

Vol. 27, No. 21

May 21, 1984

BEIJING REVIEW

北京周報

A CHINESE WEEKLY OF
NEWS AND VIEWS

NPC Session Opens • Ningxia: A Land of Hui





The new look of Yinchuan, the capital of the Ningxia Hui Autonomous Region.



Bringing in a bumper wheat harvest for 1983 in Ningxia.

SPOTLIGHT



Cold storage complying with Moslem dietary laws has been built in Yinchuan. The freezers can hold 1,800 tons.



A mosque in the Nanguan district of Yinchuan.

An improved variety of sheep bred by the Yanchitan Seed Multiplication Farm in Ningxia.



A large irrigation works on the Huanghe River is under construction in southern Ningxia.



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COVER: Yang Maoshan (right first), a Hui peasant in Ningxia, and his family experimenting with high-quality seed grain.	

HIGHLIGHTS OF THE WEEK

NPC and CPPCC in Session

The National People's Congress (NPC), China's supreme organ of state power, and the Chinese People's Political Consultative Conference (CPPCC), the country's most important united front organization, have begun their annual sessions (p. 6). Premier Zhao delivered a report on the work of the government on the first day of the NPC session (p. 17).

Hu Says China, Korea in Agreement

After a warm welcome from the Korean people and fruitful talks with Korean leaders, Hu Yaobang returned home last week (p. 9). In an interview with a Xinhua correspondent, the Party General Secretary said China and Korea completely agree on the problem on the Korean Peninsula and other international issues (p. 20).

Niger's Head of State Visits China

Brigadier Senyi Kountche, Niger's Head of State, has held fruitful meetings during his second visit to China. These talks are expected to enliven the positive and active friendship and promote successful and exemplary co-operation between China and Niger (p. 10).

Special Policies for Tibet

New special policies have been adopted to build a united, prosperous and civilized Tibet at a quicker pace. Efforts are being made to double the average annual income of the region's peasants and herdsmen from 216 yuan in 1983 to 450 yuan in 1988 (p. 4).

Ningxia — the Homeland of the Huis

Moslems, mosques and prayers are the most striking features of the Ningxia Hui Autonomous Region for first-time visitors. But those who know its past are more taken with its great changes. Our special correspondent offers details of every aspect of the life of Ningxia's Hui minority people (p. 27).

Published every Monday by
BEIJING REVIEW
24 Baiwanzhuang Road, Beijing
The People's Republic of China

Distributed by **China International Book
Trading Corporation** (GUOJI SHUDIAN),
P.O. Box 399, Beijing, China

Subscription prices (1 year):

Australia..... A.\$14.00 USA... US\$13.00
New Zealand... NZ\$18.00 UK £8.00
Canada..... Can. \$15.00

Tibet Carries Out New Policies

by AN ZHIGUO
Political Editor

The Tibetan autonomous regional government has announced that efforts will be made in the next five years to double the average annual per-capita income for the region's peasants and herdsmen to 450 yuan from 216 yuan in 1983.

Since Party General Secretary Hu Yaobang and Vice-Premier Wan Li made an inspection tour of Tibet in 1980, the autonomous region has progressed in all fields of work. However, three years of natural calamities, plus the lack of sufficient measures to enliven the economy due to "Leftist" thinking among some people in the leading bodies of Tibet, have retarded the growth of agriculture and animal husbandry and since 1980 living standards have not improved much.

This situation has once again aroused the attention and concern of the Party Central Committee. At a Tibet working meeting called in late February and early March and attended by leading members of the Party committee of the Tibet Autonomous Region and departments concerned under the central government, the Secretariat of the Party Central Committee decided that new and special policies should be adopted to build a united, prosperous and civilized Tibet at a quicker pace.

To invigorate the local economy, a series of new policies have been introduced in line with Tibet's peculiar conditions. They are different from both those of the country's hinterland and other areas inhabited by minority

peoples in compact communities. They include:

- Reducing the burden on the masses. The current policy to exempt them from agricultural and animal husbandry taxes, which was adopted in 1980, has been extended to 1990. Through this measure, the 1.6 million peasants

To build a united, prosperous and civilized Tibet at a quicker pace, a series of new policies have been introduced in line with the specific conditions in the region to reduce the burden on the masses, relax policies concerning agriculture and animal husbandry, tap the local advantages fully and open to the outside world.

and herdsmen in Tibet have earned an additional 21.8 million yuan. In the past, production teams had to issue, out of their own incomes, subsidies to their leaders and relief funds to households with difficulties. In the future, this money will be given by the state. In addition, the state will pay for students' food, clothing and boarding in middle and primary schools run by the various counties and districts.

- Relaxing policies concerning agriculture and animal husbandry. The government will no longer issue directives for crop cultivation and animal breeding so that the peasants and herdsmen can

enjoy full decision-making powers in production and administration. Agricultural and animal products markets will be open all year round, and people are free to buy, sell and barter, and to negotiate prices. A diversified economy and collective and individual commercial activities are encouraged and people are allowed to engage in long-distance transportation of goods for sale.

- Giving full play to local advantages and fully tapping the autonomous region's rich water power and geothermal power, wind power and solar energy resources. To improve transportation and communications, energetic efforts will be made to develop air transport.

- Opening to the outside world, developing border trade with neighbouring India, Nepal and Bhutan, strengthening economic exchanges and co-operation with other provinces and municipalities in the Chinese hinterland, including actively introducing advanced equipment, technology and scientific and technical personnel from the hinterland.

The state will give more financial support to the construction of Tibet. Other parts of the country will also increase their aid. Up to now, Beijing, Shanghai, Tianjin, Shandong, Jiangsu, Zhejiang, Fujian, Sichuan and Guangdong, as well as departments concerned under the State Council have undertaken construction projects in Tibet. The construction of the first group of 43 medium and small-sized projects has already begun. Sichuan Province alone is now sending 10,000 construction workers into Tibet.



While making efforts to develop the economy, Tibet has also decided to inherit and carry forward the fine traditions of its culture, and to develop the Tibetan language, literature, arts, medicine and study of local history. At the same time, it is imperative to do a good job in united front work and in work concerning ethnic minorities and religions, especially in co-operating sincerely with the representatives of the upper social stratum and giving play to their positive role.

In China, all ethnic minorities enjoy equal freedom and rights stipulated in the country's Constitution and laws. In addition, they enjoy the right for self-government. However, the Tibetans, like other minorities in China, cannot completely change the backward situation left over from history overnight. Therefore, to wipe out the de facto inequality between the nationalities is a task over the whole historical period of socialism in China. With these new and special policies and with the energetic and sincere support of the state, and other provinces and municipalities, Tibet will overcome its economic and cultural backwardness more quickly in the future.



Adhering to Mao Zedong Thought Correctly

Mao Zedong was a great Marxist-Leninist and great proletarian leader. His contributions to the Chinese revolution and to the progress of humanity are truly tremendous. He has also made valuable contributions in enriching the treasure house of Marxism-Leninism. These contributions have been made by creatively applying the revolutionary principles of Marxism-Leninism to the specific conditions of the Chinese revolution and developing them further.

Adhering to Mao Zedong Thought is one of the four cardinal principles of the Communist Party of China. Now the Chinese Communist Party is using this as a guide to its actions, and developing it further. This is a correct policy.

But, in my opinion, any attempt to confine Mao Zedong Thought within the narrow limits of a country and make it a national thing is wrong. The ideas that Mao Zedong developed on the basis of Marxism-Leninism in the new conditions are unquestionably great. Every really great idea has the inherent tendency to transcend national boundaries and to become international.

Satyajeet
Kathmandu, Nepal

Since 1978 I have read your weekly with great pleasure. In recent years you have developed your magazine in every respect. I appreciate your theoretical articles, which help me understand the present line of thinking of the Chinese Communist Party. I hope you will continue this particular effort and help us understand the line of the CPC properly.

I must again express my appre-

ciation that you have published some important articles on Comrade Mao Zedong's historic role in the great and glorious Chinese revolution. I am very glad to see that the CPC is again and again trying to establish the true character of Mao Zedong Thought.

Purnendu Bose
Calcutta, India

Mao — Thinker and Founder

I got your weekly from the Chinese Embassy in Belgrade, and read one issue with many articles about your great leader Mao Zedong and his thought in history. I have also read about his struggle in the War of Resistance Against Japan during the Second World War. He, as President Tito of Yugoslavia, was not only a fighter, but also a great philosopher and founder of the new economic and political system in China.

Ivan A. Scothaner
Belgrade, Yugoslavia

Important Documents

I like all of the articles which are useful and interesting. I especially enjoy those which are short and well organized.

I think the "Documents" column is the most important. It is good to carry them separately, as they are easier to file and preserve for consultation.

I hope you will introduce us to more world-famous Chinese, detailing their studies, inventions, experiences and achievements.

In addition, please carry more articles on cooking, weaving, painting, tree planting and crop cultivation. On these subjects, you are our teachers.

Reinaldo Sarria C.
Bogota, Colombia



Second Session of Sixth NPC Opens

Premier Zhao Ziyang's report on the work of the government was the first item on the agenda as the Second Session of the Sixth National People's Congress opened in Beijing on May 15.

After Peng Zhen, the session's executive chairman, declared the session open, the 2,700 deputies listened to the report, in which Zhao announced that the central task in the new year is to continue economic construction with the emphasis on restructuring the economic system and opening to the outside world.

He also talked about the achievements China has made in the past year in actively carrying out its diplomatic activities, expanding contacts and exchanges with other

countries, and developing and improving China's relations with many countries. (For excerpts of the report, see p. 17. The full text will be published in a coming issue.)

Besides Zhao's report, other items high on the session's agenda include:

Listening to and examining a report on the draft plan for the nation's economic and social development in 1984, and a report on the state's 1983 final accounts and the draft budget for 1984.

Discussing and examining the draft Law of the People's Republic of China Governing Regional National Autonomy and the revised draft Conscription Law of the People's Republic of China.

Listening to and examining the reports on the work of the various committees under the National People's Congress and the reports on the work of the Supreme People's Court and the Supreme People's Procuratorate.

Li Xiannian, Deng Yingchao, Ulanhu and other responsible members of the Party Central Committee, the National Committee of the Chinese People's Political Consultative Conference and the various democratic parties, along with leaders of the State Council and the People's Liberation Army, are attending the session, which is scheduled to end on May 30.

Foreign diplomats and journalists from Hongkong, Macao and abroad are present as observers.

Deng Yingchao: Co-operate With Non-Communists

Co-operation between Communists and people outside the Party is a common and regular feature of relations within the united front, and a good working relationship is necessary to carry out the state's work in every field, Deng Yingchao told the Second Session of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC) on May 12 in Beijing.

Non-Communists are patriotic and eager to dedicate themselves to the four modernizations and the reunification of the motherland, the Chairman of the National Committee of the CPPCC told 1,700 delegates. Many of them are knowledgeable and influential and have extensive social connections and rich political experience. They must be given a free hand in their work, be kept well-informed about state affairs, be given power and responsibility commensurate with their positions, and be encouraged to make their best efforts.

Political consultation is of great importance in developing socialist democracy and correctly handling internal relations in the united front, Deng said. 'Decisions on major principles and policies concerning state affairs and decisions on major issues in the political life of the people of all nationalities should be made on the basis of political consultation and the wide exchange of opinions. "Opinions which are acceptable should be adopted," she said. "As for those that cannot be adopted, we should explain how things stand and spell out our reasons."

"Functioning as the core of leadership, the Chinese Communist Party is particularly in need of criticism and supervision by the broad masses, including the democratic



parties and people without Party affiliation. We should firmly oppose the practice of 'what one person says goes' and other bureaucratic attitudes marked by superficial respect but actual neglect of criticism and suggestions made by non-Party persons," Deng said.

On national reunification, Deng said that the return of Taiwan to the motherland and the achievement of China's peaceful reuni-

fication is a major question of common concern to people of all nationalities on both sides of the Taiwan Straits.

"We have long made known to the world our principles, policies and tentative ideas on this subject. Now the key to the problem is the attitude of the Taiwan authorities," she said. "The reunification of the motherland will be accomplished sooner or later. The sooner we settle the Taiwan question, the better. All hesitation or procrastination is against the wishes of the people." Deng urged the Taiwan authorities to give this matter serious consideration.

Among those attending the opening ceremony were President of the People's Republic Li Xiannian, Chairman of the Standing Committee of the National People's Congress Peng Zhen and other Party and state leaders. Hu Ziang, Vice-Chairman of the CPPCC National Committee, delivered a report on the committee's work at the session.

Bureaucrats Sharply Criticized

In late March, *Renmin Ribao* (People's Daily) carried a report exposing the irresponsible attitude of some staff members of the Beijing Municipal Foreign Trade Corporation.

These people often forgot to collect the money paid for goods the corporation exported and failed to ship back goods the unit had imported. From just three of these mistakes they wasted 1.23 million yuan in state funds.

Later, the Party Consolidation Guidance Commission of the CPC Central Committee commented on

the case, urging all units with similar problems to check on and resolve those bureaucratic incidents which have been revealed in the current Party consolidation movement.

The comment said the campaign to crack down on economic criminals, which began in 1982, has achieved good results. But the Party committees and people's governments at various levels have not paid enough attention to bureaucracy in economic management, which has inflicted heavy losses on the state. Moreover, no effective

measures have been taken to solve these cases.

This situation should not be allowed to continue unchecked, the comment stated. Bureaucrats who neglected their duty with serious consequences should be held responsible and be punished. Those involved in particularly serious cases should be dismissed from their posts or expelled from the Party.

Since February of this year, many national and local newspapers have carried articles exposing bureaucratic incidents which caused serious economic losses to the state. For instance, because of the buck-passing attitude of certain leaders, 1,590 tons of potatoes purchased by the Jiangsu branch of the China National Cereals, Oils and Foodstuffs Import and Export Corporation could not be shipped in time and went bad.

In another case, some leaders' neglect of the rules for quality testing during the construction of a department store in Tubo, Jilin Province, resulted in the collapse of the whole project. In Shenyang, some leaders of the city's fruit company, negligent in their duty, let 75,000 kilogrammes of oranges rot at the wholesale centre.

Exposing these typical cases roused the indignation of people throughout the country. Many wrote to their local newspapers denouncing bureaucracy and strongly demanding that the government punish these bureaucrats according to Party discipline and state law. Their letters spurred officials to act quickly in these cases.

For instance, Gu Deji, deputy director of the Shanghai Metallurgical Bureau, wrote to the municipal leadership criticizing some leaders' bureaucratic attitude towards the import of a high-speed steel rolling mill needed by the Shanghai No. 2 Steel Plant. The decision to import the machine

was made a long time ago. But because one leader opposed to it, the whole matter was shelved for 21 months. *Jiefang Ribao*, the major local paper, published the letter, which caught the attention of the Shanghai Municipal Planning Commission. The commission called a meeting of relevant departments and solved the problem in three days.

Other cases have been or are being dealt with. Disciplinary actions within the Party and administrative disciplinary measures have been taken against the leaders responsible in the typical cases already mentioned. Some have been dismissed, and those who violated the criminal law have been arrested.

Goods Distribution Undergoes Reform

On May 1, the people of Beijing had, for the first time, a chance to taste the new tea from the Huangshan Mountains in Anhui Province — something that was nearly impossible in the past when the distribution of goods was monopolized by state-owned enterprises.

With the development of the rural commodity economy and the increasing abundance of industrial and farm products, the existing rural supply and marketing system has been found to be inadequate, making reform necessary.

The sale of tea to areas far from the source of production was an initial trial reform. The Ministry of Commerce sought to reduce intermediary links and move the first shipment of processed tea to Beijing before May Day.

The reform of the distribution system is intended to promote the development of rural commodity production, with the emphasis on three points:

- The distribution of goods will be handled more and more by collectives or individuals and no longer be monopolized by state-owned enterprises.

According to figures provided by the State Statistical Bureau, there were 4.92 million individual commercial units in 1983, up 2.2 times from 1982. Rapid progress was also made in developing collective commerce. In Gaozhou County in Guangdong Province alone, there were 670 collective commercial units, six times the number in 1978.

- Rural supply and marketing co-operatives will be restored and peasants recruited as shareholders. The supply and marketing co-operatives will be given certain decision-making powers in financial administration, allocation of cadres, price-setting and the scope of business.

By the end of 1983, about 70 per cent of China's peasant households had become shareholders in supply and marketing co-operatives, with share capital amounting to 250 million yuan. This change, which allows the peasants a say in the supply and marketing of commodities and a direct part in the administration and management of commodity production, has not only boosted the business of supply and marketing co-operatives but greatly accelerated the development of the rural commodity economy.

- Wholesale markets will be energetically developed. There have emerged more than 200 of these new markets in large and medium-sized cities. Producers and sellers can sell or buy at such markets. Shops, restaurants and government organizations can also purchase farm and sideline products from the wholesale markets.

To reduce intermediary distribution links, make things convenient for the masses and improve eco-

conomic results, some commercial departments have adopted reform measures in light of local conditions. Eighty-four peasants have opened vegetable shops in Yichun, Jiangxi Province, and a trading centre has been set up in Zhangjiakou, Hebei Province, to deal with purchasing, marketing and transporting industrial, agricultural and sideline products for the peasants. In the two weeks after opening, the centre received representatives from more than 20 provinces and cities for commercial negotiations. The volume of business has exceeded 1.5 million yuan, with 70 per cent of the goods being sold to rural collectives and individual households.

Peasants' Income Rises During 1983

A survey by the State Statistical Bureau shows that the average per-capita net income for Chinese peasants in 1983 was 309.8 yuan, up 14.7 per cent from 1982.

The sample survey covered the incomes and expenditures of 30,400 peasant families.

In 1978, peasant families with an average per-capita income of more than 300 yuan accounted for only 2.4 per cent of the nation's total. About one-third of the families had an average per-capita income of less than 100 yuan. Ever since the Third Plenary Session of the 11th Party Central Committee by the end of 1978, great changes have taken place in China's countryside, with peasants' income increasing every year.

The survey also shows that the proportion of peasant families with an average per-capita income above 500 yuan in 1983 increased to 11.9 per cent of the total from 6.7 per cent in 1982. The proportion of peasant families with an average per-capita income of less than 150 yuan declined to 7.6 per cent from

10.8 per cent in the previous year.

The increase is even more conspicuous in certain prosperous areas, such as the outskirts of large cities, the Zhujiang (Pearl) River delta in Guangdong Province, Yantai Prefecture in Shandong Province and southern Jiangsu Province.

The per-capita income for peasants in 28 production brigades on the outskirts of Yantai last year reached 1,000 yuan. All 28 brigades had one thing in common — they had given up the practice of only growing grain. Through diversification, they raised their indus-

trial and sideline income to 90 per cent of the total. These industrial and sideline occupations employ 84 per cent of the labour force.

The rise in income through the development of production has brought about improvements in peasants' living standards. For instance, peasants in the Xiguan production brigade in Muping County have converted their formerly one-storey buildings into two- and three-storey ones, and have bought colour TV sets, cassette recorders and washing machines. In addition, 70 per cent of the peasant families have telephones.

Hu's Korean Visit Called a Success

General Secretary Hu Yaobang's visit to Korea has drawn to a successful close. Just as Kim Il Sung, General Secretary of the Central Committee of the Workers' Party of Korea, has said, it has brought Sino-Korean friendship to a new high.

Hu, in his tour of Pyongyang, Wonsan, Hamhung, Komdok and Chongjin, visited factories, mines, ports, villages and cultural and military units, where he cordially

met with Korean leaders at the central and local levels, and witnessed Korea's achievements in socialist construction.

At the farewell banquet in Chongjin, Hu said, "We are deeply impressed by the Korean people's revolutionary spirit of forging ahead ceaselessly, their soaring revolutionary enthusiasm, their lofty morality of respecting civic virtue and observing discipline, and their strong sense of organiza-

Kim Il Sung sees Hu Yaobang off at Chongjin railway station.



tion and efficient work. We should learn from them in all these respects.

During the visit which ended on May 11, Chinese and Korean leaders exchanged views and information and reached a complete consensus regarding the international situation, particularly that in Asia and on the Korean Peninsula, the way to a peaceful reunification of Korea and a series of important issues of common concern.

Observers in Beijing believe that the visit will be a forceful motivation for, as well as produce a positive and profound impact on, the furtherance of Sino-Korean friendship, the enhancement of support and co-operation between the two parties and the two countries, the security and stability of various countries in the Asian-Pacific region and the cause of world peace.

"On the Korean question," Hu said, "we hold that statesmen of the countries concerned should respect the interests and desire of the Korean people and respect their views and propositions. Only in this way will they go with the trend of history and achieve something. Otherwise, they can achieve nothing and are doomed to failure."

As Hu and his party left Pyongyang, more than 300,000 people lined the route to bid farewell. On their arrival at Wonsan, they were accorded a rousing welcome by more than 200,000 people. At Hamhung, Korea's largest industrial city with a population of 630,000, more than 300,000 people turned out to cheer them.

As the first foreign leader to visit Chongjin, Hu, together with his party, was greeted by a crowd of more than 200,000 stretching along 20 kilometres. Chongjin is an important industrial city with a huge steel plant and a port. As a transit port for Chinese

imports and exports, it has opened up a new channel for Sino-Korean economic co-operation.

In Chongjin, Hu and Kim Il Sung held a third session of talks. They expressed satisfaction with the political, economic, cultural, scientific and technical co-operation between the two countries. They also pledged to continue ef-

forts to strengthen the co-operation.

During their week-long trip, Hu and his party, accompanied by Kim, travelled more than 1,000 kilometres and were welcomed by nearly 2 million people. *Renmin Ribao* commented on May 12 that the visit is a monument in the history of Sino-Korean friendship.

Leader of Niger Makes 2nd Visit

President Li Xiannian, at a state banquet on May 10 for Brigadier Seyni Kountche, Head of State of the Republic of Niger, praised Niger's achievements in economic construction.

Extending warm welcome to Kountche, who is also President of the Supreme Military Council, and Mme. Mintou Kountche, Li said that the government and people of Niger have struggled staunchly against the forces of nature, scoring marked successes in increasing agricultural production.

Despite the drought and subsequent food shortages in many West African countries in 1983, landlocked Niger, located south of the Sahara, obtained success in agricultural production.

Niger has also paid attention to tapping its natural resources and developing its mining industry, increasing its gross national product by 4.5 times and average per capita income by three times in the past decade, Li said at the banquet.

He also praised Niger's active role in international affairs, saying: "Niger has pursued an independent, non-aligned foreign policy, opposing imperialism, colonialism, racism and interference in African affairs by external forces. It has also safeguarded African unity, supported its national-liberation movement and stood for South-South co-operation

and the establishment of a new international economic order."

Li said Niger's just positions and proposals on international affairs have won appreciation throughout the world.

China and Niger are both third world countries, he said, and there are bright prospects for the friendly and co-operative relations between the two countries on the basis of the Five Principles of Peaceful Coexistence.

Kountche praised the positive, active and fruitful friendship between the two countries and peoples.

Kountche said his current China visit (he visited previously in 1977) was aimed at enlivening the friendship and summing up the successful and exemplary co-operation between China and Niger, and exchanging views with Chinese leaders on world affairs.

On May 11, Premier Zhao Ziyang and Kountche, meeting to discuss bilateral relations and issues of mutual concern, agreed that relations between the two countries had developed well. Co-operation in agriculture, water conservation and medical services had made progress and trade was continuing to develop. They agreed to seek more forms of co-operation, including technical expertise services and personnel training.



President Li Xiannian welcomes Seyni Kountche, the Niger head of state.

Zhao reiterated that China's policy of working for more fruitful economic and technical co-operation with Niger and other third world countries would not be changed.

Explaining China's independent foreign policy, he said that the guiding principles included closer unity and co-operation with other third world countries, opposition to hegemonism and safeguarding world peace.

"China will stand by the third world at all times," he said, "and will always belong to the third world."

Kountche said the basic principles followed by Niger in its foreign relations included safeguarding world peace, non-alignment, opposition to hegemonism and support for the cause of progress.

The two leaders stressed the importance of African unity, agreeing that the Organization of African Unity, the symbol of unity on the continent, should play a greater role in closing the ranks of African countries. They also had an in-depth discussion on southern Africa, Chad and other issues.

Deng Xiaoping, Chairman of the Central Advisory Commission of the Chinese Communist Party, met with Kountche on May 12. Deng stressed the importance of opposing hegemonism, which is the main threat to world peace today. Only by opposing this threat could peace be safeguarded, he said.

Deng reiterated that China was always on the side of the third world.

More Agreements Reached With US

The second session of the Sino-US joint commission on commerce and trade has ended in Washington with signing of two work programmes and four agreements.

Chen Muhua, Minister of Foreign Economic Relations and Trade, and Malcolm Baldrige, US Secretary of Commerce, signed two work programmes for co-operation in metallurgy, telecommunications and electronics. The programmes will carry out the accord on in-

dustrial and technological co-operation signed by US President Ronald Reagan and Premier Zhao Ziyang in January.

The four agreements were for funding US feasibility studies on the projects related to China's oil and natural gas exploitation and technical transformation, including the development of a heavy oil reservoir and natural gas field as well as a silicon materials project and a railway wheel plant.

The two sides had serious and intensive discussion on the problems and obstacles that exist in Sino-US economic and trade relations. They explored measures on how to fully exploit the potential for Sino-US economic and technological co-operation and trade.

Both sides stressed the importance of technology transfers and trade in technology products and agreed to further strengthen their co-operation in this regard. They also recognized the importance of the signing of the bilateral agreements governing the protection of investments and maritime transportation earlier and agreed to continue their joint efforts to this end.

At a press conference after the session, which ended on May 9, Chen called for joint efforts by the two sides to open up new prospects for Sino-US economic and technological co-operation and trade relations.

She said that China's modernization programme "has opened up vast vistas for the expansion of Sino-US economic and technological co-operation and trade."

"Looking at the prospects for the second decade of Sino-US relations, we see many sectors for developing our co-operation, particularly in the fields of energy, transportation, nonferrous metals and the technical transformation of existing enterprises," she said.

She pointed out that currently

all the restrictions and obstacles, whether imposed directly on Chinese trade with the United States, or existing in respect of technology transfers, credit and transportation, are to a great extent directly related to the special provisions directed against China in US legislation.

Sino-German Nuclear Accord Signed

An agreement to co-operate on the peaceful use of nuclear energy has been signed in Bonn between the Governments of China and the Federal Republic of Germany (FRG).

Chinese Vice-Premier Li Peng and Vice-Minister of Nuclear Industry Zhou Ping, together with FRG Vice-Chancellor and Minister for Foreign Affairs Hans-Dietrich Genscher and Minister of Research and Technology Heinz Riesenhuber signed the agreement on May 9.

Under the agreement, the two countries will strengthen co-operation in scientific research on nuclear energy, nuclear technological development, the safety of nuclear devices, the prevention of radiation and other areas. They will also co-operate on the design, construction and operation of nuclear power stations and nuclear research installations as well as other areas of common interest.

The agreement will be carried out through exchanges of scientific and technical personnel, the provision of expertise and other services.

The agreement also stipulates the formation of a joint committee whose members will be appointed by the two sides, which will serve to ensure the smooth implementation of the agreement.

Afterwards Li Peng stressed that the signing of the agreement indicated the spirit of co-operation existing between the two

"Therefore, to make a breakthrough in Sino-US economic and technological co-operation and trade relations, all those provisions which are out of keeping with the times should be first abrogated or amended once and for all," she stressed.

countries and the scope of co-operation. He hoped that the agreement will further promote co-operation on the peaceful use of nuclear energy between China and Federal Republic of Germany, and benefit the peoples of both countries.

Sino-Soviet Trade Expected to Rise

The volume of trade between China and the Soviet Union, which has been increasing for the past two years, is expected to reach 2,650 million Swiss francs (about US\$1,200 million) in 1984 under a goods exchange and payments agreement. This will be a 60 per cent increase over 1983, a year in which bilateral trade rose by 170 per cent compared with 1982.

The variety of goods traded between the two countries has also increased. Under the agreement, China exports mineral products, frozen and canned meat, soybeans, vegetable oil, silk fabrics, cotton, knitwear and garments, light industrial goods, tea and animal by-products to the Soviet Union.

The Soviet Union exports pig iron, nonferrous metals, timber, chemical fertilizers, cement, plate glass, chemicals, vehicles and machinery to China.

Border trade was revived last year following years of interruption.

In 1983, the two sides organized personnel exchanges to study scientific and technological projects in industry and agriculture. Similar exchanges are expected to increase this year.

News in Brief

Li Meets Madagascar Guests. President Li Xiannian spoke about Party building when he met a delegation from the Madagascar Revolutionary Vanguard on May 7. He said that the current Party consolidation is the foundation for China's work in all fields. China will never succeed without a good party, he noted.

Li also briefed the Madagascar guests on China's experience of construction since 1949.

The delegation, led by Rakotoniaina Justin, Member of the Madagascar Party's Political Bureau and a member of the country's Supreme Revolutionary Council, visited Beijing for an exchange of work experience with the CPC.

Relations between the CPC and the Madagascar Revolutionary Vanguard were established in 1981.

Li Meets Pakistan Admiral. President Li Xiannian has told Admiral Tariq Kamal Khan, Chief of Staff of the Pakistan Navy, that "China and Pakistan are close neighbours sharing identical views on a number of issues."

Khan, who met with Li on May 8, said he had held successful talks with the Chinese naval leaders. "The Pakistan navy should learn from the Chinese navy," he said.

Li said both navies should learn from each other. "During my visit to Pakistan last March," he said, "I saw great successes scored under the leadership of President Zia-Ul-Haq in developing the national economy, particularly in boosting agriculture."

Central America

Two Tendencies Seen Developing

by TANG TIANRI

CENTRAL America is at the crossroads. On the one hand, the turbulent situation there has intensified because of escalated interference by outside interests. On the other hand, the Contadora Group has been making great efforts to seek a peaceful solution to the Central American problem through mediations.

The United States used to regard Central America—Costa Rica, Honduras, Nicaragua, El Salvador, and Guatemala—as its “backyard,” because of the great strategic importance of these countries. However, since the overthrow of the Somoza regime in 1979, there have been changes in the region’s other pro-US oligarchies, with guerrillas in El Salvador and elsewhere growing stronger. The rapidly changing situation has reawakened fears in Washington about the “domino theory.”

To prevent the situation from worsening, the United States has increased its military assistance to El Salvador from US\$85 million to US\$136 million and stepped up its military suppression of the Salvadorian guerrillas. Although it sees El Salvador as the flash point in the Central American situation, the United States believes Nicaragua to be behind the region’s troubles. The US Government has stressed that only by adopting a hardline policy towards Nicaragua, can it prevent the Soviet Union from penetrating Latin America (via Cuba) and tipping the balance of forces in the region. For strategic

reasons, Washington has shifted the emphasis of its policies towards Central America from El Salvador to Nicaragua.

Since 1983, along with isolating Nicaragua diplomatically and enforcing an economic blockade, Washington has exerted military pressure on this country. US-backed anti-government forces have launched large-scale offensives against the Nicaraguan Government, and Washington played a direct role in mining Nicaraguan ports in March. These US actions have gravely damaged the prospects for peace in Central America and restricted the free flow of international navigation. The escalation of US military activity in Nicaragua has worsened the already tense situation, raising the chances that the conflict might spread.

The severe deterioration of the situation has aroused great concern in Latin America. In January 1983, the foreign ministers of Mexico, Venezuela, Colombia and Panama held a meeting on Contadora Island, Panama. Later, in a communique, they reiterated the basic principles of non-interference and the right to self-determination, and opposition to any direct or indirect foreign intervention in Central American conflicts. They also stressed the necessity of settling disputes through negotiations and dialogue. Afterwards, the four countries became known as the Contadora Group.

In 1983, the Contadora Group held five sessions attended by foreign ministers and one summit con-

ference, at which a final document, “Cancun Declaration on Peace in Central America,” was issued. The Contadora leaders sent letters to the heads of the five Central American countries, Cuba and the United States, calling for a peaceful solution to the Central American problem.

Since April 1983, the foreign ministers of the Contadora countries and the five Central American countries have held six co-ordinated conferences. At the third session, the Central American foreign ministers agreed to accept the “Cancun Declaration.” At the fourth session, all nine foreign ministers worked out a common ground and a unified “Document of Intention” on which to base Central American peace, security and stability. At the fifth session, the principles concerning the implementation of the “Document of Intention” were adopted.

From April 30 to May 1, the nine foreign ministers attending the sixth meeting expressed their determination to step up efforts to prevent the escalation of the conflict and pledged to help talks.

The Contadora Group’s enormous efforts to seek a peaceful solution to the Central American problem are hoped to bring prosperity to this region.

At present, both the war factor and peace factor have been increasing. It is hard to predict what will be the result. It is evident that the US strategy is to overthrow the Nicaraguan Government and to eradicate the national-democratic movement in Latin America. But it seems that Washington has not yet decided whether it should invade Nicaragua as it did Grenada. Grenada is a small

country; Nicaragua is 430 times larger and its population 29 times greater. An invasion would likely result in a large-scale, long-term war. As well, the Reagan administration is taking the upcoming election into account.

The Contadora Group's diplomatic mediations over the past 16

months have been supported and praised around the world and progress has been achieved. But the Central American problem is very complicated and the conflicts there are caused by external as well as internal forces. It will not be easy to solve and the way to peace seems long and tortuous.

foreign investment and ignored the development of other industries. Some small-scale light industries set up with foreign aid were neglected and ran into heavy debt. Private businesses and traditional markets were forcibly shut down and the "people's market" promoted, so damaging the market economy and causing shortages of goods. Black marketeering and smuggling prevailed.

Guinea

Coup Prompted by Weaknesses

by WANG JINGCHENG

COLONEL Diara Traore, the newly installed Prime Minister of Guinea, in his recent visit to 11 African and Arab countries to strengthen bilateral relations with these countries, took the time to explain to their leaders why the Guinean armed forces overthrew the government of April 3.

The coup, which came shortly after the death of former President Ahmed Sekou Toure, led to the formation of a new government two days later with Colonel Lansana Conte as president and Traore as prime minister.

Sekou Toure, a founder of the Guinean Democratic Party and modern Guinea, had been, in September 1958, the first African leader to raise the banner against French colonial rule in black Africa, successfully leading the Guinean people to independence in October of that year. He ruled Guinea as president from then until his death in March.

In international affairs, Toure devoted himself to African national liberation and third world unity and was considered an outstanding politician. He made unremitting efforts to safeguard

Guinea's sovereignty. In November 1970, he led his country in defeating a contingent of foreign mercenaries, winning the respect of the third world.

However, during his more than 20 years in power, Toure made a number of domestic mistakes. For years, democracy has been absent from Guinea's political life and the country's economic development has been slow, making it one of the world's poorest nations. Many observers believe that internal rifts over politics and the state of the economy were the direct causes of the coup. A statement issued by the National Military Committee of Redemption of Guinea, although showing appreciation for Toure's foreign policy and affirming his contribution to Guinea's independence, criticized the late president's domestic policies.

Eighty per cent of Guinea's population engages in agriculture. After independence, the Toure government pursued an unrealistic policy of forced collectivization of farmers, with the consequence that the once largely self-sufficient country in agriculture became dependent on imported grain. In its industrial policy, the government overemphasized the exploitation of its bauxite reserves through

In foreign trade, revenue from bauxite exports could not counter the massive imports, resulting in successive trade deficits. The over-reliance on foreign trade led to a foreign debt in 1981 of US\$1,500 million, equal to the annual gross national product. Since independence, the Toure government changed the country's currency three times, encroaching on the people's interests and making their lives harder. Inevitably their dissatisfaction grew.

During Toure's rule, there had been several subversive plots instigated by other countries and Toure himself was nearly assassinated. As a result there were numerous purges, which intensified the political situation and forced more than 2 million people, or one-third of the population, to leave the country. Besides this, many members of the Toure family occupied important party and government posts, resulting in extremely centralized power.

All these conditions weakened the Toure government, and the coup came as no surprise. In fact, it succeeded in a quiet atmosphere, further reflecting the weakness of the former government.

At present, the political situation is calm and the life in the capital of Conakry has returned to normal. However, the new government faces serious economic difficulties and other problems, which will be a stern test of whether it can survive.

Marching On Despite Setbacks

by RUI YINGJIE

LAST December, following the forced evacuation of Yasser Arafat, Chairman of the Palestine Liberation Organization (PLO), and his troops from Tripoli in the northern Lebanon, the circumstances in which the PLO is carrying on its armed struggle seemed to have hit a new low. The opposition within the PLO, together with differences with some Arab countries, added to the difficulties in its political struggle.

However Arafat and other PLO leaders have weathered one storm after another. They have remained optimistic and overcome various difficulties at critical moments, even when besieged in Beirut and Tripoli.

The PLO is currently strengthening its leadership in the struggle waged by the Palestinians in the occupied territories, and in the talks between Jordan and the PLO held in February and March as well as those held recently, both sides stressed the problem of how to support these people.

However, Arafat and other PLO leaders did not take the view that armed struggle is the sole means of achieving the aims of the Palestinian cause. On the contrary, they put political struggle on a par with military struggle. After examining the situation since the fighting in Tripoli, it seems they now lay more and more emphasis on the political and diplomatic struggle.

The fight led by the PLO for the restoration of the Palestinians' national rights is a just cause. Arafat and the PLO have won wider and wider sympathy and support not only from the Palestinian and other Arab people

but also from the Islamic world at large. The Islamic Summit Organization (ISO) conference held in Morocco last January reaffirmed its support for the PLO led by Arafat as the sole legal representative of the Palestinian people. Arafat himself was re-elected ISO Vice-Chairman.

The greatest hope and demand of Palestinians and other Arab people is that the PLO must maintain its existence, unity and struggle. Leaders of both the PLO and several Arab countries, fully realizing that the PLO's vitality comes from its unity, consider the matter of ironing differences within the PLO an urgent task.

Japan

Visits Strengthen Foreign Policy

by LUO WEILONG

PRIME Minister Yasuhiro Nakasone's recent visits to Pakistan and India, the first to South Asia by a head of the Japanese Government in 23 years, represent a new direction in Japan's "independent and positive foreign policy." The visits, which ended on May 6, were intended to improve Japan's relations with both countries and have widened the scope of Japan's diplomacy in Asia.

While in India, Nakasone assured the Indian Parliament that Japan would seek to promote its friendship with third world countries, especially the non-aligned states, and improve economic co-

operation with developing countries for mutual prosperity.

In the four months since the Tripoli evacuation, Arafat and other PLO leaders have held a number of meetings to unify their positions. Dialogues between Al Fatah and other PLO factions were also held with the leaders of Algeria, the Democratic Republic of Yemen and some other countries as go-betweens, trying to reach agreement within PLO on the principles and strategies guiding the current struggle so as to make preparations for the conference of the Palestinian National Council. International opinion maintains that unity and unification of the PLO are the only effective weapons with which the organization can defeat its enemies and win a victory. There is no doubt that the PLO will overcome any temporary difficulties and march on to new victories.

He also told Japanese reporters that the time had come for Japan to review its policies towards the non-aligned and developing countries from a new perspective and to implement them with constant initiatives, indicating that the Japanese Government is determined to take positive steps to improve its relations with the countries of Asia, especially the non-aligned states.

A commentary by the Kyodo News Service on Nakasone's visits to Pakistan and India pointed out that the prime minister attempted to heal Japan's estranged relations with these two countries, expand the scope of Japanese diplomacy in Asia and raise the right to speak at the Western summit in

operation with developing countries for mutual prosperity.

June. All these aims have been met.

Because both Pakistan and India face the Indian Ocean, which is Japan's petroleum supply line, it is of strategic importance that Japan improves its relations with these two countries, which are also major suppliers of raw materials and important Asian markets.

Information given by the Japanese Foreign Ministry shows that of Japan's imports from Pakistan, cotton and fabrics account for 68 per cent and fossil fuels 9.5 per cent. As for India, iron ore makes up 35.8 per cent of its total exports to Japan and diamonds 11.7 per cent. On the other hand, Japan's exports of heavy industrial and chemical products to the two countries make up a prominent proportion of its overall foreign trade.

Just as Nakasone said during his visits that "there is no prosperity in the north without prosperity in the south," so Japan's economy could hardly progress without support from the third world. That is why Nakasone told the leaders of Pakistan and India that he was looking forward to further development of friendly relations and economic co-operation with their countries and that Japan was willing to contribute to world development through its economic and technological strength.

During his stay in Pakistan, Nakasone expressed serious concern about the Soviet invasion of Afghanistan and expansion in that country. During visits to Afghan refugee camps he sternly condemned the Soviet Union for its military presence in Afghanistan, and praised the Afghan people's spirit of not compromising and their persistent fight against the invaders, clearly expressing Japan's stand on this major international issue.

In his talks with Indian Prime Minister Indira Gandhi, Nakasone outlined Japan's policy on limited expansion of defence forces and exchanged views on bilateral relations and the international situation.

A Kyodo News Service commentary from New Delhi noted that in a policy speech before the Indian Parliament, Nakasone said that his "peace strategy" included:

- The establishment of a modest and minimum necessary self-defence capability that would stick to the Japan-US Security Treaty and the adoption of a unified security policy.
- Persevering in trade liberalism.
- A striving towards mutual prosperity through the promotion of friendship with the third world and the non-aligned countries on

the basis of equality and mutual benefit and assistance.

Since assuming office, Nakasone has carried on a series of diplomatic activities in Asia. Last year, while visiting the ASEAN countries and Brunei (not then an ASEAN member), he reaffirmed Japan's policy of not becoming a military power and of continuing to support the ASEAN position on the Kampuchean problem and to freeze its economic assistance to Viet Nam. During his China visit last March, he expressed support for China's modernization and his hopes for ensuring a long-term and stable development of friendly co-operation with China. His recent visits to Pakistan and India have further promoted political dialogue and economic co-operation with the two countries and have furthered Japan's independent and positive diplomacy.

TASS Statement on China's Self-Defence Untenable

On May 4, the Soviet news agency TASS issued a statement attacking China's defensive measures against military provocations by Viet Nam, in which it deliberately ignored the Vietnamese armed provocations along the Sino-Vietnamese border. It even tried to suggest that Viet Nam was innocent in the matter: "Who can believe that a country with a population of 60 million would decide to unleash a military clash against a state whose population is now more than 1,000 million people?"

The TASS argument is untenable. If population is the decisive factor, then how can one explain the repeated invasions of China by a less-populated tsarist Russia? Or Hitler's invasion in 1941 of the Soviet Union, with its much greater population? Even today Israel, with a population of only 4 million, is committing acts of aggression and expansion against the Arab world of 100 million people.

The TASS statement is not accidental. Over the past month, TASS has gathered and published about 30 anti-China articles concocted by Hanoi regarding Sino-Vietnamese border incidents. For the past few years, the Vietnamese authorities, with the support of the Soviet Union, have launched armed provocations along the Sino-Vietnamese border and increased tensions along the Kampuchean-Thai border whenever it stepped up military offensives in Kampuchea. In so doing, Viet Nam has tried to divert world public attention from its aggression.

The TASS statement once again reveals that Moscow is trying hard to cover up the customary tactics of the Vietnamese and, at the same time, trying to exonerate itself from blame for supporting the Vietnamese aggression.

— Xinhua Commentary (May 4)

Main Points of Zhao's Report

Premier Zhao Ziyang delivered his report on the work of the government to the Second Session of the Sixth National People's Congress. Following is our summary of his report. We will print the full 20,000-character text later on. — Ed.

Domestic Development

OVER the past year, we have made heartening progress on all fronts, and the trend of events is most encouraging. 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). Now we can say with certainty that all the targets set for the Sixth Five-Year Plan will be fulfilled or overfulfilled.

In the coming year, the central task remains to be economic development. In our future economic work we should pay special attention to two major issues, namely, restructuring the economy and opening to the outside world.

The Restructuring of Economic System. In the countryside, it is necessary to consolidate and improve the various forms of contracted responsibility system based on the household and with remuneration linked to output, pro-



mote specialized households and various forms of economic associations and support the peasants in actively expanding commodity production. Reforms in the cities should be quickened.

At present, the central task in the structural reform of the urban economy is to eliminate the practice of making no distinction between the well-run and badly-run enterprises and between the employees doing more work and those doing less and to see to it that enterprises will not eat from "the big pot" of the state and the employees from "the big pot" of the enterprises.

The system of replacing profit delivery with tax payments in state-owned enterprises has more advantages than other methods. Last year the first step in this reform was taken. And beginning from the fourth quarter of 1984, the second step should be taken to switch to the complete substitution of tax payments for profit delivery, with the enterprises retaining the after-tax profit for their own use. Small state-owned enterprises may be run by the collective or individual under contract or lease. Or they may pay taxes to the state as collective enterprises do.

All enterprises should, through various forms of economic responsibility system, link the income of workers and staff members not only with the enterprise's overall performance but with their personal contributions, doing away with egalitarianism in distribution. In the light of different conditions, the enterprises may adopt various forms of wage systems such as bonuses based on work points, the piece rate wages, floating wages and wages appropriate to post and job subsidies. 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 the preceding year, but they must reduce or stop bonuses or even withhold part of the wages when they have failed to fulfil their quotas and paid less taxes and earned less profits.

Enterprises are given 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.

The system under which the director or manager assumes full responsibility will gradually be instituted in state-owned enterprises. Directors or managers are entrusted by the state with full responsibility for directing production, management and operation of their enterprises. In the meantime, it is necessary to adopt a series of measures for ensuring effective participation by workers and staff in the democratic management of the enterprises.

Of all trades in the cities, the building industry can be the first to carry out reform across the board, carrying out the investment responsibility system and the public bidding system.

Acting on the principle of making the role of planned economy primary and the role of market regulation supplementary and meeting the needs of promoting socialist commodity production and exchange, we should transform the existing commodity circulation system with unified purchase and supply of goods according to administrative divisions and levels into an open multi-channel one with fewer links, so that a criss-cross circulation network will be formed to ensure the smooth flow of goods between town and country and exchange of goods between different regions, and a unified socialist market will come into being.

The Policy of Opening to the Outside World. To open to the outside world is a correct policy which suits China's actual condi-

tions and which we must resolutely implement. The State Council has decided to run the special economic zones still better, and 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 — and the Hainan Island will be further opened to the outside world. Certain special policies designed for the special economic zones will be applied there and their decision-making power extended. Overseas businessmen who invest in factories in these port cities will, in accordance with

the relevant stipulations, enjoy more preferential treatments in taxation. The power to examine and approve construction projects using overseas investment and importation of foreign technology will be decentralized. The entry and exit procedures for overseas businessmen will be simplified. Overseas businessmen will be allowed to establish enterprises exclusively with their own investment. The period of joint management of joint ventures will be appropriately extended. Of goods produced by overseas investors who have truly provided China with advanced technology, a certain amount will be allowed for sale on the domestic market.

Foreign Affairs

IN the past year, China has been active diplomatically; expanding mutual understanding and friendship, and developing and improving its relations with many other countries.

We have been able to score our diplomatic achievements because we have unswervingly adhered to the general principle of our foreign policy set forth in our Constitution. Meanwhile, in the light of the development in the situation, we have timely readjusted and enriched some specific policies and measures so that they are better suited to reality.

China proceeds from the fundamental interests of the people of China and the world as a whole; it will never act on expediency, nor will it yield to any external pressure.

Safeguarding World Peace. It is the primary objective of China's foreign policy. China desires peace, and not war. China is opposed to cold war as well as hot war. To ease international

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; it is also necessary to eliminate the turmoils resulting from their rivalry. We wish to see US-Soviet relations eased. And we are also in favour of improved relations between East and West European countries and the removal of the acute antagonism between the two military blocs.

China is for disarmament and against the arms race, especially the nuclear arms race. It stands for a total ban on and complete destruction of all nuclear, chemical, biological and space weapons and for substantial reduction of the conventional weapons. China is a nuclear weapon state. However, at no time and under no circumstances will China be the first to use nuclear weapons and it undertakes the commitment not to use nuclear weapons against non-nuclear weapon states. China is critical

of the discriminatory "Treaty on the Non-Proliferation of Nuclear Weapons" and has declined to accede to the treaty. But it by no means favours nuclear proliferation, nor will it engage in such proliferation by helping other countries to develop nuclear weapons.

China holds that nuclear arms should be reduced along with conventional armament. We will support any practical proposal for disarmament which is in keeping with the fundamental principle that the two superpowers take the lead in reducing their nuclear and conventional weapons.

Safeguarding world peace is the common aspiration of the people everywhere. Over the past few years there have emerged in Europe, Japan and many other countries massive peace movements against nuclear weapons, nuclear threats and nuclear arms race. This is something in the political life of the world today which merits great attention. The Chinese Government and people express sympathy and support for them.

Hegemonism constitutes the main threat to world peace. In order to safeguard world peace, it is imperative to oppose hegemonism of all descriptions, and particularly the superpower rivalry for world domination. China will never seek hegemony, nor will it yield to any hegemonistic pressures. There now exists a grave threat to world peace, but we are convinced that so long as the people of all countries strengthen their unity and struggle and keep foiling the attempts of the superpowers to pursue policies of aggression and war, a new world war can be averted and world peace maintained.

The Five Principles of Peaceful Coexistence. 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.

We lay special stress on developing good-neighbourly relations with our neighbouring countries. 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 which have differences of one kind or another with us, we will do our best to seek a settlement of these differences so that bilateral relations will gradually improve. We are ready to wait with patience even if the differences could not be ironed out for the time being.

With regard to Viet Nam which remains hostile to China, China is ready to resume talks with it in search of better bilateral relations provided Viet Name makes commitment and declares that it will withdraw its troops from Kampuchea and starts to pull them out. 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 expanding Sino-US relations, which constitutes an important factor making for world peace and stability. We sincerely desire the normalization of Sino-Soviet relations, and are ready to develop economic, technological and cultural exchanges with the Soviet Union.

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.

The Five Principles of Peaceful Coexistence are applicable in guiding relations not only between countries with different social systems but also between countries with similar social systems, including socialist countries. If the Five Principles of Peaceful Coexistence are abided by, countries with different social systems can live in amity and maintain friendly relations and co-operation, but if not, even countries with similar social systems may come into sharp confrontation or even conflict. If all countries adhere to them, the international situation will be stable, the purposes of the UN Charter realized and world peace safeguarded.

The Third World. We resolutely support the struggle of third world countries against imperialism, hegemonism, colonialism, expansionism and racial discrimination. 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 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 with the development of national economies as their central task. China is a developing socialist country. It gives full support to the developing countries in their struggle to establish a new international economic order. It supports North-South dialogue and is willing to take an active part in South-South co-operation. With

regard to the existing co-operative projects with third world countries, China will continue to render various services to the countries concerned. As for those third world countries which are in dire difficulties and in particular need of help, we will continue to give them whatever assistance within our power. Third world countries are our tested friends, and it is our essential duty to uphold this precious friendship at all times. It is entirely up to the people of third world nations 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 promote 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.

We have always held that there is no conflict of fundamental interests between the third world countries and that a fair and reasonable settlement of their differences or disputes should be sought through peaceful consultation, free from external interference, and in a spirit of mutual understanding and mutual accommodation. In no case will China get involved in their disputes and conflicts, and it opposes interference by any outside forces.

Taiwan and Hongkong

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 the reunification of the country. Our proposals and ideas are reasonable and sincere. Anything said and done by the Taiwan authorities will be appreciated so long as it facilitates contacts and exchange of visits between the compatriots on both sides of the Taiwan Straits, enhances their mutual understanding and helps the reunification of our motherland. We hold that as long as 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 issue 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.

China will resume the exercise of its sovereignty over Hongkong in 1997. This is a firm policy decision. In order to maintain the stability and prosperity of Hongkong, we will adopt a series of special policies towards Hongkong upon the resumption of the exercise of sovereignty, and these policies will remain unchanged for 50 years. These policies include: A Hongkong Special Administrative Region will be established; it will be administered by the local inhabitants and 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 unchanged. 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 given to the economic interests of Britain and other countries in Hongkong.

Hu Yaobang, General Secretary of the Central Committee of the Communist Party of China, answered questions raised by a Xinhua correspondent on May 12 upon arriving at Yanji, Jilin Province, after his successful visit to the Democratic People's Republic of Korea. He dealt with the achievements and impressions of his visit, the Korean Peninsula situation and peaceful reunification of Korea. Following is the full text of the interview. — Ed.

Question: Welcome back from Korea. Would you please tell us the focus of your talks with Comrade Kim Il Sung and what was achieved thereby?

Answer: Comrade Yang Shang-kun and I had many rounds of very sincere and agreeable talks and conversations with Comrade Kim Il Sung, Comrade Kim Jong Il and other Korean Party and government leaders. The talks took more than seven hours and private conversations two to three hours, all together about 10 hours. We had profound discussions focusing on durable stability of the situation on the Korean Peninsula and the independent and peaceful reunification of Korea and we had identical views. We fully agree with the stance of Comrade Kim Il Sung and the Workers' Party of Korea: the general goal — an independent and peaceful reunification; the principle — reunification in the form of confederation; and the means — negotiations.

Q: World public opinion is interested in a relaxation of tensions on the Korean Peninsula. What is your impression of the talks on this question?

A: Comrade Kim Il Sung indicated time and again in earnest terms that the Democratic People's Republic of Korea is very much concerned about and genuinely

Hu Yaobang on His Visit to Korea

and sincerely hopes to see a relaxation of the tensions and the achievement of durable stability on the Korean Peninsula. He said that the northern part of the country will never do anything that might impede the stabilization of the situation, still less intend to advance into the south. Comrade Kim Il Sung also told us that on this question he also had had frank and relatively intensive discussions with the Chairman of the Social-Democratic Party of Denmark.

During the visit, I saw with my own eyes how deeply the Korean people treasure what they have gained in economic and cultural development with their sustained, arduous work. The Korean people have set 10 long-range goals for their economic construction. They have built or are building a

number of grand projects to promote the welfare of the people. Can all this have been created only to be damaged or to be reduced to ashes in another war?

I think that the alleged intention of the north to thrust south is sheer nonsense.

Q: Many years have passed since the armistice in Korea, but Korea remains divided into two parts, the north and the south. Comrade Kim Il Sung has proposed a reunification in the form of confederation. What is your view after your visit there?

A: I think it is the most realistic and feasible way and therefore the best way to reunify the Korean Peninsula peacefully. That is to say, there is going to be one single state with two different systems in practice in the form of

a confederation, and neither side should swallow the other. Comrade Kim Il Sung put forth his proposition for a reunification in the form of a confederation as early as in 1960. At the Sixth Congress of the Workers' Party of Korea in 1980, he expounded his proposition for the establishment of a democratic confederal republic of Koryo based on mutual recognition of each other's ideology and social system and of the need of their coexistence between the north and the south so as to realize the reunification of the country. In 1983, Comrade Kim Il Sung further elaborated the confederal republic plan by proposing that the chairmanship of the supreme organ of the future confederation be assumed by the north and the south by turns.

The reason why a confederation is the most realistic and feasible way to take is that in this form, the state of division can come to an end under the condition that both the south and the north are able to maintain their existing

Hu Yaobang is welcomed home by Hu Qili and Li Desheng at Yanji railway station.



social systems, thus the heavy burden of armament now brought on to the two sides by their sharp confrontation can be greatly lightened, so that favourable conditions can be created for the entire Korean nation to achieve independent and peaceful development and contribute to the peace of Asia and the world as a whole.

Q: In January this year, the Democratic People's Republic of Korea proposed tripartite talks among the DPRK, the south Korean authorities and the United States. Did you discuss the problem in your talks with Comrade Kim Il Sung?

A: We have fully exchanged views on the matter. Comrade Kim Il Sung explicitly told me that the DPRK sincerely hopes to resolve the Korean problem through negotiations and the proposal for the tripartite talks is not for propaganda purposes but is sincere. As we have done in the past, we fully support the proposal.

At the mass rally in Pyongyang, Comrade Kim Il Sung made it clear that it is the hope of the DPRK that the United States and the south Korean authorities would accept this genuine peace proposal and make contact with the northern part of Korea for solution. This was a very reasonable call. In my point of view, negotiation is the only way to resolve the problem. I hope that all the parties directly concerned would take a positive attitude towards this. If there can be no talks forthwith, it is advisable to come into contact at first. Anyhow, to get in touch with each other is better than to remain at a deadlock.

Q: US stationing troops in south Korea is an obstacle to the peaceful reunification of Korea. What is your opinion on the ways to settle this problem?

A: We have all along opposed US stationing troops in south

Korea. During this visit we have once again publicly reaffirmed this stand. In our opinion, this problem must be settled in the process of realizing the independent and peaceful reunification of Korea. The northern part of Korea has repeatedly clearly expressed its willingness to consult with the United States on the problem of US troops withdrawal. In this respect, we have passed some messages from the northern part of Korea to the US Government. We hope that the US administration will take seriously the just stand of the Korean side, and settle this problem step by step through contacts and negotiations.

Q: During this visit you have been given a ceremonious and warm welcome. What has impressed you the most?

A: We have been deeply impressed by the discipline, work efficiency and diligence in study of the Korean people — which are worth learning in earnest by the Chinese people.

We have seen from the excited expression in the eyes of the welcoming crowd — tens of thousands of men and women, old and young — a most profound, genuine and lofty friendship for the Chinese people, no matter whether we were in the capital of Pyongyang or in the border cities of Sinuiju and Namyang, in the port city of Wonsan, Hamhung, Chongjin or at the mountain-embraced Komdok mine complex. Friendship can be found in the friendly intercourse between the people of different countries, but a friendship which has reached such an extent and depth as shown by the Korean people is rarely seen. Moreover, Comrade Kim Il Sung accompanied us throughout our visit, ignoring his advanced age and the hardship. When we expressed our indebtedness for such a grand welcome accorded us, he said, it was aimed at passing the Korean-Chinese

friendship down through many generations. What he said has expressed the common desire of the peoples of our two countries. The great Sino-Korean friendship can stand the tests of any storm.

Q: Great achievements have been scored in the Korean economic construction. What do you feel about it after this visit? What do you think of the prospects for the economic co-operation between the two countries?

A: This is my second visit to Korea in some two years. We have touched only a few economic subjects in our talks, but several things have made me get an extraordinary impression on the new scenes of the Korean economic construction. One is that the capital city of Pyongyang has had great changes in appearance from that two years ago. New blocks of multistorey residence buildings have sprung up. The other is the new breakthroughs in the country's development of nonferrous metal industry. The Komdok mine complex we visited has set up in merely a little more than one year its third ore-dressing plant with an annual dressing capacity of 12 million tons. Such a construction speed is not common in the world. This will bring new beneficial factors to the entire Korean economy. The Korean experience of concentrating efforts on developing its non-ferrous metal industry is worth learning by us. What is more, the Korean Workers' Party Central Committee has called for a revolution in light industry so as to further enliven the economy and raise the people's living standards.

The two sides now have agreed to further enhance their economic co-operation. We can expect that, with the development of economic construction in the two countries, such co-operation will grow increasingly both in scope and in forms. □

Growth and Decline Over Several Decades

Small towns in Wujiang County have seen ups and downs in post-liberation years. Before the 1970s, their population were constantly draining off with the diminishing of their roles as rural commodity circulation centres. They have come into their own once again since the Third Plenary Session of the 11th Party Central Committee.

by FEI XIAOTONG

BETWEEN the 1950s and 1970s, the population count in Wujiang's small towns registered zero and sometimes even below-zero growth, contrasting to an alarming degree with the rapid population growth in Wujiang as a whole.

Tongluo, a town on the southern border of the county, was typical of the situation. Called Yanmu before liberation it was famous for its liquor and pork. The town had 2,475 residents in 1952, 2,488 in 1962, and 2,007 during the 1982 census. This meant a 19 per cent decrease in three decades.

The drain of townspeople from Tongluo was attributable to many factors. In 1951, when the agrarian reform movement was gathering momentum, 60 shops in the town closed because the owners had gone back to their native villages to take advantage of land distribution. As a result, about 150 former residents had become peasants. The same year, 20 young people enlisted in the Chinese People's Volunteers and went to Korea, of whom few returned. Between 1952 and 1957, especially during the 1956 transformation of privately owned commercial and industrial enterprises, 200 more people left, most of them proprietors and apprentices of small firms. Among these, some were educated people who were employed in government offices in nearby big or medium-sized

cities; those with one skill or another found their way into the suburbs of Shanghai or county seats in Zhejiang Province. Everyone was seeking a new way of life because privately owned businesses of all kinds were considered forms of exploitation, and it was a dishonour even to be a worker in this kind of shop.

Fifty more families left Tongluo in 1958, when the nation was vigorously developing and assisting agriculture, and in 1963-64, when city workers and staff were called upon to settle down in the countryside. The enrollment of young people in colleges, secondary technical schools and factories in other cities and provinces, and the departure of middle school graduates to the villages led to further reductions in population.

Tongluo's situation was not unique. Other towns in Wujiang County had undergone more or less the same changes. The shrinking population mirrored the decline of the towns.

Causes and Consequences. During the height of the agricultural co-operative movement in 1957, I investigated conditions in Jiangcun Village. The peasants were leading a far better life than before liberation, but the traditional family sideline occupations had declined. "We've got enough to eat, but we lack money," one of the peasants said.

In the two decades since then, little was done to restore the rural commodity economy, as a result of the one-sided emphasis on grain production. However, in 1981,

The author talking with local people during a survey of rural areas.



when I visited Jiangcun Village again, my old friends no longer complained. Instead, they talked about their incomes from selling rabbit hair, and asked me for help in selling products for the commune- and brigade-run factories. They also told me that they could not only afford three full meals a day but also had enough money for daily necessities. Obviously, to be well fed and well clad and to have pocket money are the specifics of a prosperous rural economy.

The vicissitudes of Jiangcun Village and the town of Tongluo revealed in bold relief the cause and effect of the small towns' decline. In the rural areas, grain production was considered the key link in a monotonous economy, while commodity production was neglected. Since the peasants had few goods to sell on the market, the towns lost their economic ground as collection and distribution centres for agricultural and sideline products.

At the same time, market activities in towns were curtailed because of the nationalization of commercial enterprises. Town dwellers who had lost their former professions had to go job-hunting elsewhere.

In short, the traditional ideology of favouring agriculture over commerce and the "Left" policies of this period were the basic reasons behind the decline of the small cities and towns. In turn, the increasing stagnation of the towns hindered seriously the development of their "footholds," i.e., agriculture and sideline production in the surrounding rural areas. And the lower the rural commodity economic level was, the more swiftly the towns, which served as centres of this economy, went downhill. This vicious economic cycle between the rural areas and the towns was, therefore, the inevitable result of the slump of the towns.

Some Problems of Commercial Channels. Before liberation, the circulation of goods between towns and countryside, except for salt, was all managed by private merchants. After liberation, following the state monopoly of purchase and marketing, products such as grain, edible oils, pigs, silk cocoons and other major agricultural and sideline produce were

The lower the rural commodity economic level was, the more swiftly the towns, which served as centres of this economy, went downhill. This vicious economic cycle was, therefore, the inevitable result of the slump of the towns.

all brought with in the framework of the state system of commodity circulation. Departments handling grain, non-staple foods, and import and export were established at various administrative levels. At the county level, there were companies which had established branches in the rural areas. This inevitably severed the ties of the towns without administrative departments with the villages in their vicinity.

Nevertheless, before 1958 there were still some commercial channels other than the monopolized state channels, such as the collectively owned supply and marketing co-operatives, associated shops and specialized individual households.

The situation deteriorated during the long years from the 1958 movement to establish the people's communes through the 1966-76 "cultural revolution," when private shops and collective enter-

prises came under fire time and again. A peasant who sold a basket of eggs on the street would be criticized and told to cut off his "capitalist tail." Under the policy of utilizing, restricting and transforming privately owned enterprises, some associated and co-operative shops had to merge into the state-run commercial enterprises or supply and marketing co-operatives. As a result, only a few tea houses and bakeries were left open in some towns.

The collectively owned supply and marketing co-operatives, which were established with funds pooled by the peasants, were also gradually converted into state-owned enterprises. At last, almost all goods were purchased and distributed according to administrative divisions, and state-owned commercial enterprises became the only channel of commodity circulation.

The nationalization of commerce brought in its wake dramatic changes to small towns. The towns where administrative departments were located became centres for purchasing farm and sideline produce from the villages and distributing goods needed by the peasants. Thus the town of Songling, where the county government was seated, became an exception to the general decline experienced by other Wujiang towns. The town's population remained stable, and even rose a little later with the influx of cadres who staffed the many new departments.

But other small towns lacking commune administrative offices and commercial departments were depressed.

At Miaogang Commune, small towns such as Lugang, Genglou and Luogang used to be thriving commercial fishery ports before liberation, along the southeastern coast of Lake Taihu. During Lu-

gang's heyday, 50 households were engaged in commercial businesses, including peddling. Though not as big as Miaogang, Lugang had its footholds spread over an area 3 kilometres far and wide. Genglou, smaller than Lugang, had only 20 shops which the owners opened in the front rooms of their houses.

After liberation, district government and commune administrative offices were successively set up in Miaogang, while Lugang and Genglou became part of townships and brigades under Miaogang. Beginning in 1956, the commercial enterprises of the two smaller towns were gradually merged into state-run shops in Miaogang, and most commercial workers were transferred to commune-run enterprises. During the later period of the "cultural revolution" the market of Genglou was completely swallowed up and the town reduced to a mere rural residential area. Lugang, owing to its superior location, remained as a town with two department



Silk produced in Shengze sells well in 50 countries and regions around the world.

stores, a tea house, and 50 commercial workers.

The administrative control of commodity circulation inevitably made it difficult for the peasants to buy and sell. It also seemed to give the green light to a bureau-

cratic style of work in commercial enterprises. Purchasing departments were always in a hurry when they wanted produce from the peasants. But when they saw no need for certain products, they just refused to buy and turned them away as trash instead of trying to find markets. For instance, peasants complained a lot about the drastic price cut on rabbit hair last year — they were quite puzzled that rabbit hair had suddenly become worthless.

This single-channel commerce no longer suits the new economic situation in China's rural areas. In fact, it has become an obstacle to further economic development.

The nationalization of commerce was carried out under the rubric of converting the consumer cities into productive ones. This policy has of course played a positive role in developing China's economy. But because it was based on some confusion about the concepts of "consumption" and "production," it led to a misunderstanding of the nature of small cities and towns.

According to old Chinese ideas, to consume something was considered to be rather indecent. It

Small Towns and Rural Markets in China

ACCORDING to incomplete statistics, there are now 57,000 small towns and rural commercial centres in China. They fall into two categories, urban and rural.

Small towns include towns, county seats and factory and mining districts. There are 3,200 in all.

Towns are administrative divisions ratified by the provinces, municipalities and autonomous regions according to State Council's regulations. At the end of 1982, there were 2,800. They are equivalent to communes under the county governments. Generally, each county has one town. Occasionally there are several towns in one county.

In 1982 there were 2,074 counties, each with a county seat. Most of the county seats have city or township governments.

Factory and mining districts refer to those industrial and residential areas independent of nearby cities and towns. They do not have city or township governments. Shanghai's Jinshanwei, Beijing's Niulanshan and Zhangjiakou's Xuanhua are examples.

There are 54,000 commercial centres, most of which are also the seats of the people's communes and township governments. A few of them had served as township governments in the past, and they still have the foundations for light industry, handicrafts, commerce and services.



Tongli, a small town in Wujiang County.

was synonymous with laziness and living off the labour of others, or to put it plainly, exploitation. The concept of production, from the view of the small peasant economy, meant productive labour to the exclusion of commodity exchanges. With this misunderstanding, the active role of small cities and towns in commodity circulation was neglected. Their commercial activities were considered non-productive, or in other words consuming.

Furthermore, the exploitation of the peasants in the old society by landlords and bureaucrats was said to be the essential nature of small cities and towns. Even worse, the concepts of doing business and consuming were both considered equivalent to exploitation. So individual and collective commercial enterprises in towns were gradually limited and suppressed.

However, industrial and agricultural products had to circulate, and there had to be avenues for this circulation. With all the collective and private channels plugged, the supply and marketing cooperatives had no choice but to

become state-owned enterprises, which in turn controlled all commercial business. But it was beyond their ability to employ all the townspeople who had formerly engaged in commercial business. In great numbers, these people left

While most small towns were on the decline, there were new growths in Wujiang County. But this was possible only after they had become the seats of commune administrative headquarters.

their hometowns to look for new jobs in Shanghai, Suzhou and other big or medium-sized cities. Those who could neither move to other cities nor get jobs in local enterprises answered the state call to go to the countryside. Finally, the residents remaining were only the old, the sick and the handicapped, who lived on mini-handicraft industries run for welfare purposes. Hence the drain of the

population and the increasing bleakness of small towns.

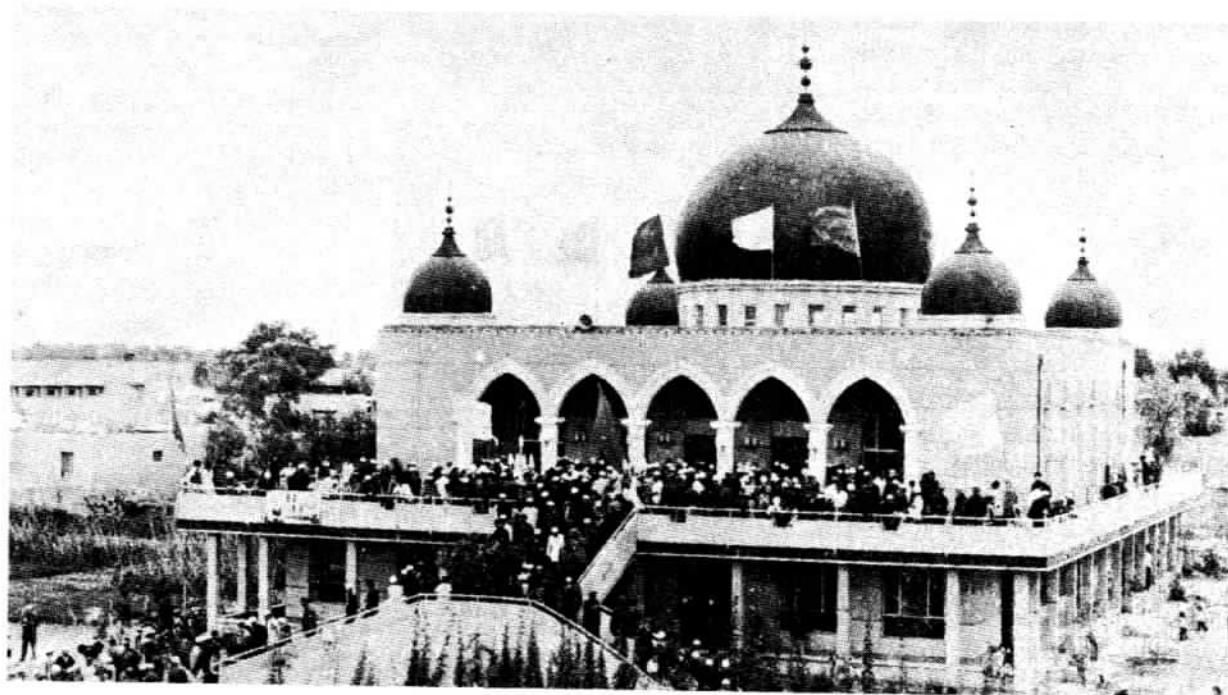
Three Supplemental Points. The following three points must be made to back the above analyses.

First, while most small towns were on the decline, there were new growths in Wujiang County. Yuanping and Jinjiaba, for example, have both developed from residential centres into commercial hubs for local communes. But this was possible only after they had become the seats of commune administrative headquarters.

Second, Wujiang's industry has developed rapidly since the late 1950s. The silk industry in the town of Shengze, for example, has developed from a small handicraft workshop to a mechanized factory before becoming a modernized industry complete with a whole series of specialized technological processes. But this kind of industry was under the administration of county industrial departments, and had few ties with the local towns.

Third, a small number of towns have declined because of natural disasters or geographical changes. Nanshe is one example. Located on Lake Taihu in northwestern Wujiang, it used to be a major port town accommodating 300-400 fishing and waterweed-collecting boats a day, and its commerce flourished. But in 1949, Nanshe was flooded and its shops destroyed. After the people's commune was set up, the lake was enclosed and fields cultivated around it. Nanshe was thus separated from the lake and could no longer serve as a harbour. Later, the town's market disappeared due to administrative changes. □

CORRECTION: The last three lines in the first paragraph of the right-hand column on page 22 in issue No. 19 should read: "... satellite that would maintain a relatively fixed position in space to cover China."



China's Administrative Regions

Ningxia—Land of the Hui

by **CUI CHENGWU**
Our Special Correspondent

ACCORDING to Moslem teachings, the prophet Ibrahim dreamed that Allah ordered him to kill his son as a sacrifice to prove his faith. Just as Ibrahim was about to carry out the command, Allah spared his son and asked him to sacrifice a ram instead. Ibrahim's faith is marked today by the Corban Festival (or Festival for Sacrificing Animals) when all Moslems kill sheep to show their faith in Allah.

During the Corban Festival last year, just as the sun rose over the horizon, the Hui (Moslem) people

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of the Ningxia Hui Autonomous Region began to gather at their mosques to be led in prayer by the local imams.

In addition to prayers, the Islamic associations of the autonomous region and Yinchuan jointly held a tea party, attended by Hei Boli, chairman of the autonomous region, and Li Xuezhi, secretary of the autonomous region's Party committee. Hei Boli and Li Xuezhi extended their warm festival greetings to the Hui people in the region.

To let the Moslems and other minority peoples celebrate their festivals, the autonomous region give them two days off each year with full pay, one in the Corban Festival and the other in the Les-

ser Bairam (or Festival of Fast-Breaking).

Under Islamic law, the meat of pigs, horses, donkeys and mules, as well as the meat of all birds of prey and carnivorous animals and their blood are taboo. The Hui are also forbidden to touch carrion. These beliefs are widely respected. The shops in Ningxia take special measures to store and transport meat and pastry for the Hui, taking care not to mix the goods for the Hui with those for other ethnic groups. All cattle and sheep destined as food for the Hui are invariably slaughtered by the imams, and in factories and departments employing large numbers of Hui there are Moslem canteens. Restaurants for the Hui have visible and legible signs.

With a population of about 7.2 million, the Hui are the third largest of China's 56 ethnic groups, after the Hans and Zhuangs. However, the population is widely scattered throughout the country. In some provinces, there are as many as several hundred thousand, while in others, there are as few as several thousand. The largest Hui community, which constitutes one-sixth of the total number of Hui people in China, is in Ningxia.

Ningxia is the second smallest of China's 27 provinces and autonomous regions in both size and population. It has an area of 66,400 square kilometres, surpassing only that of Taiwan. Its population is about 3.99 million, greater only than that of the Tibet Autonomous Region. Of its total population, 1.2 million, or one-third, are Huis.

The history of the Huis dates back more than 1,000 years to the Tang Dynasty. The rapid economic and cultural development at that time resulted in frequent contacts and exchanges between the East and the West, with many Arabs and Persians coming to China. Later, during the Yuan Dynasty (1271-1368), still greater numbers came, many of them settling down in present-day Ningxia, where their number multiplied. With different economic and political backgrounds and a unique religious belief of their own, they gradually formed an independent minority.

The Chinese Communists always hold that all ethnic groups are equal regardless of the size of their population and the degree of civilization. They also hold that minority peoples living in compact communities should have regional autonomy. In 1936, the first Hui autonomous government was established in Tongxin County, Ningxia, a year after the Red Army, led by Chairman Mao Zedong, ended its Long March in



northern Shaanxi. At that time, the region was part of the Shaanxi-Gansu-Ningxia Border Area. After the nationwide liberation in 1949, several Hui autonomous counties were established in succession, culminating in the establishment of the Ningxia Hui Autonomous Region on October 25, 1958.

During the "cultural revolution," the Party's policies with regard to the minority nationalities and their religious beliefs were undermined, and the Huis could not carry out their normal religious activities, their customs were not respected and many mosques were destroyed.

Since the Third Plenary Session

of the 11th Party Central Committee in 1978, the Party's policies concerning minority peoples and religion have been restored. In Ningxia, more than 1,000 mosques have been repaired or rebuilt. Among them is a large one in Tongxin County, which has beautiful features unique to Chinese mosques. Li Guohua, the presiding imam at the mosque, said that after the Red Army liberated Tongxin County in 1936, some people wanted to destroy the mosque because they hated its feudal exploitation and oppression of the people. When the political department of the Red Army heard of the news, it immediately sent people to protect it and explain the Party's policy on religion.

When Vice-Chairman Zhou Enlai and Commander-in-Chief Zhu De came to Tongxin, they once held a meeting in the mosque. After nationwide liberation in 1949, the autonomous region listed the mosque as a protected historical site. Early in 1982, the state listed it as a first-class protected cultural relic. The State Nationalities Affairs Commission has allocated about one million yuan for large-scale repairs.

Ma Tengai, vice-chairman of the autonomous region and a chief imam, was criticized during the "cultural revolution." He was exonerated only after the Third Plenary Session of the 11th Party Central Committee. Now he is not only an administrative and religious leader of the autonomous region but is also vice-chairman of the China Islamic Association. Recalling his unhappy experiences in the "cultural revolution," he said, "Let bygones be bygones. We are glad that the work concerning minority nationalities has embarked on the correct path again."

To promote members of the national minorities to leading posts indicates that they enjoy equal rights with the Hans and they are also masters of the country. Of the one chairman and six vice-chairmen of the regional government, five are Huis; and of the one chairman and eight vice-chairmen of the standing committee of the regional people's congress, four are Huis. Both proportions surpass that of the Huis in the region's population. The chairman of the regional government and chairman of the standing committee of the regional people's congress are both Huis, as are the heads of the seven autonomous counties and chairmen of their people's congress standing committees in the region.

Ma Qingnian, Hui chairman of the standing committee of the autonomous regional people's congress, joined the revolution in 1935



Worshippers gather at their mosque.

and was at one time the commander of the Hui independent division of the Eighth Route Army, fighting in a number of battles. Since the founding of the People's Republic, he has led the Hui people in building a new life. In 1976, he became the chairman of the standing committee of the people's congress of the Ningxia Hui Autonomous Region. The congress is the organ of state power in the region and it elects the chairman and vice-chairmen of the autonomous regional government. Since

1978, it has drafted and enacted 14 local decrees and regulations in the light of the actual conditions of the minority peoples in the region.

For instance, the national family planning policy encourages only one child per couple. However, in view of the small population of the Huis and other national minorities in the autonomous region, the regional people's congress approved a decision allowing each couple in the region's countryside to have two children.

Five Treasures of Ningxia

The Ningxia Hui Autonomous Region abounds in native products. Its "five treasures"—red, yellow, blue, white and black—are famous throughout the world. The yellow, white and black treasures are mostly produced in the region's southern mountainous areas, which have more than 2.6 million hectares of grassland.

They are yellow licorice root, which is used as an antipyretic and expectorant, and can build up the spleen and stomach; lamb-skin, which is fresh white and soft with fine hair; and black moss which is thin, long and very nutritious.

The red treasure refers to Chinese wolfberry, produced in the Yinchuan plain. It is sweet, with few seeds, and contains many nutrients. Eaten over a long period, it improves the eyes, kidneys and liver. It can also be used as an anti-cancer medicine.

The blue treasure refers to stones produced in the Helan Mountain region in the northern part of the autonomous region. Finely grained with beautiful natural patterns, they can be carved into superb inkstones and brush stands.

As organs of self-government, the people's congress standing committee and the people's government of the autonomous region have the power to administer local

finances independently, make plans for the development of local economic, scientific and educational undertakings, and work for the growth of minority cultures.

on one street and two monkeys in a park."

This time when he came back to his hometown, Hei saw a prosperous Yinchuan. Now the city covers more than 30 square kilometres. It has a population of about 400,000. After liberation more than 1,200 buildings, with a total floor space of over 1.6 million square metres, were put up, and 12 major streets totalling 110 kilometres were surfaced with asphalt. There are 6,200 buses and cars and more than 140,000 families in the city, not one of which burns firewood or dung. On the contrary, many of them are now using liquefied gas and have bought TV sets, electric fans and refrigerators. In addition, the city has 392 big and medium-sized factories, nine hospitals and five institutions of higher learning.

Coming Home to a New World

Hei Shuliang, an 86-year-old Hui, returned to his hometown in Wuzhong County last August from Taiwan via Europe. When he passed Yinchuan, the capital of the autonomous region, on his way home, he said with feeling, "Yinchuan has changed so much that I can't recognize it!"

Before liberation in 1949, Hei worked for many years as a cook for Ma Hongkui, a reactionary warlord who was once chairman of Ningxia. He went to live abroad on the eve of liberation and later settled down in Taiwan.

Old Yinchuan, as Hei remembered it, was very backward, both economically and culturally. It covered less than three square kilometres and its population was just over 27,000. All the houses in the city, except for a villa Ma Hongkui built for Chiang Kai-shek

and a cinema, were one-storey adobe houses.

There was even not a decent street in the city at that time. Xida Road, which was considered the shopping centre, was nothing but a 300-metre-long dirt road and there were only a few grocery stores, barbershops, pawnshops and handicraft workshops. The city could not produce a nail or a box of matches at that time. There was no transportation or communications to speak of and all goods had to be carried by people or animals.

Except for Ma Hongkui and a few rich families who could afford coal and electricity, practically all the inhabitants in the city had to burn wood and cow and sheep dung. Yinchuan was therefore sarcastically described by some people: "There are two buildings

A New Industrial City

Not long ago, I visited Shizuishan, a newly developed industrial city at the foot of Helan Mountain.

More than 100 kilometres from north to south and 1,400-3,556 metres above sea level, Helan Mountain is situated on the north-western border of the Ningxia Hui Autonomous Region. Its high peaks weaken the cold air from Siberia and reduce the threat of the Tengger Desert to the Yinchuan plain. Thus, it provides a natural weather break for Ningxia. On the mountain, there are more than 500 varieties of plants, 110 species of animals and birds and more than 10 kinds of minerals, including coal, phosphorus and limestone.

In 1963, Comrade Dong Biwu (Vice-Chairman of the People's Republic of China at that time) made an inspection tour of the mountain and instructed the people of all nationalities in Ningxia to tap the underground resources of Helan Mountain as quickly as possible to boost the local economy.

Ma Tengai (third from left, front), vice-chairman of the autonomous region, celebrates the Corban Festival with other Moslems.



Shizuishan was a small town with only several thousand people before liberation. Now it has developed into a new industrial city, embracing three industrial areas and more than 300,000 people. During my visit I saw 300 factories and mines lined up in a deep valley along the eastern edge of the mountain. Among them were nine coal shafts, each with an annual capacity of more than 900,000 tons, as well as factories producing mining machinery and ball bearings, coal washing plants, chemical works, ceramic plants, an iron and steel works, nonferrous metals factories, a thermal power station, a glass making factory, a sugar refinery and a brewery.

According to statistics released in the autonomous region, before liberation Ningxia had only one power plant equipped with a 20-kilowatt generator (it is said the generator was sent by Empress Dowager Ci Xi to Ma Hongkui's family as a gift) and a few small coal mines and handicraft workshops. With a total output value of less than 10 million yuan, they employed 7,000 workers altogether. Now, the autonomous region has more than 1,100 enterprises providing jobs for more than 500,000 people. In 1983, its total industrial output value was 161 times that of 1949. Now, coal, carpets, precision machine tools, tyres, ball bearings and herbal medicines produced in the autonomous region are not only sought after in China but are also exported to more than 40 countries and regions throughout the world.

Fertile Farmland

After the tempestuous Huanghe (Yellow) River enters Ningxia, its current gradually calms. Through the Qingtong Gorge Dam, the water flows into the irrigation canals which crisscross the Yinchuan plain, nurturing vast tracts of



The 272,000-kilowatt Qingtong Gorge Hydropower Station.

farmland in 11 cities and counties including Zhongwei, Qingtongxia and Wuzhong Counties and Yinchuan City. This is called the Ningxia Huanghe River diversion and irrigation network.

Although this area is on the northwestern edge of the loess plateau, its webbing irrigation canals, green forest belts and flat fields form a picture one normally sees only south of the Changjiang (Yangtze) River.

The Ningxia Huanghe River diversion and irrigation network is one of the most ancient irrigation systems in China. In 215 B.C.

after Qin Shi Huang (the first emperor of the Qin Dynasty) unified China, he stationed 100,000 soldiers along the banks of the Huanghe River. They dug the first two canals (one on each bank) for irrigation. During the Han (206 B.C.-220 A.D.) and Tang (618-907 A.D.) Dynasties, more than 30 additional canals were dug.

During those two dynasties, the region was really a land of plenty. However, for most of its history the Huanghe River basin was not as rich as people believed it to be. Actually, exploitation by the reac-

tionary ruling classes, warlords and landlords drained the wealth from the area and rendered the ancient irrigation network useless. By 1949 all 30 water diversion canals had been damaged, large tracts of farmland had been flooded and many villages had been destroyed. The ancient irrigation network had changed from a help to a hindrance to the local people, bringing to them great sufferings.

After liberation, the state invested more than 540 million yuan in water conservancy projects in this area. First, the Qingtong Gorge project was built. A 697-metre-long and 42-metre-high dam raises the water level of the Huanghe River by more than 20 metres to form a lake amidst the mountains, storing 600 million cubic metres of water. In the dry season, it can retain water for irrigation and in the rainy season, it can divert the floodwaters through several spillways.

Then the ancient irrigation canals were repaired and straightened. The people in Ningxia dug and expanded 18 additional irrigation canals, 3,000 branch and lateral canals, and more than 30 flood diversion canals. They also built 380 pumping stations and more than 5,000 wells. The old irrigation network has been gradually transformed into a new one which can be used for irrigation and flood diversion. These efforts have also increased the cultivated land in the irrigation area from 100,000 hectares in the early post-liberation days to 260,000 hectares now. Because 80 per cent of the farmland can be irrigated and fine strains have been put to use, the output of crops has been rising for years. In 1983, the area's grain output reached 1.05 million tons, 250 per cent more than that of the whole autonomous region before liberation.

Better Living for the Huis

GUYUAN Prefecture, embracing several counties in southern Ningxia, is at the foot of the Liupan Mountains. More than half of the Hui people in the region live there. Formerly it was one of the poorest areas in the country and the people could not find enough to feed themselves all the year round.

Since the founding of the People's Republic in 1949, and especially since the Third Plenary Session of the 11th Party Central Committee in 1978, great strides have been made in the prefecture's agricultural production as a result of the implementation of a series of new policies. With the development of a diversified economy, the peasants' income has doubled or even tripled.

I visited Mai Xiti, a peasant in Fengtai commune, Longde County. He had a 19-inch colour TV set, a cassette tape-recorder and two sofas. I could hardly believe my eyes, because the peasants here had been so poor for so long.

Mai's wife served us tea and Is-

lamic pastries. When I thanked her, Mai said, "Don't stand on ceremony. Entertaining guests this way is a tradition of our Hui people. Now that we are living a better life, you should enjoy it together with us."

From talking with Mai and his wife, I learnt that just as in the rest of the countryside, grain production was emphasized in the past. Stress was given exclusively to crop cultivation during the "cultural revolution." All other undertakings were considered capitalistic and were banned. Distribution was based on absolute egalitarianism. All this dampened the peasants' enthusiasm. Mai's family had three people. What they earned for a year's work was used up in half a year. For the other half, they had to go begging.

Now, Mai and his son have signed a contract with the collective for cultivating 2.6 hectares of land, on which they not only grow grain, but also grass and trees. They also raise animals, chickens and bees. Altogether,

Working a large open-cast coal mine in Shizuishan.





Left: Nan Shixia, a Hui singer, delights local peasants with her performance.
Right: A Hui shepherdess in Guyuan County.

the family can earn more than 4,000 yuan a year.

Revival of Folk Arts

In recent years, more and more Huis have begun to sing *Hua Er*, traditional folk melodies unique to the region. In the past, people spent all their time worrying about how to feed and clothe themselves. They were not in the mood to sing. This was especially true for women, who were at the bottom rung of the society and were fettered hand and foot by outdated customs. All this has changed.

I was lucky to see a grand *Hua Er* song and dance festival in the Liupan Mountains region. More than 140 singers and artists of both the Hui and Han nationalities displayed their talents.

The improvement of living standards has not only revived the Hui people's interest in their folk arts, but also changed their habits. For instance, when you visit Hui families, you will always find a water pitcher hung from the roof of the house. It is for bathing. You can also see a variety of flowers in their courtyards and different types of tea and tea sets in the houses.

The Huis consider drinking tea one of life's greatest pleasures.

This is especially true for old people, who can do without oil and salt but not without tea. During traditional Hui festivals, tea and tea sets are often given as gifts.

For the Huis, drinking tea is quite an art. They always steep their tea in covered bowls. They say tea thus brewed has a better flavour. When they entertain distinguished guests, they also put black sugar and dates in the tea.

When I asked an old man why he drank so much tea, he said tea could dispel fatigue, reduce fat and build up the stomach and the nervous systems. He even cited two lines from a poem by the late NPC Standing Committee Chairman Zhu De to show his point, "Drinking tea the year round promises longevity."

Islamic Cuisine

Because Islamic dietary laws are fairly strict, I had thought their cuisine must be simple. But I found out I was wrong.

Last year, the catering departments in Guyuan Prefecture invited some famous Moslem cooks from all over the autonomous region to tour the prefecture and give demonstrations. I was amazed by Wang Zizhong, a retired cook from the Xincheng Restau-

rant in Yinchuan, who prepared more than 280 dishes with mutton and beef.

Wang not only prepares good dishes, but is also well versed in the theory of Islamic cuisine. He told me that more than a century ago the Hui cooks created a whole family of Islamic dishes, all made of mutton, beef, chicken and duck. Each has a different colour and taste. These dishes were liked not only by the people but also received attention from the imperial court of the Qing Dynasty. A special Islamic dining hall was opened in the Imperial Palace in Beijing to prepare meals for those members of the imperial family who believed in Islam.

The most famous Islamic banquet contains 72 dishes all prepared with mutton, served in five stages. All the dishes taste different and are in different shapes. None of them has the word "sheep" or "mutton" in their names. In fact, hearing the names, one would never know what they mean. For instance, *Jade Green Hairpin* and *Fan Facing the Wind* are both dishes made from lamb's ears. Of course, these names are much more beautiful in Chinese. However, that presents no obstacle to their enjoyment. □

Flourishing Cultures of National Minorities

Not long ago, the Ningxia Hui Autonomous Region held its first exhibition in Beijing of paintings, calligraphy and photographs done by people of its 31 minority nationalities. This is one of the many ethnic theatrical festivals and art exhibitions held in the past few years.

Ethnic literature and art has blossomed in the last few years, with the help of new government policies. Culture departments at various levels have done much to revive and develop minority cultures.

The Ministry of Culture and other departments have organized all kinds of theatrical festivals. The first Manchu dance drama *Pearl Lake* and a performance by the well-known Dai dancer Dao Meilan were both hits in Beijing in 1982. A folk song festival the same year attracted 33 young singers from 20 minority nationalities. Twenty-one of the singers received awards.

In 1983 more than 400 artists of 28 minority nationalities from all travelling art troupes in the country gathered in Beijing. Their performances, integrating ethnic traditions with present-day life, were impressive.

Many more minority writers, artists and performers have also been trained in the past few years. Five autonomous regions have their own art institutes, as do Yunnan, Guizhou, Qinghai and Gansu Provinces, where minority people live in compact communities. Some key art institutes in the hinterlands have opened classes on minority cultures. The Ministry of Culture has sent experienced artists from

theatrical troupes in Beijing to the Guangxi Zhuang Autonomous Region, the Xinjiang Uygur Autonomous Region and Sichuan Province to give classes on modern opera, dance dramas, plays, musicianship, composition, orchestra and stage lighting. The ministry has also entrusted a music institute to run two-year voice classes for minority people. Courses are also offered in Inner Mongolia, the Yanbian Korean Autonomous Prefecture in Jilin Province and the Ningxia Hui Autonomous Region to train art workers for local cultural centres. Now each of the 55 minority nationalities in China has its own literary and art groups, many of whose members are well-known at home and abroad.

The efforts and activities of these 560 troupes has sped up the artistic development of various types of local operas, including *Zangju*, *Daiju*, *Zhuangju* and *Baiju* operas. The song and dance ensemble in Qinghai Province adapted a Tibetan epic *King Gesar* into a dance drama. It vividly recounts how King Gesar joined with the local people to struggle against despots. The ensemble has performed the epic 101 times, delighting 170,000 people.

On minority festivals cultural and sport activities are organized. Guizhou Province, where there is a concentration of minority people, has 448 cultural and sports activity centres. Every year about 3.8 million people from different nationalities take part in all kinds of activities in the province.

There has also been great progress in saving, collecting and studying ethnic literature and art.

Materials about folk music, dance, operas, fine arts and literature are being collected and published. *Collection of Chinese Folk Songs* and *Collection of Chinese Folk Dances* are being edited by the Ministry of Culture, the Chinese Musicians' Association and the Chinese Dancers' Association. The voluminous Mongolian work *Jangar*, which was nearly lost, has come into print again. It tells the story of a Mongolian tribal leader who unifies his neighbouring tribes into a peaceful society, and later leads his warriors to defend this paradise against invaders.

China's first Manchu language grammar book was recently published. The book, compiled by Aisin Giorro Wulaxichun of the Liaoning Institute for Nationalities Research, is a Manchu-Han bilingual reference book using Latin phonetics.

The compiler, 25, is a descendant of Emperor Qianlong (1736-95) of the Qing Dynasty (1644-1911). There are 4.29 million Manchus in China, most of whom live in Beijing and Liaoning Province. The nationality ruled the country for more than 260 years, and many documents handed down from the Qing Dynasty were written in Manchu. But the Manchus were in danger of losing the language due to assimilation into the Han culture. It is estimated that only a few dozen scholars now know Manchu.

The Chinese Government has encouraged minority people to retain their own culture. Last year Liaoning Province set up an institute to study Manchu culture. This follows the establishment of a similar institute in Heilongjiang.

ART PAGE

**Sculptures
by
Sheng Yang**



Old Man.

Two Cranes.



In recent years Sheng Yang has been studying the relationships between ancient and modern Chinese sculpting techniques. Born in 1931 in Nanjing, he is now a vice-director of the sculpture department of the Central Academy of Fine Arts in Beijing.

Most of Sheng Yang's work commemorates particular events, or is designed to enhance public places.



Uygur Girl.

 **HERO**



“HERO” AND “FENG HUA”
BALL-POINT PENS



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