

A CHINESE WEEKLY OF NEWS AND VIEWS

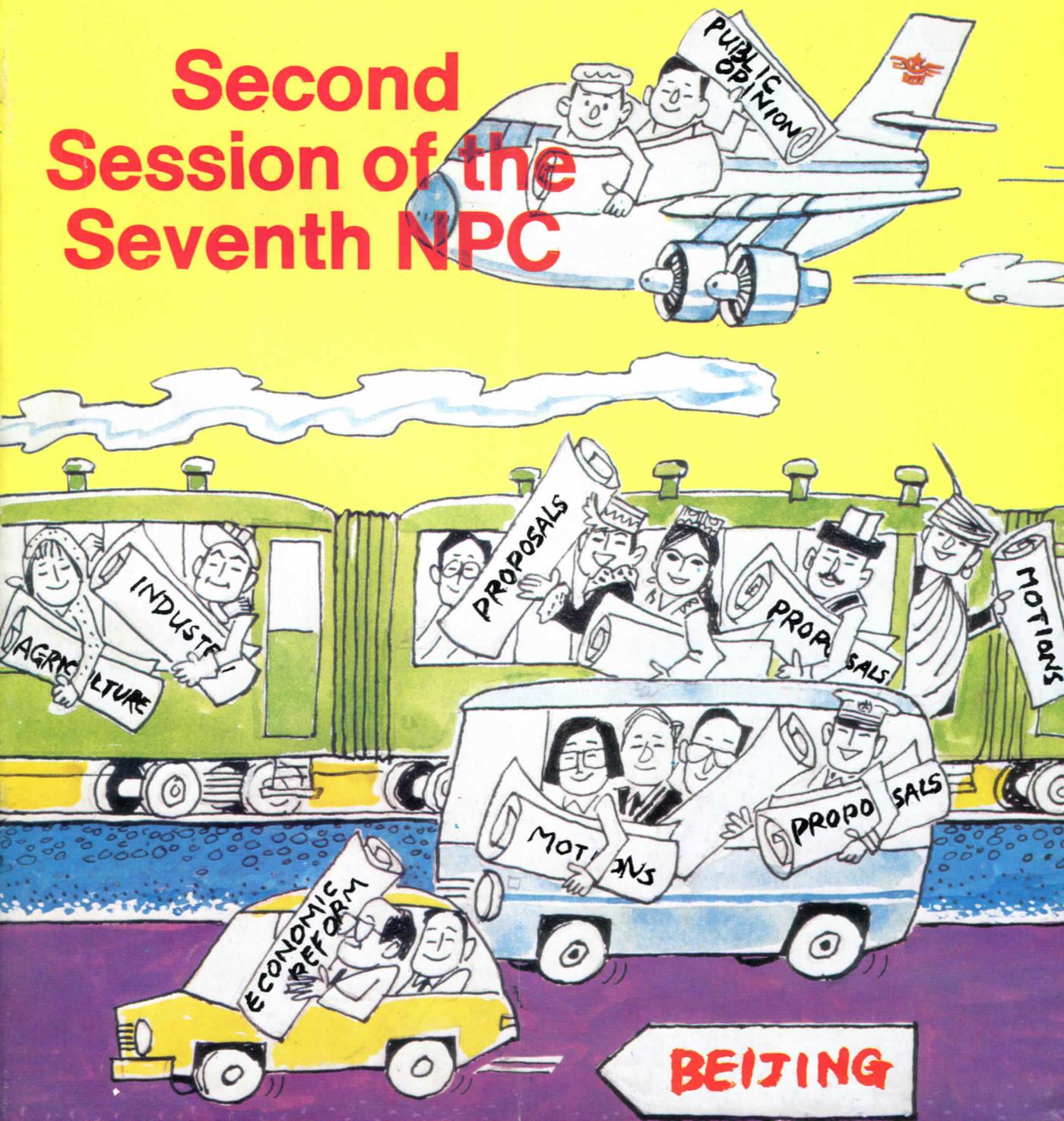
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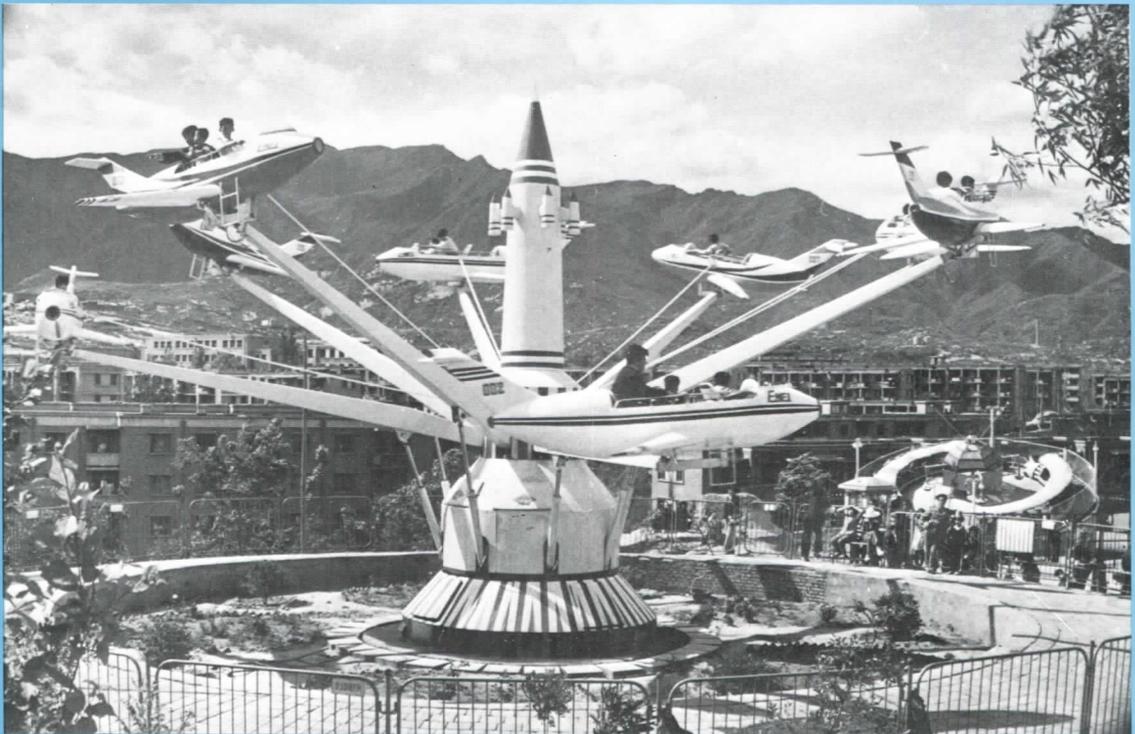
Second Session of the Seventh NPC





Song of Spring.

Joyride on a Spaceship in the Park. *Sun Yi*



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COVER: NPC deputies from all parts of China carrying proposals, suggestions and opinions to the upcoming NPC session in Beijing.

Cartoon by Miao Di

The Second Session of the Seventh NPC Opens

□ Premier Li Peng outlines the focal points of China's construction and reform programme, as well as the government work-plan for the next two years for improving the economic environment and rectifying the economic order (p. 5).

Accelerating Development in the West of China

□ China's open door policy has steadily widened the economic gap between the coastal provinces in the east of the country and the inland regions of the west. To promote the development of the west, particularly in the exploitation of its rich natural resources, a recent national conference proposed a series of measures aimed at turning it into a frontier zone with further state assistance and policies tailored to local conditions (p. 4).

Where Is Reform Heading?

□ Problems facing the reform have given rise to two extreme views over where to take reform. Return to the old centralized road? Or, abolish the public ownership system in favour of capitalism? Neither is suitable for China, argues Liu Guoguang, a noted economist, and the only way is to follow a retrenchment polity in the next few years in the process of deepening the reform (p. 16).

The Lhasa Riots of March 5-7

□ After three days of rioting in Lhasa, peace finally returned to the city on March 8. This report from the Tibetan capital traces the events leading up to the government's decision to impose martial law, examines involvement of Tibetan exiles and records conversations with some of the victims of the riots (p. 27).

EC Single Market Faces Challenges

□ The prospects of a truly unified European market are alluring, yet to realize it the EC will have to face great challenges that demand painstaking efforts from each member state (p. 11).

Unless written by Beijing Review staff, the opinions expressed in signed articles do not necessarily reflect the view of the Beijing Review editorial board.

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Expediting Development in Minority Areas

by Lu Yun

The evident gap in economic development between China's east and west has widened gradually over the last decade. The difference in total industrial and agricultural output value between the ten provinces and municipalities of east China and the 11 provinces and autonomous regions of the west was 256.16 billion yuan in 1981. By 1987, however, it had risen to 678.599 billion yuan. Over the same period, the gap in total retail sales of social commodities rose from 59.167 billion yuan to 155.82 billion yuan, and average per-capita net income in rural areas rose from 72.07 yuan to 331.62 yuan.

How should this phenomenon be viewed?

First it should be noted that the development gap has not been caused by economic stagnation or recession in the west. In fact, the gradual dismantling of the former closed and rigid economic system has invigorated the west. Between 1981 and 1988, the average annual growth rate of total industrial and agricultural output value in national minority autonomous areas rose from 6.6 percent to 9.7 percent, while growth rate in retail sales jumped from 9.1 percent to 14.7 percent. At the same time, personal bank savings in urban and rural areas rose on average 33 percent annually. Last year, the gross social product and total industrial and agricultural output value of China's five autonomous regions rose 8.8 percent and 11.5 percent respectively compared with the year before.

Endowed with many favourable conditions, China's eastern coastal areas have a relatively strong economic foundation. State preferential policies promoting their opening have further stimulated their growth. Most minority areas in west China, however, are located in mountainous, plateau, grassland, forest and boundary regions. With poor economic foundations, their commodity economies remain underdeveloped. Forestry, animal husbandry, oasis farming and other traditional businesses still dominate, while industry mainly centres on production of raw materials and the processing of primary products. The numbers of scientific and technical personnel and the level of educational achievement are greatly below the country's average.

At the same time, policies favouring national minorities have been changed through reform without suitable new policies being drawn up to replace them: effectively encouraging the gap to widen.

It is now predicted this gap will continue to grow for some time. However, some comfort can be drawn from the experiences of many other countries during the early stages of their development: the accelerat-

ed growth of one region has eventually promoted advances in backward areas until the gap between the two begins to narrow.

Despite the hope this offers for the long term, many people in China, particularly from national minorities, have shown concern at the growing gap between east and west. At a national conference of the heads of the nationalities affairs commissions held in late February, a series of policy proposals aimed at expediting the opening and reform of minority areas were put forward. They included:

- Accelerating the pace at which minority areas open to other parts of China and the world with the introduction of an opening programme that looks in two directions simultaneously: south and east to the coastal areas and developed countries; west and north to neighbouring countries across the Chinese border. This latter opening is aimed at converting the minority regions from remote places far from domestic markets into frontier areas adjacent to an international market.

- To increase the capacity of minority areas for self-development, exploitation of natural resources should be strengthened with continued grants of intellectual, material and financial assistance from the state. As these areas cover 63.7 percent of China's territory, they should strive to attract further funds, personnel and technology from the east to convert their superiority in natural resources into economic superiority.

Recently, the Ministry of Geology and Mineral Resources and the State Nationalities Affairs Commission issued a joint circular calling for an acceleration in the exploration and exploitation of mineral resources in the minority areas. As a result, geological surveys over the next two to three years are expected to help each of the 141 counties covered by the state's key assistance project to open a small or medium-sized mine. Local geological and mineral resources departments will be responsible for providing technological support and guidance for opening the mines and processing their output.

- The State Nationalities Affairs Commission will investigate the specific concerns and problems reform will have to address in minority areas. At the same time as formulating large-scale plans for economic reform and development, the commission will give full consideration to the special features of each nationality and locality with regard to their industry and economic capacity. Special arrangements will then be made for each area to provide the necessary aid and support. □

NPC Session Stresses Rectification

Premier Li Peng said that the Chinese government, which was challenged by inflation and price hikes last year, will continue its work this year on improving the economic environment and rectifying the economic order.

Li said this in his Report on the Work of the Government at the opening meeting of the Second Session of the Seventh National People's Congress (NPC) on March 20. The new session attended by 2,967 deputies will examine reports on the implementation of the 1988 plan and 1989's proposed plan for national economic and social development, and 1989's draft state budget. It will also discuss the administrative procedure law (draft) and the draft NPC rules of procedure.

In regard to China's socialist modernization drive, the premier said, "We were challenged by a great many problems and difficulties, the most outstanding ones being the obvious inflation and excessive price hikes."

He noted that the problems were caused by a tendency to be too impatient for quick results in economic and social development.

The premier described the orientation of reform as "correct and generally successful." But he said, "In our guidance of the work we often lacked a full understanding of the arduousness and complexity of reform, did not pay sufficient attention to taking comprehensive and co-ordinated measures, and failed to tighten control and supervision at the right moment and establish in time a system of macro-



economic regulation and control when we persisted in decentralizing power and invigorating the economy."

Over the past six months, the government has helped slow down the economic growth rate, slowed price hikes, alleviated people's panic over prices, and more or less stabilized urban and rural markets.

According to the premier, the State Council has decided to reduce total investments in fixed assets this year by 92 billion yuan, a reduction of 21 percent from last year.

Meanwhile, institutional purchases nationwide this year will be 20 percent lower than in 1988, Li said.

Referring to the government efforts to rectify the economic order, the premier said that it will continue to screen and reorganize companies of various types, while tightening control over prices and the market. It will strive to improve the circulation of essential goods, including durable consumer goods in short supply and other commodities un-

der special state control.

Li Peng said, "Only by successfully readjusting the economic structure in the course of improving the economic environment and rectifying the economic order can we forestall economic stagnation and prevent inflation."

In readjusting the economic structure, Li said, the government will enhance the position of agriculture by raising prices of the state purchase of grain under contract by an average of 18 percent and prices for the new cotton crop.

He promised that the central financial authorities shall put more money into agriculture, including forestry and water conservancy, even though the government is to reduce the amount of expenditures and currency in circulation this year.

The premier said that his government will make every effort to build up basic industries and economic infrastructure that include energy, transport, communications and major raw and semi-finished materials. And it is determined to keep the scale and speed of growth in processing industries in line with the growth of agriculture, energy, raw and semi-finished materials, and transport capacity.

In 1989, he said, funds for education in the government budget will reach 37.4 billion yuan, 5 billion yuan more than last year, or an increase of 15.4 percent.

"The drive to improve the economic environment and rectify the economic order follows the general direction of reform," he said. "We shall

never return to the old economic mode characterized by overcentralized, excessive and rigid control, nor shall we adopt private ownership, negating the socialist system," he added.

He said that economic structural reform in 1989 will concentrate on improving and developing the contracted managerial responsibility systems for industrial and commercial enterprises, exploring ways and means of intensifying and improving macro-economic regulation and control, creating an orderly market and finding solutions to problems caused by unfair distribution of income.

Premier Li said that the employment of foreign funds and importation of advanced technology are established long-term policies of China.

"We shall encourage foreign businessmen to establish more wholly owned enterprises in China and more joint ventures and co-operative enterprises through updating China's existing enterprises," he said.

To realize this the government will continue to improve the investment climate and economic legislation, help foreign businessmen solve practical problems and protect their lawful business activities. "Agreements and contracts signed with foreign businessmen must be executed to the letter," he ordered.

Li stressed that his government will reinforce socialist democracy and the socialist legal system, to ensure the people's democratic rights, and perfect the system of multiparty co-operation and consultation under the leadership of the Communist Party. Stability, unity, democracy and harmony will be consolidated and expanded, he added.

"Economic development

calls for clean government," he noted, adding that the regulations for maintaining clean government must be observed first by the State Council, and then by governments at every level to serve as examples.

He promised that where the immediate interests of the masses are involved, the final results of matters under investigation will be made known to the public, and that the people will be kept posted on government activities.

Government will promote socialist relationships among all of China's nationalities under the principle of equality, unity and mutual assistance, the premier said.

He called for governments at all levels to respect citizens' rights to freedom of religious belief, customs and traditions of minority peoples and to protect normal religious activities.

Referring to the Tibet issue, he said, Tibet is an inalienable part of the territory of the People's Republic of China and no one can succeed in attempting to create an "independent" Tibet.

In reference to relations between the two sides of the Taiwan Strait, he admitted that the Taiwan authorities have taken some measures to smooth relations with China's mainland. But they have lately stepped up their pursuit of "elastic diplomacy," trying to create "two Chinas" or "one China, one Taiwan." This runs counter to the fundamental interests and aspirations of compatriots on both sides of the strait, he continued.

"We stand for 'peaceful reunification' and 'one country, two systems' and firmly oppose any words or deeds that may lead to the independence of Taiwan," he advocated.

Foreign Policies

The last part of Li Peng's report expounded on the international situation and diplomatic policies of China.

"Major events that have taken place in the world in the past year show that the international situation is at a turning point moving from confrontation to dialogue, from tension to relaxation. This constitutes the overwhelming force in today's world," Li said.

China has always pursued an independent foreign policy of peace, supporting the just causes of the world's people, opposing hegemony, preserving world peace, and working for common progress, he said.

It is in accordance with this policy, he said, that the Chinese government has conducted its diplomatic work, maintained extensive contacts with other countries, and increased interstate co-operation and friendship between peoples, thus safeguarding national interests and security and working for a lasting, peaceful international environment for China's modernization drive, while at the same time playing our part in easing international tensions.

Marked progress in co-operation between China and the United States in various fields has been made since the establishment of diplomatic relations between the two countries, Li said.

He added that the high-level contact and dialogue maintained between the two countries have played an important role in promoting their bilateral relations.

He hopes that the US government will faithfully observe the principles embodied in the three joint communiques issued by the two coun-

tries, maintain the one-China position, and refrain from interfering in China's internal affairs in any way and on any question, lest the existing friendly relations between the two countries be impaired—something neither side would like to see.

Substantive progress has been made after many rounds of talks and consultations between China and the Soviet Union over the years on the removal of the three major obstacles to the normalization of state relations between the two countries, heralding the forthcoming Sino-Soviet summit.

"We believe that the Soviet Union has the duty and is in a position to continue its efforts towards a complete withdrawal of Vietnamese troops from Kampuchea and a political settlement of the Kampuchean issue," he said.

After state relations between China and the Soviet Union are normalized, Li said, the two countries will develop friendly, good-neighbour relations on the basis of the Five Principles of Peaceful Co-existence. "It will benefit peace and stability in Asia and the world as a whole and do no harm to the interests of any third country," he added.

In general, the report said, Sino-Japanese relations are good and there has been considerable growth in economic relations and trade and in scientific, technological and cultural exchanges. However, there are still some problems that merit serious attention and require proper solutions.

Li Peng's report continued that the war of aggression launched by the Japanese militarists in the past brought untold disaster to the Chinese and the people of other Asian countries. He said the accounts of "The nature of this war

brooks no alteration."

"We cherish greatly the Sino-Japanese friendship cultivated by statesmen and people in both countries through protracted efforts," Li said, "and we hope that this friendship will be passed on from generation to generation."

He also mentioned the Kampuchean issue, saying that the solution of it lies in the truly total withdrawal of Vietnamese troops from that country. And, he said, Viet Nam should keep its word, leaving no troops behind under any pretext or in any form.

Li said China favours the establishment of a provisional four-party coalition government headed by Prince Norodom Sihanouk, since this will be instrumental in the realization of peace in Kampuchea and help prevent the outbreak of civil war. "Sino-Vietnamese relations will be normalized only when the Kampuchean question is settled," he added.

He said China welcomes the Soviet withdrawal of its troops from Afghanistan. "We hope that the various political forces in Afghanistan will, through consultation, establish a broad-based coalition government at an early date, thereby ensuring the safe return of the refugees to their homeland and enabling the people to live in peace again and rebuild their country," Li said.

by Li Rongxia

Sino-Thai Talks On Kampuchea

Only a complete withdrawal of Vietnamese troops will bring peace to the people of Kampuchea. That's the message China's top leaders, Deng Xiaoping, Zhao

Ziyang and Li Peng, repeatedly drove home to Thailand's Prime Minister on his four-day China visit.

Deng Xiaoping urged Hanoi to withdraw all its troops from Kampuchea while meeting with Thai Prime Minister General Chatichai Choonhavan March 17, on his last day in China.

"If these Vietnamese do not leave Kampuchea, they will pose as potential elements for a civil war," he said.

"We want to settle the Kampuchean question, but we cannot help the invaders," Deng added.

During the meeting, Deng also outlined China's three principles on the question of Kampuchea.

The principles are: The Kampuchean question must have a political settlement with the precondition of a genuine and complete withdrawal of Vietnamese troops from Kampuchea; the new power in Kampuchea should be the quadripartite provisional coalition government headed by Prince Norodom Sihanouk with international guarantees; the political settlement must be accompanied by the elimination of elements who may cause civil war.

On March 15, the second day of the Thai Prime Minister's visit, he was assured by Premier Li Peng of China's willingness to co-operate on the issue of a political settlement in Kampuchea.

The state leaders' conversations were dominated by the Kampuchean question and both agreed that there was but one goal—to bring peace to the war-torn nation.

During the talks, Li added that China's domestic policy is aimed at modernization while its foreign policy is to seek peace.

The current relaxation of tension in the international situation was conducive to the settlement of the Kampuchean question, Li said.

China hoped to see a peaceful, independent, neutral and non-aligned Kampuchea and the Chinese government would carry on urging the international community to continue to push for a political settlement on Kampuchea, said Li.

Li Peng added that a prospect still exists for the political settlement of the 10-year-long Kampuchean tragedy. However, reaching a settlement is difficult since Viet Nam essentially has not changed its position and is unwilling to give up its

control of Kampuchea.

Thailand's major stand towards Kampuchea is to let peace return to that country, the Thai prime minister said. Thailand's position was to continue to support Sihanouk and the three parties of the Kampuchean national resistance.

He pointed out that his country does not recognize the Heng Samrin-Hun Sen regime, as claimed by Viet Nam, and that Thailand will strive earnestly to help Kampuchea and the region return to peace.

A day later, General Secretary Zhao Ziyang of the Chinese Communist Party added his voice in condemning Viet Nam's opposition to the establishment of a quadripartite provisional coalition government in Kampuchea when meeting with the visiting prime minister.

He noted that Viet Nam still wants to set up a government with the Heng Samrin-Hun Sen faction as the main body.

Hanoi still hopes to gain from a political settlement what it failed to get on the battlefield, Zhao declared, while urging the world to exert

pressure to force Viet Nam to change this policy.

During their talks, both the Chinese and Thai Prime ministers expressed their satisfaction over the smooth development of bilateral relations, especially on the development of China's Hainan Province. □

China Rebuffs Tibet Bills By US-EP

The Foreign Affairs Committee of the Chinese National People's Congress lodged a strong protest with the United States and expressed utmost indignation at the US Senate's acts of gross interference in China's internal affairs in regard to Tibet.

China's statement, issued March 19, said that the US Senate's resolution on the Tibet question of March 16, 1989, misrepresents the history of China's Tibet Autonomous Region and its realities, and has slandered the Chinese government with its accusations of repression and human rights violations in Tibet, while blatantly supporting a handful of separatists in Tibet in their atrocities and prompting the US government and international organizations to meddle in Tibetan affairs.

The statement says, "The recent incident in Lhasa was not an ethnic or religious question, even less a human rights issue. Rather, it was a violent incident premeditated and deliberately staged by a few separatists attempting to split China.

"It is known to all that Tibet is an inalienable part of Chinese territory. The question of Tibet is China's internal affair in which no foreign

government, parliament or international organization has the right to interfere.

"The Chinese government and people are resolutely opposed to any act aimed at splitting China and undermining the unity of the Chinese nation, no matter who commits it."

The statement continues: "We are willing and ready to negotiate with the Dalai Lama, but the negotiations must proceed on the premise of upholding the unity of the motherland. The independence or semi-independence of Tibet is impermissible, and so is its independence in any disguised form."

"It is our hope that the US Congress will proceed from the overall interests of safeguarding Sino-US relations and stop all activities aimed at interfering in China's internal affairs," the statement said.

On March 18, the committee also expressed its strong indignation and deep regret over the European Parliament's so-called "Resolution on Human Rights in Tibet." □

State Council On Hot Issues

Journalism in China has been given one more pat on the back with the formalization of monthly news conferences between state leaders and the press.

Foreign journalists' questions for the State Council spokesman Yuan Mu, at the first such meeting on March 14, were dominated with subjects on Tibet and prisoners.

At the conference, some foreign reporters asked what the Chinese government's attitude was of those intellectuals' appeal for releasing political pri-

soners.

Yuan said that China has no political prisoners, and that only criminals are punished by the law. Therefore, there would be nothing said about releasing these people.

China did not favour those who were using foreigners to bring pressure upon the government through such practices as writing joint letters and making speeches that were in violation of the Constitution, said Yuan.

China has its own situation, he said. It is moving towards a socialist, democratic and legal system in a steady and firm manner. China is applying political reform, but not "importing" Western political systems, he said.

Yuan, replying to press questions, said martial law being used in Tibet's capital city of Lhasa has already made achievements in saving both the lives and property of residents and the economy there.

China's policy, said Yuan, is to maintain the unity of nationalities within the state while respecting Tibetan habits, customs, and religion.

China will mobilize the entire nation to continue the economic and cultural policies that favour Tibet's development, said Yuan.

Any country or area, even with correct policies, will still have some things that just don't tally up. That doesn't mean that the policies are wrong, said Yuan. The Lhasa matter was created by rioters who wanted to split the country, he said.

He re-stated China's stance towards the Dalai Lama, saying the government is always willing to reopen ties with him if he gives up his idea of Tibetan independence for unity.

Yuan also mentioned that China is considering including

more members of democratic parties to serve in government positions.

He also said that China's economy was healthier since the start of its structural rectification programme last year, with progress in the development of technology, and in both the commodity and labour markets.

He said that China's total imports and exports last year grew by 24.4 percent, exceeding the mark of US\$100 billion. The year's actual utilization of foreign capital went up 16.4 percent to reach US\$9.84 billion. And the country approved to build 5,856 foreign funded enterprises, the highest figure since reform began a decade ago.

By Yang Xiaobing

Population Imbalance Grows

Although women and men in China are officially equal, nearly everywhere women face discrimination, said Chen Muhua, president of the All-China Women's Federation. Women's participation in state affairs, employment and in education is on the decline, she said.

Chen urged women organizations to speak out for women's rights and interests. She made these remarks in a recent interview with a magazine *Party Construction*.

Chen, who is also a vice-chairperson of the National People's Congress (NPC) Standing Committee, complained that women's social position is much too low.

More than 80 percent of China's 7 million school dropouts

are girls and most of China's 220 million illiterate adult population are women, said Chen.

Women have been the big job losers with re-structuring, said Chen, since many enterprises sacked women with the belief that they will be an economic burden after they give birth.

Chen also pointed to the population imbalance to show how the whole society will suffer. The female population accounts for 48.9 percent while males compose 51.1 percent of the population.

That means that tens of millions of men will not be able to find marriage partners in the future, and few people are conscious of it, she said.

The female NPC deputies only make up 21 percent of the total and female members of the NPC Standing Committee, only 9 percent. Women officials are difficult to be found either in central government or in local governments. □

Russian Learning Craze Emerges

Students of Heihe City, on China's frozen frontier with Siberia, have one definite advantage over students in other parts of China. They have a better chance to learn Russian.

Russian, once the language no one wanted to speak for almost three decades after China fell out with Moscow, has now come back into vogue in the border area cities of Heilongjiang Province.

"I study Russian through a Soviet TV programme which students in other inland cities cannot receive," one middle

school pupil said.

In Heihe, middle schools offer courses in both English and Russian, but most students opt for Russian.

Teenagers can also take part-time Russian classes in Suifenhe, another border city in Heilongjiang, which has had 70 young people enrolled for the past three years.

"Students can read Soviet middle school texts," said Sun Boyan, headmaster of a part-time Russian school in the city, "and with more and more Soviet friends coming to visit our city, boys and girls have more chances to talk with them in Russian."

In 1985, at the resumption of Sino-Soviet trade, the Suifenhe city's educational department began sponsoring spare time Russian courses for residents.

The courses which have expanded to a college level have paid off. Thirty-three students enrolled in the course were afraid of having no job after graduation. Their fears proved groundless after all the last year's graduates from the course were quickly hired by local Sino-Soviet trade corporations.

"Because of the development of Sino-Soviet relations, our city cannot do without sufficient people who know Russian," said Liu Haitao, secretary of the city's Communist Party Committee.

In Harbin, capital of Heilongjiang Province, many college teachers who once virtually abandoned and shunned their second language--Russian-- for decades have now become busy dusting off the old textbooks to work as part-time teachers.

These teachers now fill a vital niche as advisors to businesses in the Sino-Soviet trade, or in training Russian interpreters for them. □

Weekly Chronicle

(March 12-18)

POLITICAL

March 14

□ The three leaders of the Cambodian National Resistance (CNR) have decided to set up a High Council for National Defence. At a press conference, Norodom Sihanouk, Son Sann and Khieu Samphan release a joint statement after their meeting that ended on March 12. The council will be presided over by Sihanouk. Speaking at the conference, Sihanouk says that as the chief of the CNR, he would not allow Pol Pot to return to the government and the army of Democratic Kampuchea (DK). His decision to block Pol Pot has been agreed to by Khieu Samphan, vice-president of DK in charge of foreign affairs.

March 15

□ When Soviet leader Mikhail Gorbachev meets with General Secretary of the Communist Party of China (CPC) Zhao Ziyang on his visit this May, Sino-Soviet party-to-party relations will return to normal, says Wu Xingtang, a spokesman of the International Liaison Department of the CPC Central Committee. The proposed Sino-Soviet summit meeting will also mark the beginning of normalization between the two countries.

March 16

□ Commenting on the current discussion of the draft Philippines-Taiwan Beneficial Relations Act of 1989 in the Philippine National Assembly, a Chinese Foreign Ministry spokesman says that China is opposed to any act aimed at creating "two Chinas" or "one

China, one Taiwan." He says the draft has violated the principles contained in the Sino-Philippine Joint Communiqué and Executive Order No. 313 issued by President Corazon Aquino. He also expresses China's appreciation for the "one China" policy the Philippine government has reaffirmed.

ECONOMIC

March 16

□ China's border trade with neighbouring countries reached US\$653 million last year, 1.3 times more than in 1987. A big boost to it was the trade with the Soviet Union, that came to US\$274 million, more than double the previous year's trade.

CULTURAL

March 13

□ After an epic 35-year effort, the eight-volume *Atlas of Chinese History* is coming of the press. More than 200 experts drawn from a vast array of disciplines worked on the project. The atlas carries a full-scale narrative of geographical features in Chinese history from the primitive society to the Qing Dynasty (1616-1911) and has 300 coloured maps.

March 15

□ The CPC Central Committee will soon hold a special meeting aimed at solving major problems in education, says Party General Secretary Zhao Ziyang. In reply to a letter which raised 10 proposals recently by Fei Xiaotong, chairman of China Democratic League, Zhao says his party welcomes the participation of all non-communist parties and enthusiasts in promoting the development of education. □

EC Moves Towards a Single Market

The achievement of a single market for the European Community is a major event in world economic development that will have a resounding influence in every part of the world.

by Zhang Yunling

The establishment of a unified European market will bring about tremendous benefits to the European Community (EC). A survey report estimates that the overall benefits will reach 200 billion European Currency Unit. But the realization of these benefits requires painstaking efforts.

In moving to an integrated market the EC nations will face several challenges, at the core of which will be reaching agreements upon a code of standards that will effectively unify and coordinate the member nations. The EC's goal of a boundless market will be highly restricted unless these agreements are reached.

Each EC member will have its national foundations shaken with this codification of common policies.

Each nation's policies, regulations and standards vastly differ, constituting the basis for the economic structure and system in each country. By abandoning their national systems the Europeans are changing the fabric of their nations.

In Denmark, where a high-

tax policy is in practice, a reduction of taxes will mean a drastic decrease of revenue, which will shake the country's welfare system.

Just how to go about getting agreement on a common tax policy is a chief conundrum. Here we have a Europe with each member nation having tax laws built upon their own historical or monetary traditions. Some have no taxes on food while in others the reverse is the case.

Leaders will have to play a balancing act of interests. With any major changes likely to provoke outcries from voters they will have to work several trade-offs to harmonize domestic management and interests with the goal of unified EC standards.

There is a minefield of obstacles blocking that final goal. It is illegal, for example, for a German bank to buy shares in France. If France were to insist on keeping foreign stock purchasers out, then it would threaten the entire agreement.

In addition, although the establishment of the unified market will encourage competition, thus raising efficiency and competitiveness of Euro-

pean enterprises, there are sure to be winners and losers. The losers would be hostile to being driven out of the markets while enterprises in small or weak countries would fear being stripped of protection from multi-nationals. Obviously, the key is how to divide the "cake," benefits, of the single market.

Another conflict is to settle the question of just how much power the EC should have. An important precondition for the existence and development of the EC is its recognition of its super-national rights in management and decision making.

But opinions vary as to what a degree of power should be entrusted to this unified body. British Prime Minister Margaret Thatcher advocates mere co-operation between sovereignty states without a very powerful European government as advocated by Jacques Delors, president of the EC Commission.

Others fear that any advantages will be nullified by bureaucracy that would lower efficiency if it were to envelope the concentrated EC's nerve centre in Brussels.

The European government must have enough authority to

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enact its decisions, but at the same time must be limited from interfering with the independence and autonomy of member states.

There are still many kilometres for the European Community to travel before it becomes a single market. Although 1992 is pegged for its founding year, implementing it is another matter. It seems likely that a basic framework will be set up by that year, but the actual time and degree of unification is dependent upon the will of the member nations.

Impact on World Economy

Since the mid-70s slow growth rate plagued the West European economy. The problem has become more acute when its economic growth fell behind both the United States and Japan in the early '80s.

A single European market will allow each member to maximize its scope in production and trade while greatly lowering its cost. It will bring about a more rational allocation of resources while encouraging new production techniques.

If the single market is achieved by the start of the '90s, Europe will prosper. And if Europe prospers, the world economy will further develop.

A unified EC market will sharpen its competitive edge, bringing about a new pattern of international relations.

The EC's main competitors of Japan and North America will have to react by strengthening and upgrading their own competitive muscles. Already these countries have expanded their influence in the EC and other markets.

These developments offer both challenges and opportuni-

ties for the developing countries.

The newly industrialized nations are seeking to adjust their product structures in relation to the EC one market programme. They are testing the waters by their tentative investments in the EC market.

The beginning of global economic integration following the EC route can be seen everywhere. There's the US-Canadian free trade zone, the establishment of a unified market between Brazil and Argentina, the integrated market of the Greater Magreb and the concept of an Asian-Pacific economic zone. And more and more non-EC member states are trying to either join the Community or invest in its market.

Every move towards a unified market is a move towards a unified world economy.

It is vital that the EC avoid the pitfall of a "Fortress Europe" mentality. Its market should pursue co-operative policies, not a defensive pact against non-members.

The EC's internal preference market will pose two challenges to the rest of the world. First, the preferences it gives to member nations will increase the difficulties to outside nations in accessing it. Second, under certain circumstance, it will follow a policy of "collective protectionism" against other countries.

What has aroused the concern of both US and Japanese experts is the possibility of the establishment by EC nations of common trade barriers against non-members.

Peter McPherson, former US finance secretary, has warned that the process of internal liberalization would generate pressure for greater external protection.

The EC has declared its ex-

ternal tariff structures will be implemented on the basis of reciprocal concessions for mutual benefit with non-member nations.

Much of the developing world, unable to make concessions or compete, could be the big losers. The developing countries have shown concern about this arrangement because of their economic vulnerability.

Economic disaster would be the result if ever global protectionism arose following the development of this kind of world regionalism.

Worldwide protectionism would also block the EC from reaping any benefits from their single market structure. The EC single market interests are tied to the promotion of an international open-door.

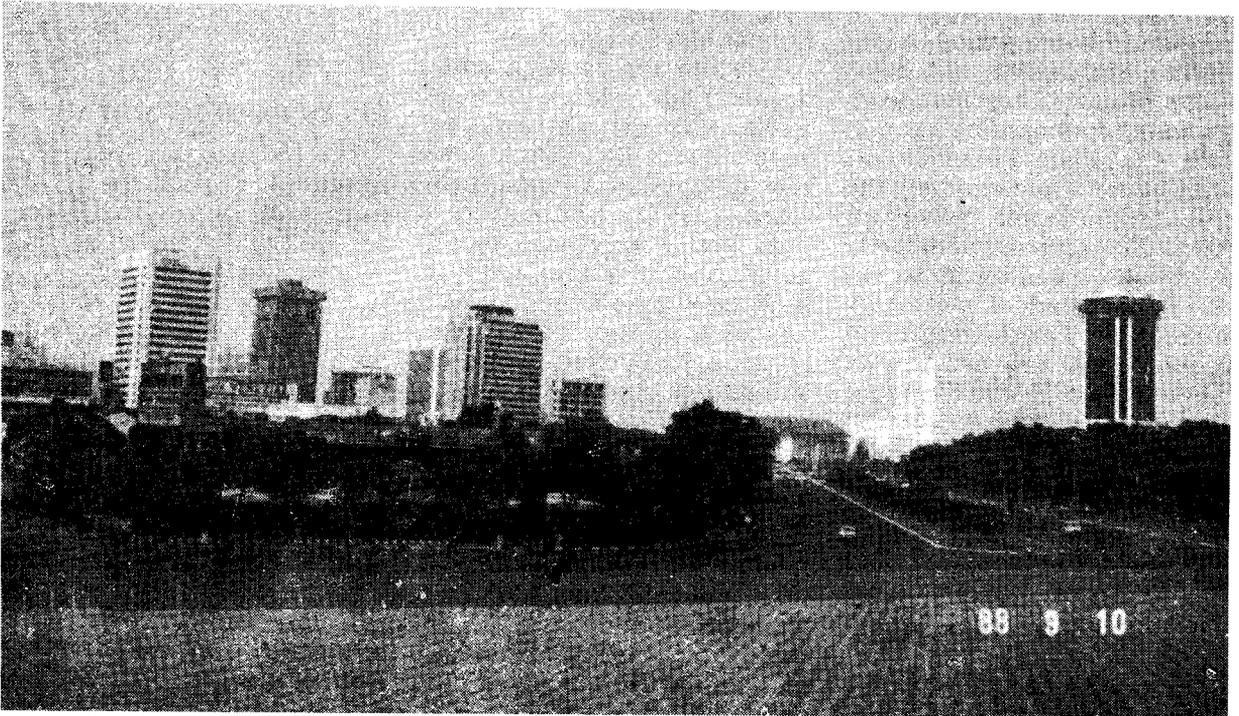
It is important that the EC single market shares some of its benefits that it gains with the developing world such as they have done under the Lome Agreement since the postwar period.

With the developed countries much more capable of breaking through the EC's protective barrier, the Europeans should assure the developing world that it is neither shut out or harmed by these new conditions.

To China, a unified EC market will present many opportunities since it will be more convenient for us to build economic relations through this increased trade.

But China will also have to face greater competition from both the community's new trading forces and external competition from the rest of the world trying to squeeze into that market.

While these changes are taking place the Chinese should urgently plan and develop every way to grasp the advantages of this new condition. □



A view of Jakarta's commercial district.

SU XUE

Indonesia Escapes the Oilfield Blues

Indonesia is the biggest country of the six members of the Association of Southeast Asian Nations (ASEAN). In recent years its national economy has developed, but it is still facing some problems.

by Zeng Moxiu

Through the 20-year management of the Suharto government, Indonesia's economic strength has considerably increased. With the completion of the four Five-Year Plans, the country has established the basis of an industrial system.

At the centre of the development were oil exploration and refining, mining with advanced equipment, the new petrochemical sector, textiles, cement, pulp and paper and basic metals. Indonesia has also made inroads in the elec-

tronics, machinery, steel, shipbuilding and aviation manufacturing industries.

The nation's culture, education and sanitation have developed alongside this industrialization.

Oil: Blessing and Curse

The Indonesian economy has taken a beating from past international recessions since it was highly responsive to the fluctuations of the world oil market. Oil has brought Indonesia prosperity and happiness, but worries also came

whenever there were declines in oil prices.

With the two major oil price hikes in 1973-1974 and 1979-1980, Indonesia increased its oil output and sales. Its financial income accumulated, allowing it to overcome the financial difficulties it was in before 1965.

With this prosperity a new era of economic development emerged that was characterised by the Suharto government placing huge allotments into infrastructure construction. The years 1974-1975 were

part of the boom period. Average wages doubled, and basic wages of school teachers were increased four times.

In the years 1979-1980 oil prices once more were on the rise. This new oil money allowed the state to further expand such spending as its social welfare budget.

This new wealth let the Indonesian economy prosper. In the years 1971-1981 annual output value of manufactured goods increased by 14 percent, and annual crude oil production rose from 20 million tons of the '60s to over 78 million tons in 1981. Rice production also doubled, making Indonesia a self-sufficient rice producer.

During this decade when the growth rate of Western economies was on the decline, Indonesia's gross national product increased by nearly 8 percent annually.

By 1980 the nation achieved the per-capita GNP of US\$430, nearly five times its 1971 US\$90 GNP. In 1981 Indonesia was listed for the first time as a middle-income country.

But, the prosperity oil brought Indonesia soon proved elusive. Since 1982 oil prices repeatedly dropped, replacing Indonesia's gaiety with a sudden air of depression and anxiety.

In attempting to solve the economic difficulties caused by the drop in oil prices, the Indonesians cut back on expenditures while they devalued the rupiah by 31 percent of its previous value.

Since 1985 the rupiah has dropped even further against the Japanese yen, adding US\$9.3 billion to

the nation's foreign debt.

This yen appreciation/dollar devaluation cycle spelt economic disaster that shattered the good times. By March 1988 the Indonesian foreign debt reached US\$51.3 billion.

As if this were not enough, population began to outstrip food production. Indonesia's annual population growth rate came to 2.1 percent, while its annual rice production growth rate hovered at 0.9 percent.

With the ebb in oil prices, Indonesia had to cope with 1.7 million workers annually entering an extremely restrictive labour market. Because of high unemployment the work week for 40 percent of the labour force was scaled back to 35 hours a week. With 51 percent of the rural dwellers and 28 percent of the urban residents living below the poverty

line, Indonesia had to quickly take some major steps.

Economic Reform

The Indonesian government advanced a package of reform programmes in December 1987 that aimed at putting the economy on the road to recovery. The programme sought to readjust the economy through increasing the quality of fiscal management, relax restrictions on foreign capital, and strengthen policies to encourage exports. Indonesia further gave assurances to the private sector that it had a role to play in the country's development. The privatization of some state companies and the development of a negotiable securities market were a couple of steps in that direction. Further backing this was a state austerity

programme that included freezing salary increases in state enterprises.

The programme soon paid off. In the first seven months of last year, the Indonesian government approved foreign investments of over US\$3 billion. Japan, the main creditor nation of Indonesia, announced last May that it was going to provide Indonesia with further loans of US\$2.3 billion during 1988-1989, more than half of which would be pegged at an interest rate of only 2.7 percent. The government predicted that Indonesia would gain annual foreign investments of between US\$3-4 billion over the next few years.

To strengthen oil prospecting and production, the government granted foreign companies fa-

Members of the Indonesian Blind People's Association welcoming China's Shengyang Acrobatic Troupe at airport. SU XUE



vourable exploration and development rights. It also promoted the use of coal-generated electricity while restricting domestic oil consumption so as to increase oil exports.

With an eye on the unemployment rate the government began to diversify the economy away from its dependence on the oil field. It began setting up more export-oriented labour intensive processing and manufacturing plants. Products such as textile, cement, iron and steel, motorcycle and automobile parts have greatly increased. The state also moved to ban log and rattan exports since it would use primary materials to make plywood and rattan furniture for export.

After such moves were taken, the value of non-petroleum exports in 1987 reached US\$9.3 billion, accounting for 30 percent of total export value, a 40 percent increase over

the previous year. It is estimated that the country's non-petroleum exports this fiscal year (1988-89) will reach US\$11 billion, surpassing the value of oil exports.

Despite these successes the Suharto government still had to trade off for compromise plans. Indonesia had to call off a plan that would have moved some of her 172 million population from the densely settled island of Java to other islands with sparse populations.

The costs—US\$10,000 per five-member family—was just too much. The resettlement of 10 million people would have taken US\$20 billion out of the state's limited resources.

Another problem is the armed forces' control over economic matters. The government allowed the military to play a role of being both defender and corporate director of the country. Board of directors of many large companies

have army officers as leading members who dominate the companies. The state-owned Civilian Oil Corporation, Indonesia's largest monopoly that controls over half the country's income, is also controlled by the military.

Although the government has promised a role for private enterprise, many are doubtful. With the military controlling the national economy, the armed forces enjoy great privilege while small and middle businessmen still face many restrictions.

Last August Suharto confidently predicted a bright future for Indonesia's development. He said that economic growth during the fifth Five-Year Plan (1989-1994) would reach 5 percent and that his nation would be back on the tracks again when its per capita gross national product during the 1994-1998 plan would reach US\$1,000.

□

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Economic Reform Faces New Challenges

China's economy has been faced with some difficulties. Noted economist Liu Guoguang, vice-president of the Chinese Academy of Social Sciences, spelt out just what is happening in an interview in early February.—Ed.

China's reforms have encountered some difficulties along with some East European countries. This has given rise to two opinions, one holding that the difficulties and troubles are caused by the market-oriented reforms and that the only way to restore economic order and curb inflation is to once again concentrate economics into the hands of a centralized political machine. The other view holds that reforms will get nowhere unless public ownership is abolished, that privatization is the only way out.

I believe neither view stands up. Socialism is a young cause and China's reform process is only 10 years old. It is rash to say that reform is doomed just because it has met with difficulties. Socialist reform, on the contrary, is at the crossroads.

We must have faith in reform. We cannot go back to the old, ossified structure that failed us. Most socialist nations are cutting loose the archaic systems that are tying them down.

But, privatization, or capitalism, is also unsuitable for China. I say so not from a sentimental perspective, but from an objective standpoint.

The fate of reforms is directly connected to the general direction of China's economic reforms. China has made it clear that its socialist economy is a planned commodity economy. The direction of the reforms is towards the establish-

ment of a market-oriented socialist economy that can be controlled through a national monetary policy.

In modern economics, mixed ownership systems and market mechanisms can co-exist. China, in the foreseeable future, will continue to use a public ownership system as the main form of mixed ownerships. But, variants of this system will be used such as the collective system and cooperatives.

China believes that both complete state ownership and private ownership have drawbacks. Complete state ownership will not rid China of the shackles of the product economy while too much private enterprise will place us on the expressway to bureaucratic capitalism. China requires a mixed ownership system that exploits market-oriented reforms while maintaining the socialist direction with public ownership as the mainstay.

How did the current difficulties arise? There are also two extreme views over this point. One contends that economic problems, such as inflation, are a natural result of the reform of the old system rather than policy errors. Any country, including developing nations, cannot avoid this in the course of their reforms, they say.

The second view argues that our difficulties are caused because some people advocate inflation, which led to a loose monetary policy.

I think neither of the two views is totally accurate. The present problems are chiefly inflation which has been caused by a failure to control the money supply, and the disorder in economic activity which led to various frictions and widespread corruption. These two problems are connected with the existence of the new and old ways. The inflation of consumption fund seems much more prominent in this transitional period.

Taking the leap between the new and old ways has much to do with the causes of this economic disorder. But our basic direction is still clear. This will be the establishment of a national monetary system with a reformed enterprise system, based upon a market regulatory system.

We should change the state of things in which the new and old systems co-exist while understanding that reforms in the above-mentioned three areas are a long way from completion.

When examining China's economic future, certain variants cannot be overlooked. These include national monetary policy, especially in how much development it desires and how well the two factors of development and reform interact.

Since the start of the reform period in late 1978, the nation has actually progressed through two stages. During the first few years people generally agreed that a relaxed econo-

mic environment was required. A "buyer's market"—that is an economic condition wherein supply slightly exceeds demand—predominated. It was believed that such a system would bring into play market forces that would spur reform and development.

But this view was dropped, by the end of 1984 when the Chinese found themselves in the grips of inflation. A new way of thinking predominated which held that reform could only be carried through when demand would be allowed to outstrip supply.

Policy-making often echoed this in permitting an unhindered free market system to function in many areas.

A strong influence on this policy has been many cases throughout the world that show that reasonable price increases can stimulate economic development. Another problem is the anxiety for quick results in developing the country.

In 1981, it was proposed that quick paced quantitative growth be replaced by an emphasis on efficiency.

But this proposal was neglected. People at all levels wished to record higher output statistics. Soon excessive development targets sent the demand rates soaring well beyond the supply level. Investments expanded, with many production lines imported. Every year industrial growth went beyond the planned 10 percent growth rate.

I disagree with those people who say that China's inflation was created by the economic structure and was inevitable. It can be controlled through the conscientious and consistent implementation of a well understood monetary policy.

Township industries had to be scaled back. They were ge-

nerally heading in the correct direction but the problem was in their panning scale and rapid growth that outpaced the nation's capability of supply.

China is facing a big paradox with its present restraint programme.

No one wants to tighten up, but if we give in, inflation will go further beyond control and with the public anticipating even greater increases, the entire economy will break down.

We must carry on a tight fiscal programme over the next two or three years. It cannot be shaken since there is no other choice.

The rest of the world has taught China this lesson. It's the other nations that showed us we must tighten up, prepare to cut back some output and growth figures so we can have a stable, healthy economy in the coming years.

Retrenchment also had a catalytic effect upon fund shortages in both the industrial and agricultural sectors. But the main fault lay more with poor management. Credits had surpassed income, loans as fixed asset investments could not be repaid, which in the end generated the capital shortage that started last August.

In this case, credit expansion was the real villain behind the crisis. Restraint policy had its impact, but it was secondary to the main cause.

We are trading off economic growth for a stable and healthy economy. Production cut-backs must be subordinated to this programme since a relaxation for even a short period can derail all previous retrenchment work and bring back the same inflationary cycle. We must avoid what happened in 1986, when, fearing a decline in production, we relaxed our retrenchment policy.

This brought a sharp new cy-

cle of inflation that effectively cancelled out all our previous efforts, controls and improvements.

Some theoreticians will probably call for liberalizing restraints, and local governments and even ministries will demand freer funding. It was the same in 1986. Some people then published articles abroad claiming retrenchment had caused losses in billions of yuan in our GNP. Such arguments for liberalization will return and get louder with every passing day.

We should adjust credit and financial policy to support investment in the production of goods that directly correspond to real demands of commodities in everyday use. The effect of increasing these supplies will help to lower costs and thus effectively battle inflation.

We must cut the fat from economy. Products that have no economic benefit, unnecessary structural waste in our offices and factories, must all be cut. There is an ideology of hope that all live in peace and harmony and then the market will prosper. If we dare not use our knives and practise restraint for the next few years, then we will never realize our hopes for an improved standard of living.

We must tighten our belts while bringing in a system of enterprise property rights, market management, and a system of fair income allocation. Also a fair tax system will allow us to establish a social security system which will in turn permit the deepening of economic reform.

Is emphasis of our work to control market demand or to increase supply? The main task is to control total demand under a general programme, and not to increase supply.

Qufu: the City of Confucius

Over the last few years, Qufu, the birthplace of Confucius, has embarked on a large-scale programme of renovation—restoring many of its 300 historical sites to their original splendour. Simultaneously, it has drawn on its heritage to establish itself as the leading centre for Confucian studies in China, upgrading its Confucius Research Centre and holding a series of seminars and symposia. Bai Richang, director of the Japanese edition of "Beijing Review," and Kong Xiangjin, director of the Qufu Television Station and a 75th generation descendant of Confucius, take the reader on a guided tour of the city's past and present.

by Our Staff Reporter Bai Richang and Kong Xiangjin

Qufu, the birthplace of Confucius, has a history dating back 5,000 years. China's legendary Yellow Emperor was born just to its northeast in Shouqiu. The emperors Yan Di, Shen Nong and Shao Hao chose it as their capital. During the Western Zhou Dynasty (11th century BC-771 BC), it was the capital of the state of Lu. The area around the town first became known as Qufu county during the Sui Dynasty (581-618). More recently, in June 1986, the State Council upgraded Qufu's status to a county level city.

Located in southern Shandong Province, Qufu now covers 890 square kilometres. Of its population of 550,000, roughly one-fifth have the sur-

This debate of limiting demand or increasing supply is an old chestnut that people have argued over years.

In the past some said the tight market was caused by insufficient demand rather than over-demand. That argument no longer needs mentioning.

The present debate is with those who believe that the cause of inflation is with a shortage in supply and not with over-demand. I disagree that the situation is so simple.

China's inflation has been caused through excessive demand and those who differ with this explanation simply cannot back up their arguments with facts.

In China, we have had a 20 percent average industrial growth rate, which means a quite high level of supply.

To increase supply means to

increase development speed. And our difficulties in energy, raw materials, foreign exchange and fund supply has been caused precisely by high speed.

The way out must be a retrenchment policy. But how can we benefit from bringing economic order to our society?

The economic reform must go hand in hand with improving the economic environment. That means both the executive approaches and economic approaches should be used.

But when the administrative means is used it must not conceal out or limit the thrust of our market-oriented reforms.

In this vein it must be noted that even in Western market-oriented nations, political leaders have to occasionally intervene in their economies.

One example of this political

intervention could be seen when former US President Richard Nixon froze prices and wages in the early 1970s in his attempt to slow the inflationary cycle.

Without the sophisticated tools that can indirectly control inflation, we have to sometimes use methods that stem from the administrative structure.

That does not mean we will go back to the old centrally planned economy of the past. Nor that we would rather endure instable markets with reform, than being stable and stagnant under the old ways.

To avoid economic chaos, the use of administrative methods must be limited in the economy. By no means should the monopolizing or partitioning of markets be allowed. □

name Kong—Confucius' name in Chinese. But whether claiming direct descendancy from the "Master" or not, all local people are proud of their city's achievements through history. They now want to lead the country in the construction of a socialist culture.

Old and New

Across Qufu are scattered some 300 cultural relics. Although they had come under state protection during the early 1950s, many were wrecked during the "cultural revolution" (1966-76) and even now remain unrepaired. In 1982, the State Council listed Qufu as one of China's major historical and cultural cities, and since then the government has allocated dozens of million yuan towards renovation.

The city's major attraction is the Confucius Temple. Covering 21.8 hectares, its grandeur matches the Palace Museum (Forbidden City) in Beijing and Chengde's mountain resort. At its heart lies the reconstructed Dacheng Hall complete with 17 statues, with Confucius seated in the middle, restored in Qing Dynasty style. The Kuwen Pavilion (known as the Cangshu Library during the Song Dynasty) has also been restored to its original splendour.

Qufu's two other major sites are the Confucius Mansion and Confucian Woods, both of which have now been renovated. The mansion, with its 463 rooms spread over 16 hectares, was occupied by Confucius' eldest son and eldest grand-

son. A typical feudal construction, its front part was used for official functions with the living quarters at the back. Confucian Woods is actually the family graveyard. It now covers more than 200 hectares, ringed by a 7.25-kilometre wall. Inside stand 100,000 trees rising above the numerous tombstones.

Many smaller historical buildings have also been restored, such as the Yan Hui and Zhou Gong temples, the group of buildings beneath Nishan Mountain, the tomb of Emperor Shao Hao and the residence of Mencius. Special care has been taken to protect the underground remains of the ancient state of Lu.

Talking about further plans for renovation, deputy mayor Liu Xiangde says, "1989 marks the 2540th birthday of Confucius. It actually falls on the 27th day of the eighth month of the lunar calendar or September 28, and to celebrate the occasion we are going to rebuild four Ming Dynasty arches on the four main high-

ways leading out of the city. Written on either side of the arches will be four-character inscriptions. As people enter Qufu they will be able to read 'Scholars' Groves,' 'Home of the Learned,' 'Place of Good Faith' and 'Land of Etiquette.' As they depart they will see 'East to Sishui,' 'West to Jin-ning,' 'South to Mount Yi' and 'North to Mount Tai.'

"We are also going to erect four wayside pavilions, each one 5 kilometres from the city centre, where people can greet or bid their guests farewell with Confucius Family Wine."

As far as the funds for restoration are concerned, Liu says, "The cultural relics here belong not just to Qufu and China but also to the world. Donations from friends and overseas Chinese in other countries are always welcome."

New buildings in Qufu have been carefully designed to harmonize with the city's ancient attractions. To the south, modern residential blocks can be seen rising to the skyline, and

Historic: The Shao Hao Mausoleum.



along the ancient moat, which has recently been dredged, newly planted trees add lush beauty to the environment.

Confucianism

Qufu is one of the birthplaces of China's ancient civilization. As well as its many old buildings and the remains of the ancient city of Lu, it also has several hundred thousand Confucius family files, steles dating from various dynasties, stone carvings from the Han Dynasty (206 BC-220 AD) and many unearthed relics. The entire city is a living museum for the study of Confucius, Confucianism, traditional Chinese culture and Oriental civilization.

Among the changes brought about in China since the Third Plenary Session of the 11th Party Central Committee at the end of 1978 has been the practice of discussing theory and academic issues in a practical and realistic way. This has included calls for the re-evaluation of Confucius. Studies of Confucianism have be-

come widespread across the country, with Qufu taking the leading role.

To meet this growing interest in Confucius, Qufu Normal University upgraded its Confucius Research Centre to institute status in 1983. It now boasts 18 research staff, including three professors and three associate professors. They all maintain that the systematic study of Confucius and Confucianism will not only be of great significance in helping China inherit its fine cultural legacy, but will also aid cultural interflow between East and West and even advance human society.

Over the last few years, the institute has published 333 papers and 75 academic works, as well as sponsoring provincial and national symposia. Its regular publication, *Confucian Studies and Activities Information*, has also proved popular with academic circles. It now exchanges material and documents with 150 other organizations across China and has received scholars from

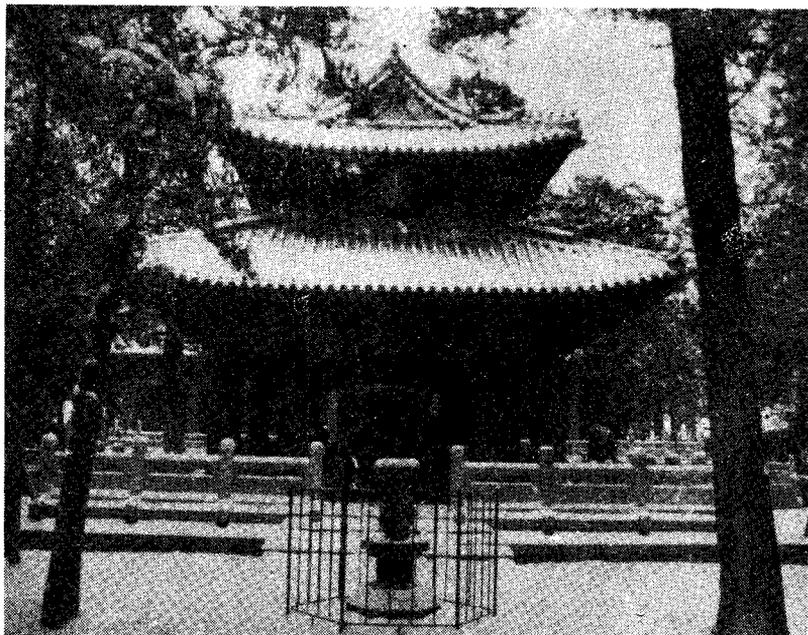
dozens of countries such as Japan, Singapore, the Soviet Union and the United States for discussions and research exchanges.

On September 22, 1984—the 2535th anniversary of Confucius' birth—the China Confucius Foundation was established in Qufu. A non-governmental organization, its aim is to help academics from both China and overseas study how the Confucian tradition can serve the country's modernization drive, human civilization and social progress.

In collaboration with a Singaporean institute of East Asian philosophy, the foundation mounted a symposium in Qufu during September 1987 bringing together 130 academics from China and 12 other countries. Over the space of five days, more than 100 papers were delivered, with heated discussion developing around the issue of "Confucianism, Its Evolution and Influence." It has generally been acknowledged that this event has had a tremendous impact on Confucian studies both in China and internationally. A similar symposium was held in Bonn last October backed by the Confucius Foundation and the Konrad Adenauer Foundation.

This year the foundation and UNESCO will jointly sponsor a seminar in Beijing to commemorate the 2540th birthday of Confucius. The participants, who are expected to include several state leaders, will travel onto Qufu afterwards. Both members of the Kong family and the entire population of Qufu hope that Kong Decheng, a 77th generation descendant of Confucius now living in Taiwan, will return to his ancestral home to offer a sacrifice to his illus-

Restored: Xingtian Temple, part of the Confucius Temple compound.





Learning: The International Symposium on Confucianism in session.

trious forebear and participate in the seminar. Not only do they believe he can offer much to the study of Confucianism, but they hope his presence will strengthen cultural ties across the Taiwan Straits.

Education

Qufu is well-known as a centre of learning in China. Indeed it is sometimes referred to as "the home of education." Confucius himself ran a private school there, and ever since, education has prospered and produced countless renowned scholars.

The citizens of Qufu are as enthusiastic as ever to keep this reputation in tact. Most primary and middle schools have been built with donations from local people as well as government funding. One farmer, for instance, donated 10,000 yuan to the construction of a primary school. Another gave 30,000 yuan to-

wards a kindergarten. Overseas Chinese and compatriots in Hong Kong, Macao and Taiwan have also made generous contributions. Last July, for instance, a man from Hong Kong gave 200,000 yuan to Xingtian Middle School for a science laboratory and 216,000 to Nishan Middle School for new classrooms.

Respect for teachers and education has long been widespread in Qufu. Today, 70 percent of municipal government cadres have received college educations, and they in turn show much

concern for the welfare of teachers and educational establishments. Every year, the municipal government selects outstanding teachers for special commendation, and over the last few years more than 800 have received honorary titles. In Dongguo Village, all teachers' families are entitled to "four priorities" — preferential treatment for housing, cultivation, irrigation and chemical fertilizer. With a decent standard of living assured, the teachers can devote all their energy to the education of the younger generation.

The interest ordinary people take in the education of their children can be seen in the stories

that are often repeated around Qufu: how Confucius lost his father when he was three years old and his mother moved to Queli to teach him etiquette and handicraft skills; and how the mother of Mencius moved three times in search of a neighbourhood where her son could concentrate solely on his studies.

Nowadays, both in the city and the countryside, people work hard to save money for their children's schooling and give them a proper home to do their homework. The children are not allowed to work in their vacations, and consequently few have dropped out of school to engage in business. For example, all the 1,600 students at Qufu No. 1 Middle School have stayed on, even those unlikely to go on to further education. No one believes the absurdity "to study is a waste of time" which is becoming an increasingly common saying in many parts of the country.

The Normal University in Qufu has a high reputation na-

Friendliness: A traffic policeman helps a cyclist.





Guests: Former US Secretary of State George Shultz with his wife in Qufu.

tionwide. With 12 departments, it offers 16 specialisms and now has 4,600 students. It is run by the provincial government despite the fact that Qufu is only a county-level city, making it something of a rarity in China. This can probably be attributed to the fact that Confucius and Mencius were born in the city.

The Qufu Teachers' School is another of the city's famous institutions. Founded in 1905, it now has a faculty of 100 and 1,000 students. To date, 20,000 graduates have passed out of its gates, all of them educated on Confucius' principle, "To be insatiable in learning, untiring in teaching others." In 1988, it was cited as a nationally outstanding normal school.

Among the school's graduates are Wan Li, current chairman of the Standing Committee of the National People's Congress, and Chen Chu, first Chinese ambassador to Japan. On a visit to his

Alma Mater in November 1985, Wan wrote a special inscription, "Train more sowers of fine culture and ethics." Other graduates can be found in all corners of the country, and alumni in Taiwan formed their own association in 1979. In 1982, the school's authorities invited them to return and take part in the school's 80th anniversary celebrations.

In 1988, one former student now living in Taiwan revisited his old school. On his way home he wrote, "A man is not a stalk of grass or a tree: how can he be free of his feelings? My Alma Mater has a fine tradition, the impression of which is indelibly printed on my memory." He continued: "When I returned to my hometown, the first thing I did was visit my school. We have been separated for more than 40 years, but it shines in ever greater splendour...."

Land of Etiquette

Since time immemorial,

Qufu has been known as the land of etiquette. Today, its people continue this tradition in their work to construct a socialist civilized city.

Regular drives are made to raise the city's already high standards, with specific targets being set for various work units and trades. Government officials have to set an example with their own conduct. Following Confucian and Mencian doctrines, the citizens of Qufu pay great attention to respecting their elders. The elderly enjoy a quiet and comfortable life, either cared for by

their children or by the government if they are childless. The city now has more than 100 old people's homes, and all widows and widowers are supplied with grain and fuel at regular intervals throughout the year.

Despite the city's pride in its achievements, Qufu is not an inward-looking or xenophobic place. Its citizens strive to be friendly to people from other parts of the country and overseas. Everyone on its streets, including policemen, are always glad to give directions when asked, and shops and restaurants will never cheat an outsider. They sum up their attitude with a couple of sayings, "To a Chinese guest I am Qufu, to a foreign guest I am China," and "a good home for Qufu people, a good Qufu for outsiders, and a good China for foreigners." The people like to say, "It's inappropriate to quarrel with outsiders. But if a dispute does take place, the first thing we should do is

examine ourselves.”

Arguments, however, are rare, and many visitors to the city have commented on the warmth and friendliness with which they have been received and cared for. Cases of lost money being returned to their rightful owners, for example, are frequent events. One woman attendant at the Taihe Hotel has returned a total of 30,000 yuan in the last two years, and there's a famous instance when a group of school pupils chased a tourist group over a long distance to reunite a wallet with its owner.

The city's civic pride is manifested in its cleanliness and tidiness. Potted plants can be seen everywhere, and there are no drinking bouts in restaurants or quarrels on the streets. Qufu's crime rate is low, and serious cases are extremely rare.

City for Visitors

Ever since ancient times, Qufu has been a stopping place for visitors. Some came to pay homage to Confucius, some

just for sightseeing, and some for both reasons.

More than 2,000 years ago, Liu Bang, the first Han Dynasty emperor, offered sacrifices to Confucius with a hog, an ox and a goat when he was passing through Lu (now Shandong) on his way back from Huainan. His gift was much praised by Confucianists in later dynasties who alleged it helped the Han Dynasty last for 400 years. As a result, a dozen subsequent rulers all came to Qufu to pray for similar good fortune. The Qing emperor Kang Xi fell on his knees three times and prostrated himself nine times before the statue of Confucius and then offered a sacrifice at his tomb. Emperor Qian Long, visited both the Confucius Temple and Confucian Woods on each of his eight trips to the city.

Heads of state still come to Qufu. Francois Mitterrand came just before he took office as president of France. He bowed three times before the tomb of Confucius and recited passages from *The Analects*. In

1984, Singapore's prime minister Lee Kuan Yew brought his wife and daughter. He said, "Qufu is a shrine to Confucianism: I've come to learn."

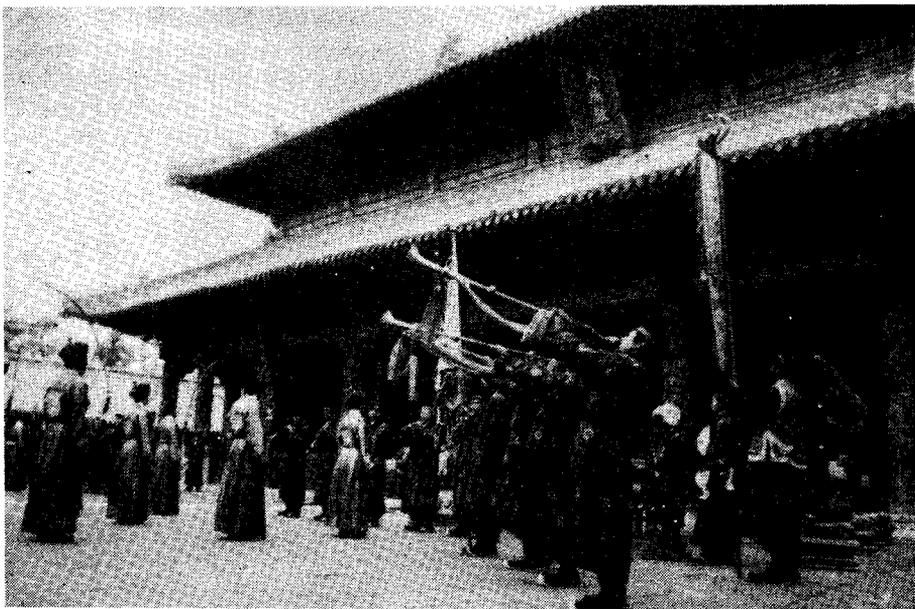
American secretary of state George Shultz visited in 1987. Standing before the Dacheng Hall, he marvelled at its size and declared it to be a crystallization of the wisdom and skill of China's working people. Last May, Irish president Patrick Hillery and family were another set of delighted and distinguished visitors to the city.

Since Qufu was reopened in 1979, the number of tourists coming to the city has increased annually. One major attraction has been the Confucius Homeland Tour, held every year on Confucius' birthday. Starting this year, it is going to be renamed the Confucius Cultural Festival, and will be expanded to include a memorial service, seminars, an exhibition of the "Master's" life, and demonstrations of sacrificial rites and the "six arts" required of ancient scholars—mastery of rites, music, archery, charioteering, learning and mathematics—as well as a wide range of tourist activities.

This year's Confucius Cultural Festival will be held between September 26 and October 10. The people of Qufu are now looking forward to welcoming people from all corners of the world to join in their celebrations. Their friendliness and enthusiasm for their city should ensure all visitors to have a memorable time in one of China's most memorable cities. □

Celebrations: Music and dance at a ceremony in memory of Confucius.

Photos by LIU CHUANFA



A Japanese Friend of Qufu

Although he hails from Japan, Hiroshige Yamaura has been made an honorary citizen of Qufu, the hometown of Confucius. Last autumn, I met him in the Beijing Toronto Hotel to find out more about his gifts to city and why he holds Confucius in such great esteem.

by Our Staff Reporter Bai Richang

Hiroshige Yamaura's friendship with Qufu began six years ago when he visited the city with a Japanese friend. Since then he has returned eight times. Indeed, every time he visits China, Qufu is on his itinerary. The reason for this is the Confucius Temple in his hometown of Ashikaga. Yamaura said, "When I was young, I used to go there and pay my respects to Confucius. Since he came from Qufu, it was the place I always yearned to go to. Not for sightseeing but only to pay homage to Confucius. I have always made a small offering at the Confucius Temple there on every visit."

Qufu itself has clearly made quite an impression on Yamaura: "Of all Chinese cities and towns, it's the most beautiful. All of its inhabitants are so courteous." But not content to be simply an appreciative visitor, he decided to contribute to the city's development. "The mayor and deputy mayors told me about an impressive project under way to restore Qufu to its original appearance. I immediately wanted to participate and donated some money to plant trees in the city."

Over the past few years, Yamaura has contributed 1.2 million

yen to the afforestation of the city moat. On his last trip, he handed over another 10 million yen and presented gifts of pianos, cars, film projectors and video recorders to the Qufu Children's Fund and the local television station.

To commemorate his benevolence, the city's municipal government has erected a stone tablet complete with an inscription written by Zhao Puchu, the president of the Buddhist Association of China. The inscription reads: "For contributions to afforestation and friendship between peoples." It was unveiled on the morning of October 7, 1988, and later the same day Yamaura and Masao Nishimura, another Japanese friend of Qufu, were conferred the title "Honorary Citizen of Qufu City."

"How does it feel to be an honorary citizen of Qufu?" I asked Yamaura.

"It makes me feel as if I'm just like the other people who live here. I was never looking for fame, and no one ever said anything about it before I gave the 10 million yen." In fact, the decision to make Yamaura an honorary citizen had only been approved by the Standing Committee of the city's People's Congress on September 28—its fortunate timing with Yamaura's forthcoming visit was a pure coincidence.

As a devout Buddhist, Yamaura's personal motto is "self-control, self-contentment and self-composedness." He has visited India and Nepal many times, and in China has been to many important Buddhist sites: Emei Mountain in Sichuan Province, Wutai Mountain in Shanxi Province, Tiantong Temple in Ningbo, and Hanshan Temple in Suzhou. But as he said, "Qufu is the heart of Confucianism. India and China are

the hearts of Buddhism, and Buddhism came to Japan from China. As both Confucianism and Buddhism have long been in my heart, when I come to China I'm returning to my homeland. Just as Japan benefited from Chinese culture in ancient times, now, as a Japanese citizen, I want to do something for Qufu and China." □

Hiroshige Yamaura and his wife with the tablet commemorating his services to Qufu.



A Village by the Lhasa River (III)

In the third instalment of our series on life in the Tibetan village of Xiangga, Zhang Wei and Yang Xiaobing discover how greater links with the outside world have brought many changes in cultural life and spare time activities.

by Our Staff Reporters Zhang Wei and Yang Xiaobing

Phoning from Lhasa to Beijing, several thousand kilometres apart, is quite an easy matter, usually taking just a few minutes. However, making a phone call to Xiangga, only eight kilometres away, is impossible. When we wanted to telephone someone, we discovered quite simply there was no phone in the vil-

A young girl from Xiangga.



lage. Even the township government office lacks this modern amenity. To find someone we had no other choice but to drive off in search of them.

Xiangga stands on the Tibetan Plateau, some 3,650 metres above sea level. Its links with the outside consist of several worn-out wires put up in 1975 to send news, weather forecasts, local music and plays from the township government's broadcast office to every village in the area. In the many years before the cables were put up, the villagers lived in total isolation from the rest of the world. But growing prosperity during the 1980s has started to bring about changes. Now, about 80 percent of families have radios, some even have television sets and radio cassette recorders. They can receive three channels from CCTV and local TV stations. No longer does the world seem totally remote.

The first television set arrived in Xiangga during the late 1970s. At the time, many villagers

were shocked when they saw a young man and woman hugging and kissing each other in love movies, and immediately covered their eyes. Now, such scenes are commonplace, and no one even blinks.

Today, many young men and women often go into Lhasa for a disco party. Laba Ciren, a 25-year-old Xiangga villager, says, "Disco, with its strong rhythms, is somewhat like our Tibetan 'step dance.' I listen to it on my Sanyo four-speaker radio-cassette recorder. My favourite singer is Deng Lijun from Taiwan—I really like her love songs, and I even have her portrait hung in my room." Laba Ciren wears a big sweater with "New York" emblazoned across the front, a fashion in vogue in Beijing just two years ago. On his wrist is a Titoni platinum watch he bought for 1,000 yuan in Lhasa last year. "This watch is not only a time-keeper but also a beautiful ornament. At least it tells others I'm not poor."

Only ten years ago, wrist-watches were seen as luxuries in Xiangga. Some 30 years further back, there was not one watch or clock in the whole village. Time was kept by observing the sun. Now almost every family has wrist-watches and clocks. Laba Ciren's family are one of the better-off families in the village. He has a tractor valued at 10,000 yuan and earns about 90 yuan every day transport-

ZHANG WEI

ing timber and rocks for others. He now has one man to help him, who he gives food, boarding and five yuan a day. "He's one of my relatives," Laba Ciren says, unwilling to admit he has hired a worker.

Laba Ciren ushers us into his home. It's a decent two-storey wooden building. Upstairs is a big room, some 40 square metres in size. Inside are several sofas and beds covered with woollen blankets and shawls. A quartz clock hangs on the wall, and on the table stands a Japanese colour television and radio cassette recorder. There is no bookcase or bookshelf in the room. Laba Ciren says he seldom reads books or magazines. Although he only has five years' schooling, he once taught in the village's primary school for a few years and could be described as one of the village's intellectuals. Nonetheless he still asks, "What's the good of studying? I'd rather drive my tractor and make some money." Of all the villagers we visited in Xiangga, few had any books and magazines, and almost no one subscribed to a newspaper.

At the side of the village road, groups of villagers can always be seen sunning themselves or playing cards. One 40-year-old woman says, "The sun is quite warm here in Xiangga. What's it like in your place?" When we ask a teenage girl why she doesn't go to school or work, but plays her time away instead, she just smiles embarrassedly, without uttering a single word. "We have enough to eat and wear," her father says in a carefree



Dawa: "I like watching love movies."

manner. "We have nothing to worry about. Why study?"

Laba Ciren's father seems more far-sighted than his son. Although less educated, he has managed to support his three daughters up to middle school. One of them now studies in Lhasa, and the other two are in Chongqing, Sichuan Province. "I want to make them intellectuals," Laba Ciren's father says. "If possible, I want them to go all the way to university."

For most of Xiangga's young people, the major pastime is playing cards or *mahjong*. Young boys are fond of kicking a ball by the Lhasa River. The only and the most important recreation shared by everyone is the movie shows, presented irregularly by the township projection team: sometimes twice a week, sometimes once a month. When a film arrives, all the villagers bring

their stools and chairs to a patch of open ground for a grand gathering. But despite the cinema's popularity, people still aren't always happy. "All the movies shown here are too old," they complain. "We hardly see any new productions, and there's almost nothing about our Tibet." An old man chimes in, "And the only movies that are about Tibet were made in the 1960s. *The Serfs* and *The Colourful Road*, for example, and we've seen them many times."

Every August, people from Xiangga and all around the Lhasa celebrate the *Wangguo* festival in anticipation of a good harvest. It is their second biggest festival after Tibetan New Year. When the festival arrives, the

entire village pools money to invite a Tibetan opera troupe from Lhasa to join their celebrations, which include a great deal of singing and dancing.

Basang, 68, has lived in Xiangga ever since he was born. He sticks to his traditional ways: strolling besides the Lhasa River early in the morning and late at night, fondling his prayer beads and murmuring Buddhist sutras. One evening, we came across him at the riverside. Behind him were Laba Ciren and several other young men. All dressed in Western suits, they were preparing for a night on the town in one of Lhasa's billiard halls or discotheques. In Xiangga, the generation gap is as apparent as the difference between the village's past and present. Clearly, everything is changing in Xiangga, even if a little bit slowly. □

Lhasa: From Riots to Martial Law

Following three days of rioting in the Tibetan capital of Lhasa, China's State Council imposed martial law on the city with effect from midnight on March 7. Such strong measures to secure the stability of a region are seldom seen, so what were the events that lay behind the decision?

by Shi Ming

On the morning of March 5, the people of Lhasa peacefully went about their own lives. Some prayed and paid religious homage at the Zuglakang Monastery. Others went shopping in Bargor Street. Not one of them thought their city, one of the world centres of Buddhism, was about to become engulfed in a series of riots and other criminal activities.

Around noon, the first hint of an evil wind began to blow along the busy streets. A group of lamas and nuns raised banners with "snow mountain and a lion" and began to call out "independence for Tibet." Using the cloak of *kasaya*, these people had no wish to propagate Buddhism: they wanted to make trouble.

The group was followed by several dozen people. Some bystanders stopped just to have a look, and the public security officers on duty adopted a restrained attitude, observing without interfering. But 15 minutes later, these nuns and lamas began to pick a quarrel. They spat at the public security officers, started throwing stones at their pol-



Smoke pours from a looted shop.

JUE GUO

ice station and began smashing doors and windows.

To stop the situation deteriorating, the public security officers used teargas to disperse the group. Quickly, several hundred rioters stood facing the police in the square before the Zuglakang Monastery. Some even committed the blasphemy of climbing on to the monastery's roof, where they started to throw stones at the police below.

When the news of the rioting reached leading members of the Tibet Autonomous Region Party Committee and

People's Government, instructions were dispatched that the police were not to open fire. Simultaneously, calls were issued to people in the Zuglakang Monastery not to join the riot.

By 4 pm, three ringleaders had ordered the rioters to attack the office buildings of the Chengguan District Government, Communist Party Committee and Public Security Branch, the Jiri Police Station and the Ganjilin Neighbourhood Committee building. As the attacks went ahead, shops were looted and people

beaten up.

Shootings

This was not an act "expressing the will of the people," but flagrant and violent looting. Consequently, the autonomous region's Public Security Bureau received orders to send about 1,000 armed police and public security officers to the scene of the riot. On their arrival, some of the rioters fired at them with rifles and pistols. As there was no other means to stop the riot, the police returned fire. One policeman was killed and over 40 injured, 10 seriously. Of the rioters and onlookers, 10 were killed and another 60 injured.

With this, the citizens of Lhasa thought peace would return to their city. Unexpectedly, it turned out to be just the first of three days of rioting.

At midday the next day, 1,000 rioters gathered at the East Beijing Road and the central stretch of Beijing Road. At first they attacked and beat up pedestrians and policemen, smashing their bicycles. Then they began to parade along the streets, attacking government offices, setting fire to shops



With martial law declared and peace on the streets, a local woman offers soldiers tea. TANG ZHAOMING

and disrupting school classes.

At 4 pm, some 300 of the rioters wearing gauze face masks and with their heads wrapped in white cloth again began shouting "independence for Tibet" and waving banners with snow mountains and a lion. The mob ran along East Beijing Road, Central Beijing Road, Sela Road and Youth Road. Several dozen shops were seriously damaged. The

offices of the Chengguan District Government, Communist Party Committee, the District People's Government and the Bargor and Jiri Neighbourhood Committees were encircled and attacked. Files were burnt and some people were beaten. An air of terror prevailed across the city.

After being dispersed by the police, one rioter was found dead and another six injured. Two public security personnel were also wounded. The repeated riots had paralysed Lhasa: state offices had shut down, factories stopped operation, students couldn't go to school, the streets were deserted.

At 11 am on March 7, several hundred rioters again gathered on East Beijing Road and Central Beijing Road. They played the same old trick: at midday they struck down a Han nationality merchant at a crossroad of East Beijing Road and Youth Road. In the crowd, two people wearing face masks could be seen organizing the crime.

Just before this latest riot,

One of the policemen injured in the riots.

TANG ZHAOMING



peddlars and their customers had filled the streets of Dusenge Road, North Lingu Road, South Jiefang Road and Central Beijing Road. But within moments, all that could be seen was devastation. Looking at the scene, one could only be filled with feelings of grief and indignation. Would the riots continue? Would there be no end to this catastrophe? Was there no way these rioters could be conquered?

Victims

On my way to cover this story, I saw some shopkeepers raking up the ashes in what remained of their shops. One unkempt middle-aged woman leant against a broken wall. Staring blankly, she repeated, "How shall I live now?"

Several shop owners from Zhejiang Province told me, "We've never been so afraid since we came here a few years ago."

Before a state-owned shop, I saw shop assistants loading goods onto a truck. "These last two days, our hearts have been in our throats. Yesterday a group of people burst in and one of them threw stones at us. All night people have been beating our door. We were so afraid that the sweat oozed from foreheads—we did nothing but cry," said one saleswoman.

Passing Lhasa's No. 1 Primary School, I saw three teachers locking the school gate. When I asked them why, one said angrily, "The school had just opened on March 1, and now classes are suspended. Look at the disorder—how can parents feel easy about letting their children go to school?"

After the riots I visited a young Tibetan in the emergency ward of the Lhasa's People's

Hospital. Called Adong, he described how he had been walking along Dusenge Road the night before when he had encountered three young Tibetans. They interrogated him. He replied he was a Tibetan who had come from Batang in Sichuan Province to Lhasa on business. No sooner had he given his answer than the three men started pelting him with stones.

Another person I talked to was Cheng Shuangbu, a young man of Hui nationality. He said he had come to Lhasa when it opened to the outside world. With his friends he ran a shop in Bargor Street. Business was brisk—until March 6:

"All the goods in the shop

were looted. Rioters threw them into the street, poured petrol on to them and set them alight. In no time the street was filled with smoke. Now dozens of us Huis are homeless and have to stay in a mosque."

Behind the Events

This "March 5 Event" was the most serious riot in Tibet in recent years. It was serious because: first, the scale was large, the riots lasted for a long time and it was hard to break up the crowd. Second, the damage was serious, with the sabotage embodying a deliberate attack on national unity. And third, separatists in exile were involved, sending people into Lhasa disguised as tourists and transporting wea-

Business returns to normal in the markets of Lhasa.

MA JINQIU



pons secretly from abroad.

In an article titled "Young Exiles Support Violent Events" in the *Hong Kong Standard* of March 9, it was revealed that the "Tibetan Youth Congress," an organization of Tibetan exiles founded abroad in 1970, were advocating the use of armed struggle to realize Tibet's independence. The article said, "It is said that members of the Tibetan Youth Congress went to Tibet secretly and to organize riots in Lhasa."

Since mid-February, separatists abroad have threatened that March 10, the 30th anniversary of an earlier Lhasa rebellion in 1959, would be a day on which Tibetans would retaliate for the "losses they had suffered" on March 5 last year.

Back to Normal

On March 7, China's State Council took the decision to impose martial law on Lhasa. By 6:30 in the evening, soldiers from the People's Liberation Army had moved to designated sites around the city.

At 8 pm, Duoji Cairang, chairman of the Tibetan Autonomous Region's People's Government, appeared on television in Lhasa. He announced the State Council's decision and outlined the rules and regulations that would be enforced. At midnight, when the law came into effect, more than 700 armed policemen and public security personnel began searching the city for participants in the riots. By 7 am the next morning, they had caught more than 100.

As people awoke on March 8, they could see soldiers, armed police and public security personnel on patrol. Gradually, in groups of two or three, citizens started to ven-

ture onto the streets. Chanting scriptures and prostrating themselves, they went to worship in front of the Zuglakang Monastery. Once again the Chongsaikang Market and the Longwangtan Agricultural and Animal Produce Fair bustled with activity. Lhasa had begun to return to normality.

I saw people expressing their gratitude at being able to resume a normal life. One old Tibetan shook hands with a PLA soldier, another old woman specially prepared a bottle of buttered tea for a nearby patrol. She said the PLA had shared both the comforts and hardships of the masses since the liberation of Lhasa in 1951.

Workers and staff at the city's milk company and municipal grain and oil departments were particularly busy. They travelled day and night in order to start distributing 100 tons of butter from Beijing and Inner Mongolia on March 10.

Ciren Qunzong, a tailor living in Bargar Street, gave information to the local police substation on the course of the riots. He told officers how his son and daughter had participated on March 6 and 7, asking them to investigate their actions and subject them to discipline.

During the riots and the first three days of martial law, 305 people were arrested and brought to justice. Some of them surrendered on the advice of their friends and relatives. Others were caught participating in the riots or picked up in the searches afterwards. Now, they are beginning to understand that people who use violence in an attempt to split the Chinese motherland do not enjoy popular support.

(Abridged from the "Outlook Weekly," No. 12, 1989, overseas edition)

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(A Quarterly in Chinese)

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China's Foreign Relations: A Chronicle (September 1988-November 1988)

Shipping Co. Expands Fast

Since its establishment ten years ago, Haixing Co. has grown fast to become one of Shanghai's major ocean-going shipping companies. Last year it transported 5.9 million tons of freight—seven times more than in 1979.

Haixing is a subsidiary of the Shanghai Sea Transportation Bureau. Its fleet ranges from passenger ships to oil tankers with tonnages of 3,000-60,000 tons. As well as transporting passengers and cargoes, it also deals in ship hire.

General Director Cai Guohua said the company had grown from serving ports in Japan and Southeast Asia to sending ships to 270 destinations in 50 countries and regions worldwide. He added

that Haixing had now established agency links with Japan and the United States and business ties with Singapore, Hong Kong and some ten other countries and regions, and kept in close touch with more than 100 other foreign shipping companies.

In 1980, Haixing were the first company to reopen the shipping route between Shanghai and Hong Kong after a 30-year suspension of the service. Since then, its three ships running the route, *S.S. Shanghai*, *S.S. Haixing* and *S.S. Jinjiang*, have carried more than



Passengers from Hong Kong disembark from the S.S. Shanghai.

100,000 passengers and 1 million tons of cargo.

The S.S. Haixing was built in Holland during the late 1950s. With a waterline length of 189 feet, it carries 128 crew and 434 passengers.

by Dai Gang

China's No. 1 Book Buyer

Every year, China's 1,066 universities and colleges spend more than 100 million yuan on books, magazines and newspapers. About 80 percent of this goes to importing publications from abroad.

As a result, the China Educational Publications Import and Export Corp. (CEPC) has, since its establishment in May 1987, become the second largest of China's four publication import-export corporations.

According to General Manager Yuan Hua, CEPC's imports last year totalled almost US\$20 million—two-fifths of all China's expenditure on buying foreign publications. He said CEPC had now established ties with more than 100 publishers in 75 countries around the world.

The corporation's main tasks are to ensure supplies of books, magazines, teaching

materials, audio-visual and micro-film products and organize publication exhibitions for universities and colleges. In 1989, the corporation plans to import 32,000 copies of magazines and newspapers valued at US\$5 million for more than 600 universities and colleges throughout the country.

Because of shortages of funds, special and technical secondary schools, middle schools and primary schools can only purchase a few books.

Last year, CEPC exported copies of 600 books and teaching materials to a dozen countries and regions including Hong Kong, Macao and Taiwan, making it the fourth largest exporter of Chinese books.

Yuan said several problems hindered the expansion of the corporation's exports. For instance, books on Chinese science and technology lag far behind

equivalents published in Europe and North America, partly because China's Security Law prohibits the publication of information on advanced technology. Also, the poor printing quality, low price and consequent small profits discourage foreign book buyers from dealing with China.

CEPC and Beijing Review Press are presently looking for foreign partners to publish a series of books on *qigong*, a form of Chinese deep breathing exercises. The six books in the series have a total of 1.8 million words, and are the most authoritative source of information on *qigong* available in China. They examine the origins of *qigong*, its theory, its major characteristics and include a course featuring more than 300 kinds of exercises from the 50 most popular varieties of *qigong*.

by Yue Haitao

Guo Zurong—A Diligent And Prolific Composer

Not long ago, Guo Zurong was quite an alien name among the musical circle in Beijing. However, he suddenly found himself in the lime-light after a concert of his works was performed in Beijing in January.

Symphony No. 4 (Mountain Song), though typical of Western classical music, contains many folk musical elements popular in his home province of Fujian, on the coast facing Taiwan across the strait.

Fujian has a great variety of local music dating back to ancient times which is characterized by its beautiful slow paced melody.

Guo's *Mountain Song* gives a vivid description of spring time on a mountain and the awakening earth. The second movement has a charming depiction of the dance scene of



the local people, and the third becomes more emotional, giving vent to the strong feelings of the composer.

Symphony No. 5 composed in 1986 adopts many modern musical techniques. However it also combines many of the

Chinese traditional music.

Piano and Orchestra is a work written only a few months ago characterized by its sad and depressing tone. The theme music and the uneasy ending reflects the composer's deep thought about life and his feelings.

Guo Zurong, 58, began to compose tones for classical Chinese poems since he was a young man. In 1954, he graduated from the music department of the Fujian Teachers College. In the same year, he wrote his first piano concerto. After that he wrote many

works while serving as a teacher of music. In 1987, he became a professional composer at the Fujian Academy of Arts. Up till now, he has composed more than 200 works including seven symphonies, six piano concertos, 24 other works for wind and string instruments and chorus singing.

Liang Maochun, a renowned Chinese music critic, highly praised Guo in an article published in *Renmin Yinyue* (People's Music), "Although Guo's works shows some immaturity in adopting new techniques, his explorative endeavour deserves high evaluation."

In present day China, traditional music is facing a strong challenge. Pop music, the ever-increasing influence of television, the changing taste of the audience and the popularity of recreational centres has reduced the attraction of traditional music. But, the success of Guo's concert can still be considered as a hopeful sign for Chinese symphonic works. □

A Person From the Yelang World

Two thousand years ago, the King of Yelang, a tiny, unknown state in southwest China, without a second thought, asked an envoy of the powerful Han Emperor, "Which is bigger, the land of the Han or our Yelang State?" After this, the words *yelang* in Chinese took on the meaning of "blind conceit." In fact, artists recently here from Yelang really have a reason to be conceited, because every one of their exhibitions caused a sensation in Beijing.

Liu Yong, who has a strong

will, is an artist who has succeeded through struggle and difficulties. He is 44 years old and was born in an upper class Puyi minority family in Guizhou Province, southwest China. After his father, one of the famous poets in the area, died, the family fell into straitened circumstances. Liu had to take on odd jobs, such as road-building and other work, after he graduated from middle school. Later he became interested in making pottery.

As a member of the Puyi minority, he loves the local folk

art of his nationality and seeks its roots in his native mysterious land of Guizhou. He admires the exquisite embroideries, cross-stitch works, batik prints, the bronze drum, and other crafts, and keenly fears the danger of these arts dying out, of their not being handed down and continued. One of the few who sensed this with regret, he felt it was his responsibility to collect, hand down and develop the native folk art. He drew inspiration from the ornamental designs in the people's dyeing, weaving, and embroidery crafts and incorporated these into the shapes of their traditional

bronze ware and pottery in creating his own unique art work.

At the exhibition, people were able to view his trial works. One of them is a two-metre-tall figure of the *Bamboo King*—ancestor of the Ye-lang people. This work of art, rich in imagination, is completely of bamboo. The *King*, wearing a bamboo hat and cloak, looks down at his viewers with an air of solemnity and conceit, bringing smiles to their faces. As intended by Liu Yong, he is recognizable as the blindly conceited King of Ye-lang State of legendary fame.

The big pottery statue *Thunder God*, who has one eye open and the other shut, holds a string of rings which represent, in the artist's conception, thunder. The god's wrath and unlimited power is well represented in the figure which is covered by a highly decorative

pattern made up of three colours, yellow, black and white.

In addition to drawing nourishment from folk art, Liu Yong, who is an outstanding cartoonist, also injects artistic exaggeration and humour into his pottery creations.

The statue of *Buddha's Head Covered With Droppings* shows a little bird who dared to make a mess on Buddha's head. Through this work, the artist wanted to indicate that "Almighty God" was not always almighty, and that "scholars" may not always be "learned," for sometimes they do not realize the essence of "God" as clearly as a bird.

Trinity is the statue of a man under a pigeon's wing. The man represents both earth and mankind. The theme the artist wished to express was that human beings, earth and peace are inseparable.

The exhibition also displays

many of Liu Yong's cartoons. He is good at plotting. He puts emphasis on criticizing current shortcomings, and satirizes evils. His works belong to the "sociological school." His pictures always appear somewhat amusing such as *A Fine Horse Trips Over the Reins*, *A Whale in a Fish Bowl*, *A Swan Swallowed by a Toad*.

In 1978, one of his cartoons was published in a domestic influential paper. It was a toad catching a desperately struggling swan. The



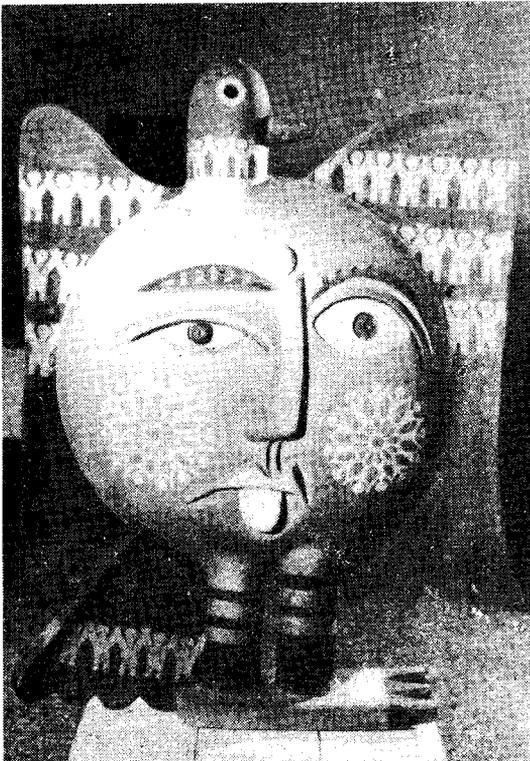
Liu Yong's totem-like pottery sculpture "Ear God."

caption read: "Either we fly in the sky together or fall in the water together!" By drawing the struggling swan and the toad's sly smile he wanted to touch on the contradiction between beauty and evil.

At the China Cartoon Exhibition in July 1988, Liu Yong won China's Golden Monkey Cartoon Prize, the highest prize in this field, for his work, *God, People and Bird*. The work satirizes the blind worship of religion. With the publication of this cartoon, the artist entered a new stage in his development. Later, his cartoon *Safety* won an excellent award at an international cartoon exhibition in 1988 sponsored by *Yomiuri Shim-bun*, Japan.

by Wei Liming

Liu Yong's totem-like pottery sculpture "Trinity."



Height of Chinese Varies Geographically

RENMIN RIBAO
(People's Daily)

The average height of the Chinese differs greatly from region to region, and the tallest are those living in north China, with an average height of over 167 cm.

According to a recent survey of 23 ethnic minorities and the Han people in 16 provinces, autonomous regions and municipalities of the country, those living in the Huanghe (Yellow) River valley and north and northwest China are the tallest while the shortest are the ethnic groups residing in the southwest, with an average height of below 159 cm.

The survey, conducted over ten years by professor Zhang Zhenbiao of the Institute of Vertebrate Paleontology and Paleoanthropology of the Chinese Academy of Sciences, measured 10,997 men and women.

The average height difference between women and men of the Han nationality is 10.5 cm, while the difference among the ethnic minorities is 10.6 cm. The average height of women of the Han nationality is 155 cm, and only 24 percent of those surveyed reached 159 cm, according to the study.

Among the 23 Chinese minority nationalities investigated, the tallest men were of Mongolian, Hui, Uygur, Tibetan and Kazak living in north and northwest China. Their average height was above 167 cm. The shortest men were from the Tujia, Hani, Jinuo and Yao nationalities in Guizhou, Yunnan and Hunan provinces, whose average height was below 159.9 cm.

The tallest women were those from the Hui, Xibe, and Mongolian nationalities, with an average height of 156 cm to 158 cm, while the smallest were

those from the Tujia, Miao, Yao, Jinuo and Bulang nationalities, whose average height was no more than 149 cm.

Archeological findings show that the geographic differences in the stature of the Chinese existed even in the earliest times. "The average height of the Chinese men living in the Huanghe River valley in the New Stone Age (about 8,000 years ago) was 165 cm, while that of those living in the south, in today's Guangdong, Fujian, and Zhejiang provinces, were only 162 cm tall on average," Zhang said.

(January 7, 1989)

New Reform for Prisoners

RENMIN RIBAO
(People's Daily, Overseas Edition)

A prisoner with a stay of execution in Shenyang prison, Liaoning Province, had his penalty reduced four times. The last cut his imprisonment by five years, contingent upon his attitude and deeds in prison.

In prison, this prisoner enthusiastically took part in technical training. Now, he has gained a certification as a fourth grade electrician and a completion certificate issued by the Correspondence Centre of the Beijing Automotive Engineering Institute.

In order to explore new ways to rehabilitate prisoners, up to now, two-thirds of the reform-through-labour and re-education-through-labour centres nationwide have established similar technological training schools. Around 240,000 prisoners have passed unified examinations on culture and technology conducted by the local authorities and won

certificates.

The movement to turn these labour centres into special schools began in China in 1980. The prisoners there can learn some skills in addition to political theory and basic cultural education.

In the last few years, more than 8,500 prisoners in all parts of China have participated in adult self-taught higher-education examinations, and about 3,000 of them passed one or two subjects. Moreover, nearly 12,000 prisoners took part in studies offered by various kinds of television, correspondence and magazine universities, and half of them won certificates, which were approved by the local education and labour departments.

Vocational education in prisons refers to the learning of various trades including machine-building, construction and motor mechanics, as well as tailoring, animal husbandry and cooking. Prisoners can freely choose what they would like to learn.

According to the system commonly used in China in grading the titles for technical or professional posts, the Henan No. 2 Prison has given more than 100 prisoners the titles of engineer, assistant engineer and technician.

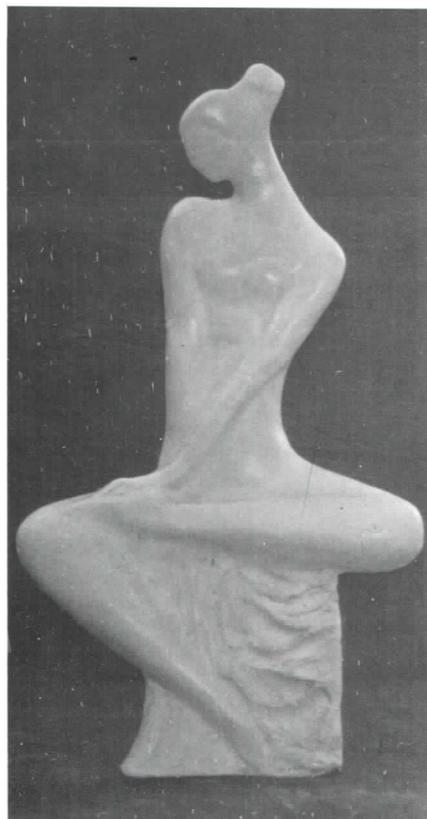
One official of the State Ministry of Justice said that running schools for prisoners helped maintain order in prisons, raise the standard of rehabilitation and reduce the rate of prisoners committing crimes again.

According to statistics, the number of cases which occurred in prisons in the first half of 1988 was 21 percent less than the corresponding period of the previous year. More than 93,600 prisoners were commuted a sentence or released on parole.

(October 12, 1988)



Girl Embroidering.



A Dancer.

ART PAGE



A Girl and Cat.



An Old Man.

Sculptures by He E

He E was born in Hubei Province in 1937. She now works in the Gansu Provincial Fine Arts Research Institute.

Being a sculptress of painstaking devotion, she has accomplished much from her research of ancient Chinese sculpture. Her works employ an easy manner, open mind and far-sighted meaning.

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