opened.

During the "cultural revolution" (1966-76), the church was forced to close down and priests and followers were persecuted, he said. It was out of the question to train students. In recent years, with the restoration of religious freedom, churches in various cities and rural areas have reopened. More believers go to church to attend the Mass. But there are few priests. In the Shanghai parish, for example, there are just 45 priests serving 100,000 Catholics. Many fathers are already old and unable to work. It was impossi-

ble for them to train enough successors.

Under these circumstances, many Shanghai priests and church goers called for the establishment of seminaries. Preparations began under the sponsorship of 92-year-old Zhang Jiashu, president of the Chinese Episcopacy. He was soon joined by fathers from Jiangsu, Anhui, Shandong, Zhejiang, Fujian and Jingxi Provinces, where the shortage of clergy is even more serious.

The opening of Sheshan Seminary and other theological seminaries in China is highly significant to the independent operation of Catholic Churches in China.

It has been 400 years since Catholicism came to China. Over the

centuries China's Catholic churches were controlled by the Vatican and foreign missionaries, serving as a tool for the imperialist invasion of China. Chinese national dignity was crushed and the interests of the Chinese people were infringed upon.

In order to dominate the church, the Vatican recognized very few Chinese bishops. On the eve of the founding of the People's Republic, of the 143 parishes in China, only 20 had Chinese bishops, and Chinese priests made up only one-third of the total 6,000.

In November 1950, soon after the founding of New China, Father Wang Liangzuo and many Catholics from Guangyuan County in Sichuan jointly published the Declaration of Patriotic Movements of the Catholic Church in China, which quickly received support from Catholics all over the country. A patriotic movement against imperialism gradually gained momentum.

In 1957, the China Patriotic Catholic Association was established. It freed China's Catholics from the Vatican's control, and charted the course for an independent operation of the Catholic church in China. Since then parishes throughout the country have been electing and consecrating

Director Jin Luxian baptizes Catholics during Mass.





Bishop Zhang Jiashu leading Mass.

their own bishops. In 1980, the National Administrative Commission of the Chinese Catholic Church and the Chinese Episcopacy were also established, to strengthen the organization and leadership of the Catholic church in China.

Already 62 students ranging from 18 to 30 years old have been enrolled in the Sheshan Seminary.

According to the admission system, any unmarried male 18 or older who has graduated from senior middle school or has a similar educational level may file an application to enter the seminary, after securing the agreement of his parents, the recommendation of a father in his parish and the permission of the Chinese Patriotic Catholic Association. He must then pass an entrance examination and a physical check up.

Students who are unwilling to continue their studies or are considered unsuitable may leave the seminary any time. But Jiang Weilin, director of the seminary said that so far all students had kept their minds on their studies except one, who left the seminary on his own.

Students take up pastoral work after graduation. Chen Jianxiong, who grew up in a family of devout Catholics in Fujian, said one of the reasons he wants to be a priest

is that he loves China and the Catholic church. He said he hopes his country and church will never return to a semi-feudal and semi-colonial state as the vassal of other countries. Chen said he is willing to do his best for the prosperity of the country and church.

According to Catholic canons, from the day a student enters the seminary he must separate himself from his family and remain celibate for the rest of his life. The decision is not an easy one to make, and most candidates talk it over with their parents.

Zhang Qingzeng, who came from Jinan in Shandong Province, was a student at the seminary in the early 60s. He had to stop his study during the "cultural revolution." However, he never changed his beliefs, and was sure that the Party's policy on religious freedom would be restored sooner or later. Zhang maintained his celibacy despite pressure from his parents and friends. At last his wish was fulfilled, and Zhang returned to the seminary.

Chen Xiaojun, who entered the seminary in 1983, said that marriage is not the final purpose of one's life. If you want to gain something, you must lose something as well, and remaining single is only one aspect.

The seminary offers courses in the catechism, pastoral theology,

morality, the theology of virtue, the Holy Scriptures, ecclesiastical history, the liturgy, and sacraments. All of the teaching materials are compiled by the seminary's teachers, in Chinese. The seminary also requires the students to learn Latin, and offers English and French as elective courses. Students must study current events and policies, Chinese, Chinese and world history, and music and physical culture. They also take part in manual labour twice a week.

After more than a year's study, students have achieved good results. About 93.5 per cent of them have gotten average marks of more than 80.

Students take a five-year course. Upon graduation those who are up to the requirements of a priest are ordained, after approval by the local Catholic church administrative commission. They go back to their hometowns, under the commission's unified assignment plan, and will be given an appointment in the church hierarchy.

An article by Lu Xuedi, a student at the Sheshan Seminary, reflects the feelings of many newly ordained priests. He wrote, "In the early period of the Catholic church, the apostles did the missionary work in the East. The Latin Church in the West developed later. Saint Paul said, 'When the Catholic church comes to Greece, it should be the church of Greece. When it comes to Rome, it should be the church of Rome.' This should also be the case when Catholicism comes to China. The China Catholic Church should certainly enjoy this sacred right, of which has been unreasonably deprived. For a long time, China's Catholic Church was controlled by imperialists and the Vatican. This runs counter to the Christian spirit. Today, when we have the right to run our own church, we should treasure it and keep it alive." □



A Chinese student wins the degree of Docent of Linguistics at the Mexican National Autonomous University, Hu Pinghua (centre) with her two tutors.

New Outlook Seen for China's Women

from "ZHONGGUO FUNU"
(Women of China)

WOMEN in China are asking more and more that they be treated as equals in every sphere of society, a new trend which has been developing rapidly.

According to statistics, almost one-third of the students and around one-fifth of the post-graduates in the famous Beijing University are women. These women were admitted after passing the same examination as men, with some even getting higher marks than men to enter the university.

They have engaged in scientific work, using their own hands to push society into a new era. A broader world has been opened that makes use of their knowledge and intelligence. They can go beyond the two traditional roles for women — being a good wife and being a good mother — and perfect themselves in the multi-faceted life.

In the past, women often suffered from an inferiority complex, a sense of being second-class citizens. This attitude manifested itself in various ways, such as a willingness to be ornaments and appendages of men, exchanging

Nice Place for the Elderly

from "GUANGMING RIBAO"
(Guangming Daily)

THE Linghai Society for Longevity in Guangzhou, south China, is a people's organization sponsored by older intellectuals there.

It is common for visitors to see the not-too-big hall of the society crowded with grey heads. Some of them are chatting while others are reading. When any older person arrives, someone will immediately serve him or her a cup of jasmine tea. When they leave, others will reluctantly say goodbye.

obedience for protection. . . . These mentalities absorb the vitality that leads to all kinds of creativity.

Great changes, however, have taken place. Technical revolution, economic reforms, and ideological and cultural advances are shaking this traditional concept of women.

Boys and girls in primary and secondary schools have almost equal achievements. Then what stands in the way of women when they want to go on to higher education?

There are historical, cultural and social reasons for this phenomenon. Women are not born inferior; any weaknesses they have result from their upbringing and the infiltration of the traditional culture. Women are not impeded by difficulties and setbacks but by psychological barriers.

Their task is to recognize this, overcome it and change it. Women should establish and confirm their own life principles.

An atmosphere of ease and happiness reigns over the whole place.

The society aims to strengthen social concern for the elderly and the contacts between older people, safeguard their legal interests and help them solve their difficulties in daily life. This way, the elderly can not only enjoy their later years, but also contribute as much as possible to serving the country's modernization drive.

When the society was founded two years ago it was supported by many people. Famous painters and calligraphers sent their best

works to grace the walls, artists contributed their income from performances, overseas Chinese and compatriots in Hongkong and Macao gave the society cars and TV sets, and others sent over needed wheelchairs and electric massage machines for medical use.

Some international organizations also mailed their literature over to swap experiences in running an organization for senior citizens. Retired specialists and teachers volunteered to work for the society — some teaching its members deep breathing exercises or shadow boxing, some taking care of their medical needs. A skilled chef turned down a high salary elsewhere to come to cook for the society.

The society has done research on the social and physical problems of the elderly, and held forums for older specialists. It has sent out more than 500 surveys to old people in various circles, asking about their living arrangements. It has also sent people to visit those over 100 years old to learn their "secrets" in keeping fit. It also runs a regular column "Medical Letterbox for the Elderly" in the *Yangcheng Evening News*. More than 30 issues have come out.

The society runs a small canteen. At noontime several dozen people dine there, and in the evening even more bring their friends and relatives in for a meal.

The society also offers services right in its members' homes. It helps handicapped people change their liquid gas tanks, clean their rooms and mend their clothes. It often organizes tourist trips for its members.

Granny Wu is old and not in good health. Entrusted by her relatives abroad, the society often visits her to see how things are going. When a specialist or professor dies, the society sends its friendly condolences to their relatives.

And to those aged people who are neglected or maltreated by their family members, the society extends its helping hand.

Recently, the society sponsored Linghai University. More than 300 grey heads gather to teach, learn, discuss or exchange academic experiences.

The construction of a nine-storey building for the Linghai Society

for Longevity has already begun. The first floor will be a dining room, the second a club, the third a service centre, the fourth and fifth dormitory for single older people, the sixth apartments for old couples and the top three a reception centre for visiting older people. The society's other buildings will be for visiting overseas Chinese and compatriots from Hongkong and Macao.

Children Praised for Aiding Blind

from "Beijing Ribao"
(Beijing Daily)

EVERY morning around seven o'clock the residents of a lane in Beijing greet a group of Young Pioneers who come out from No. 4 courtyard. Some of the children help a blind woman to the No. 105 bus stop and watch her get on the bus, while others lead her daughter to the kindergarten. Then they all make their way to Yude Primary School.

For over three years, these children have been helping the blind woman and her family and they have won high praise from the Central Committee of the Chinese Communist Youth League.

This story began when they were in the third grade. One afternoon Zhao Yu and his classmates were passing the Yude Lane when they caught sight of a blind woman plodding her way with a cane, a baby in her arms and a little girl clinging to her side. The children immediately went up to help. The woman had to buy some food, so they led her to a green-grocer's and then guided her home. Before leaving, they carried water and swept the floor for her.

"It must be inconvenient for her to go to work every day," said Zhao Yu to Jiao Jiangang. "Why

don't we come to help her every morning?"

Several days later, their teacher found out what the boys had done and praised them in class, which led to a discussion of the matter. As a result, all the children agreed to help the blind woman and her daughter together. Thus the "Group to Serve the Blind" came into being.

The "Group to Serve the Blind" has received encouragement from society in all its activities. One summer morning, when the sky was filled with fine drizzle, it was Gao Lan's turn to help the blind woman. She found the woman already got outside, unable to hold an umbrella because her hands were already filled with her cane, bag and lunch-box. The rain fell harder as they went their way. Gao Lan took off her raincoat and put it over the blind woman's daughter. Then she took the girl into her arms and staggered on. After travelling a while like this, Gao Lan realized that the rain was no longer falling on her head. Looking up, she found that a stranger had opened his umbrella over her.

The "Group to Serve the Blind" is not a temporary phenomenon. To help people has become a general standard of behaviour for Young Pioneers.

Enriching Peasants' Cultural Activities

Beside a well, a group of girls are singing and dancing while washing their clothes, telling each other about their increasingly rich life and laughing happily.

This is a scene from the song and dance piece "The Cheerful Well," given by rural art troupes from cultural centres in the suburbs of scenic Suzhou. This piece, through showing the rural people who gather beside a well, praises the Party's rural policies, reflects the changes in the peasants' lives and conveys what they think.

With increasing prosperity and more spare time brought about by the agricultural responsibility system, it is no longer true that Chinese peasants "go out to farm the fields and come back to lie in bed." More and more, they want a rich cultural life, and are no longer satisfied with occasional performances by roving art troupes from the cities.

At first, some young Suzhou

peasants good at singing and dancing formed art troupes of their own. Later they set up factories, working in the daytime and performing at night. They earned a considerable income from their factories, which enabled them to give free performances of local operas and song and dance pieces.

Suzhou, with a population of 5.32 million, has 106 cultural centres in its 165 townships, 146 cinemas and theatres and 229 film projection teams, in addition to town libraries and production brigade reading rooms. Other cultural facilities include floodlit courts, pingpong rooms, TV rooms, chess rooms, recreation rooms, photo services and consulting stations for agricultural science and technology. Some centres have even built parks.

According to the Ministry of Culture, China has now more than 6,000 township centres with cultural, recreational and sports facilities. They hold amateur theatrical

festivals, exhibitions, popular science lectures, sports meets and other activities.

In Shulu County, Hebei Province, there are now 2,500 peasants engaged in amateur cultural activities such as opera, singing, calligraphy, painting and writing. Cultural centres and clubs have been established in communes and brigades with their own funds. One hundred twenty "peasant cultural households" have sprung up, performing acrobatics and *wushu*, telling stories and singing songs, or providing books and photo services.

In Liling County, Hunan Province, there is a Western music band made up of 12 musicians; the youngest is 17 and the oldest, 27. They are all graduates of junior or senior middle schools. After two months' training under the guidance of a music teacher invited from the city, they are now able to perform more than 30 famous melodies, to wide acclaim.

Hunan now boasts more than 2,000 households specializing in film projection, run either individually or with joint funds. They may show films village by village or in a fixed place, charging a fair admission.

Thirty-six peasants in Xinhui County, Guangdong Province, set up a poets' society in 1981. The members of the society get together every weekend, bringing their new works, to discuss and improve their poems. The society also corresponds with eminent poets and literary societies in Shanghai, Tianjin and Guangdong.

Members of the Song and Dance Troupe of the Lahu Autonomous County in Yunnan Province on their way to give a rural performance.



New Interpretations of Dunhuang Murals

In China, many scholars have done much research on the world-famous Dunhuang Grottoes, the treasure trove of Buddhist artwork on the ancient Silk Road in north-west Gansu Province. Many important findings have already come to light.

For long years, the story on the southern wall of Mogao Cave No. 321 was a mystery to Chinese and foreign scholars because no written explanation was found. But Shi Weixiang, a research fellow at the Dunhuang Cultural Relics Research Institute found out it was a story from Buddhist scriptures.

Treasures rain down from the sky like celestial flowers as Bhagavat preaches to 72,000 devotees on Mount Gajasirsa.

Above the falling treasures, the sea traverses the whole wall, with two huge hands stretching forward from it, one holding the sun and

the other the moon, Shi said. This alludes to the ancient pictographic character "Zhao" with the sun and the moon side by side above the sky — the name of Wu Zetian, the first empress of China who reigned between 684 and 704 during the Tang Dynasty.

Shi noticed the similarity between this mural and the "treasure-raining sutra" mentioned in Buddhist scriptures translated during Empress Wu Zetian's reign. Investigating the historical data, she confirmed that they are one and the same, and verified the time of excavation and the subjects of the murals.

Sun Xiusheng, another staff member of the institute, made a special study of the murals in Cave No. 72 which depict the story of Liu Sahe, a well-known Buddhist monk of the Southern and Northern Dynasties 1,400 years ago. Sun discovered Liu

Sahe was the Buddhist She Huida mentioned in *Saddharma-pundarika-sutra* (*Lotus Sutra*) which describes Liu's pilgrimage to India seeking Buddhist scriptures. This period in history remains unknown otherwise.

Researchers have also made great progress in determining the excavation date of each cave. They have identified 77 caves dating from the Western Xia Dynasty (1038-1227), from among caves originally thought to be from the Northern Song Dynasty (960-1127). Buddhist figures in murals from the Western Xia Dynasty have protruding cheeks and rather high noses, and are bordered with woven patterns, flames and bead designs. Many ceilings are painted with dragons.

Director Duan Wenjie, who has been working in the institute for 36 years, said that long-term research has confirmed the opinion that the Dunhuang murals are an independent Chinese Buddhist art

Left: Outside the Dunhuang Grottoes.
Right: Buddhas in Mogao Cave No. 45 made in the Tang Dynasty (618-907).



form. He has concluded from his studies both of archaeological finds and the grottoes themselves that the Buddhist art introduced from the West blended with native Chinese style to form a native tradition of presenting Buddhist themes in art. A good example is the murals on the ceiling of Cave No. 249, which show how Buddhism from India merged with Chinese Taoism.

Dunhuang was a major political, economic and cultural centre along the ancient Silk Road. The existing 492 grottoes at Dunhuang have kept intact a wealth of murals and sculpture dating from the 4th-14th centuries. The murals cover more than 45,000 square metres, and there are 2,300 painted statues.

A cave discovered in 1900 (some say in 1899) yielded various types of ancient documents and historical books from nearly 10 dynasties, and 50,000 cultural relics. Unfortunately most of them were stolen by imperialists.

The Dunhuang Institute, which was established in 1944 by the well-known scholar Chang Shuhong, now has more than 100 archaeologists and researchers.

Officials in Gansu Province decided to set up an academy of Dunhuang studies in Lanzhou this past January, based on the Dunhuang Institute. The academy will do research on protecting antiquities, fine arts, archaeology, ancient documents and books.

At present, people from more than 20 countries have studied the Dunhuang grottoes. China has already obtained copies of microfilm pictures of some Dunhuang relics which are scattered in at least 13 countries. The Dunhuang Grottoes will be complete if all its relics are returned to China in good condition.

BOOKS

Where Next for China?

Modernization — the Chinese Way

Written by Ren Tao and others
Published by "Beijing Review"

Price: RMB 1.60 yuan in English.
RMB 1.45 yuan in French.

Distributed by China International
Book Trading Corporation
(Guoji Shudian)

At the end of 1978 China shifted the emphasis of its national efforts to socialist modernization, and threw overboard the slogan "class struggle is the key link." This historic decision, taken at the Third Plenum of the 11th Party Central Committee after a delay of 22 years, has an important bearing on the destiny of China and its 1,000 million people. Small wonder it has attracted attention the world over.

Does the shift mean de-Maoification? Will it divest China of its revolutionary spirit and send China slithering down the road to capitalism? Is there any guarantee that the current policies will continue? Will the modernization drive be held up by energy shortages, backward farming techniques and inadequate transportation? Will the fruits of modernization be eaten up by an overpopulation if the birth-rate is not kept under rigid control?

For quite some time a stream of letters has poured into *Beijing Review's* editorial office asking such questions. To respond to our readers, we solicited contributions from a panel of experts of the State Council's Economic Research Centre on these topical subjects. The result was a series of articles in our 1983 January-May issues, *Modernization — the Chinese Way*.

The same title has been given the collection, now in book form. Except for stylistic changes, the BR articles, which were very favourably received, remain much as they first appeared. But we have added more important facts and recent statistics.

The 11 chapters cover all aspects of modernization, including industry, agriculture, policies, population, employment, culture and ethics, reform, and China's goals for the future. In addition, the book includes an appendix of facts, statistics, and 24 special pages of photos.

The problems China faces in the 1980s and 90s are as formidable as they are varied. At this stage, the country is still searching for concrete measures and ideal forms of organization, through practice and experimentation. But the modernization goal has been set, the direction has been charted and the basic policies have been formulated. We offer this book as a modest attempt to sketch China's modernization drive. We are sure it will be useful and provide some timely answers to our readers' questions. For China's well-wishers, and perhaps no less for China-watchers, this handy volume doubtless will lend itself to deeper understanding of present-day China.

— Zhou Shu





ART PAGE

Stone Carving by Sun Huang

Sun Huang carefully examines each of the special stones he collects from Fujian Province, and then carves natural scenes on them in harmony with their form.

Born in 1939 in Huian County, Fujian, Sun is now working at the Xiamen Cultural Bureau.



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