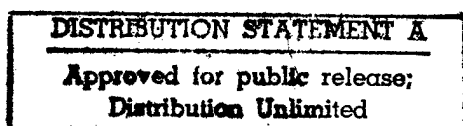




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NORTHEAST ASIA

Analysis of 'Sea of Japan Economic Sphere'

91CM0462A Beijing GUOJI WENTI YANJIU
[INTERNATIONAL STUDIES] in Chinese No 40,
13 Apr 91 pp 28-33

[Article by Zhang Dalin (1728 1129 2651): "Japan's Idea of a Sea of Japan Economic Sphere and Its Prospects"]

[Excerpts] The gist of Japan's idea of a Sea of Japan economic sphere is an economic cooperation in which Japan will play the leading role and to which the Soviet Union will contribute natural resources, Japan and South Korea will contribute capital and technology, and China and Korea will contribute manpower.

Japan's aim is to develop the economy of its Hokuriku [northern] district, to broaden its sources for the supply of natural resources, to seek new investment opportunities, to promote "democratization" in socialist countries, to induce the Soviet Union to return the "northern territories," and to intrude into the affairs of the Korean peninsula.

Because the countries (territories) along the coast of the Sea of Japan differ in their social systems, because they are at different stages of economic development, and because they lack adequate infrastructure, the formation of the Sea of Japan economic sphere will encounter many obstacles, and could therefore in the near future only become a low-level loose economic entity. [passage omitted]

III. Background to Japan's Proposal and Japan's Objective in Proposing a Sea of Japan Economic Sphere

Japan's desire to set up a Sea of Japan economic sphere is not fortuitous, but is being proposed against a profound international and domestic background. Since the beginning of the 1980's, but particularly in the last few years, there has been an increasing trend toward regional economic grouping in the world. There was the signing of the U.S.-Canada free trade agreement and the formation in 1992 of the large West European market. These developments have given Japan the feeling of being left out. To effect a change in its "abandoned child" status and pursue the steady development of its economy, Japan has decided to establish the "economic sphere," with itself as the central figure in the arrangement. In May 1988, at Prime Minister Takeshita's conference of consultative organizations for economic deliberations, participated in by the Ministry of International Trade and Industry [MITI], the Ministry of Foreign Affairs, and the Economic Planning Agency, the "tentative plan for an East Asia economic sphere" was proposed. That idea envisaged the scope of the East Asia sphere as comprising Japan, the "four small dragons" of Asia, and the five countries of ASEAN (Thailand, Malaysia, Indonesia, the Philippines, and Brunei)—altogether 10 countries (territories). Actually, a move toward formation of an Asian economic sphere had already begun as early as 1985. At that time, under the impetus of the rising value of the Japanese yen, Japan

quickly readjusted its industrial structure, and turned its economy, which was oriented mainly to outside of Asia, into an economy to mainly provide for needs inside of Asia, and expanded its shipments to and investments in the "four small dragons." The "four small dragons" of Asia, on the one hand, developed relocations of capital-intensive and technology-intensive industries from Japan, and, on the other hand, transferred labor-intensive industries to ASEAN countries. In this way they formed one continuous line—resembling a dragon—an international economic system in the West Pacific region, with Japan as dragon head, the "four small dragons" as dragon body, and the ASEAN countries as dragon tail, so as to have Japan design products, the "four small dragons" assemble, and the ASEAN countries manufacture and supply parts and components. If Japan would adopt this strategy of spreading out from its original starting points and gradually expanding over the whole area, it could quickly build up an East Asia economic sphere in the West Pacific region, incorporating in it the "four small dragons" and the ASEAN countries of Japan's own development track. Toshio Watanabe, a Japanese economist, summarized the ASEAN countries' attempt to catch up with the "four small dragons," and the "four small dragons" attempt to catch up with Japan as a "chain reaction of industrial structural transformations." He also called it an international "flying geese" pattern.

However, this East Asia economic sphere, headed by Japan and formed together with the "four small dragons" of Asia and the ASEAN countries, would only cover the border and seashore regions of the Asian Continent. Its economic and political strength could not match that of Europe or America. Japan, therefore, plans to extend the East Asia economic sphere at its southern and northern wings. The extension on the southern wing is reflected in its plan for "development of the Indochina Continent." Being commissioned to do so by MITI, this is now being studied by the Japanese Society for International Technological Cooperation. Included in this plan are the three Indochinese countries of Vietnam, Laos, and Cambodia, and also the four Chinese provinces of Yunnan, Guizhou, Guangxi, and Hainan. Presently, the Indochinese Peninsula is changing from an old battleground to a new "market ground," and Japanese enterprises are thinking of ways and means to break into that precious territory that is now a "vacuum." The extension of the northern wing would then be the Sea of Japan economic sphere.

Three scholars, one of them Hisao Kanemori, have repeatedly called on the Japanese government, research organizations, and on entrepreneurs to take an interest in the Sea of Japan economic sphere. What, then, are the special and true objectives for Japan to propose the Sea of Japan economic sphere?

A. In Economic Respects:

1. Development of the economy of Japan's northern district (comprising Fukui, Ishikawa, Toyama, and Niigata Prefectures). Historically seen, these northern districts,

bordering on the Sea of Japan, were once "windows" for Japanese economy and culture. The culture of the Asian Continent entered Japan through the Korean peninsula, and through the northern districts, as it was being transmitted to Japan's Pacific Ocean shore districts. In its post-war economic construction, however, Japan placed emphasis on the heavy industry, chemical industry, electronic industry, and modernized communications facilities in the Pacific coastal regions, while the industrial structure of the northern districts remained mainly limited to agriculture, forestry, fishery, and textile industry. Especially due to the strained political relations between countries bordering on the Sea of Japan, trade between the opposite shores had been at a standstill. Compared with the entire country, development of the northern districts has been slow, and its economy remains comparatively backward. To avoid the excessive concentration of its economy in the Tokyo area, and to achieve dispersal of economic development, the Japanese Government decided in its Fourth Comprehensive Development Plan to place new industries, such as electronics, in the northern districts. An important condition for the realization of this plan is the development of economic and trade relations with the countries on the opposite shores of the Sea of Japan.

2. Expanding sources of natural resources. The fundamental weakness of the Japanese economy is its lack of natural resources, and the Japanese consider the problem of natural resources to be forever the most important problem for Japan. With its various mineral deposits of petroleum, coal, natural gas, iron, gold, tin, and other minerals, the Far Eastern region of the Soviet Union is a treasure-house of natural resources. Its timber reserves are 10 times those of Japan. In the future Japan will also import petroleum, coal, soya beans, maize, and meat from China's Manchurian provinces. Japanese Government plans providing for an economic growth rate of 3.75 percent for the next five years, and for the establishment of the Sea of Japan economic sphere could in future guarantee the supply of natural resources for Japan's economic growth.

3. "Effective use of black figures." During the 1985/1986 fiscal year, Japan's trade surplus reached the high figure of \$90-100 billion. This not only aggravated the economic friction between Japan and the United States, but was also the cause of serious domestic land speculation and currency instability. Seeking overseas investment opportunities has become a task of top priority, while the countries on the opposite shores of the Sea of Japan are in urgent need of foreign investments. In 1987 the Soviet Union formulated a plan for the development of its Far Eastern region, but to double production by the year 2000, they would need 238 billion rubles. Because of the perennial decline of the Soviet economy, they suffer a serious shortage of capital. Without investments from Japan, it would be almost impossible for the Soviet Union to realize its plan for Far Eastern developments. Moreover, China and Korea are now also starting to seek foreign cooperation, and are attempting to expand their

sources of capital supply. These developments too may provide Japan with overseas investment markets.

B. In Political Respects:

1. Promoting "democratization" in socialist countries. As a "member of the Western world," Japan's standpoint in the matter of promoting "peaceful evolution" is identical with that of the United States, though Japan's method may be somewhat different. Japan uses its politically "neutral" position in trying to achieve its political objectives by economic means. Japan has adopted the method of "action without many words," or "much action but no talk," which leaves people in the dark about the exact details of its objectives, and makes it difficult to find anything out. However, when absolutely necessary, the Japanese cannot but express their attitude and publicize the true state of things. On 10 July 1990, at the economic summit of seven Western countries, Japan's Prime Minister Kaifu said in explanation of Japan's policy toward the Soviet Union and China: "We must first of all indicate to the Soviet Union that it must produce a blueprint for the conversion of its economic entity into a market economy, and must implement this plan's political targets. In my opinion, it is only by our giving assistance to their reform that we can effectively encourage the Soviet Union to draw up such a blueprint." (Evening issue of the MAINICHI SHIMBUN of 11 July 1990). On 11 July 1990, at his press conference in Houston, a reporter asked Prime Minister Kaifu: "Among the Western countries, Japan was the first to render assistance to China. What are your thoughts about it?" Kaifu replied: "We must vigorously support China's reform. China must, as a future truly democratic country, pursue the line of reform and open to the outside world. Without exaggeration one may say that it is out of a 'sense of responsibility' that those who are 'neighbors' must, to the utmost, render cooperation for China's democratization and economic reform." (JIJI PRESS Japanese wire service of 12 July 1990). The "democratization" and "market economy" that Kaifu mentions means, politically, promoting the "multiparty system" and economically, the private ownership system. If one were to say that Kaifu's words were not sufficiently revealing, then Terumasa Nakanishi, professor at the Okayama Provincial University, spoke even more undisguisedly in his expose of Japan's Asian strategy. He said: "First, we have to spread democracy and human rights awareness in Asia. This will of course not necessarily have to be completely identical with the European and U.S. concepts, but will have to reflect the Japanese experience with democracy during the half century after the war. In that respect we shall also be able to perceive of Japan's historical role as that of a bridge connecting Europe and America at one side and Asia at the other side." "Japan can also play a stabilizing role in the future turmoil that can be expected to break out in China, and can make a contribution to China's democracy and prosperity." It is not difficult to see from these

remarks that one of Japan's objectives in organizing the Sea of Japan economic sphere is to purvey, through economic cooperation, "democracy" and "market economy" to the socialist countries, and thereby to bring the countries on the Sea of Japan into the fold of capitalism.

2. Urging the Soviet Union to return the northern territories. The issue of the northern territories is the focal point in Japanese-Soviet contradictions, and this issue has a direct bearing on the normalization of relations between the two countries and on the development of economic and trade relations. Even though the Soviet Union gazes with wishful eyes at Japanese capital and even though Japan's mouth waters for the Soviet Union's natural resources, the fact that the dispute over the northern territories remains unsettled halts all progress in the economic cooperation between the two countries. There are recently signs of relaxation in the Soviet attitude, and Japan too has indicated a certain flexibility. The former Japanese attitude had been that there cannot be any economic cooperation as long as the territorial issue has not yet been resolved, and that has now changed to the idea of using economic cooperation to induce the Soviet Union to yield in the territorial question. Establishment of the Sea of Japan economic sphere is indeed a specific measure to urge the Soviet Union to agree to a compromise in the question of the northern territories. Furthermore, Japan has always regarded the military strength of the Soviet Union in the Far East as a potential threat to Japan. Pressuring the Soviet Union by means of economic cooperation to reduce its military presence in the Far East is also one of the political objectives of Japan in organizing the Sea of Japan economic sphere.

3. Intruding in the affairs of the Korean peninsula. As we look at the area of the Sea of Japan, we see that historically and geographically Japan and the Korean peninsula are really extremely close to one another. Since the war, Japan has acted in concert with U.S. Far Eastern strategy and has done its utmost to preserve the divided state on the Korean peninsula. Following the relaxation in Soviet-U.S. relations, North and South Korea have started a dialog and have held discussions on the prime ministerial level. Japan is regarding the new situation that has emerged on the Korean peninsula as an opportunity for Japan to play the role of politically strong power. On the one hand, it has strengthened its cooperation with South Korea, developed a true partnership relation, and allowed South Korea to play the role of "second fiddle" in the economic cooperation in the Sea of Japan region. On the other hand, Japan, vaunting its role of a politically strong power, is also seeking to improve its political relations with the Democratic People's Republic of Korea, develop economic cooperation, and thereby enhance Japan's right to speak on matters concerning the Korean peninsula.

Prospects for the Sea of Japan Economic Sphere

After Japan has set forth its plan for a Sea of Japan economic sphere, the various countries (territories) on

the shores of the Sea of Japan have considered it from the standpoint of their own interests, and have displayed differing degrees of interest and enthusiasm for this economic cooperation in the Sea of Japan region. In its economic reform, the Soviet Union is aware of the importance of developing its Far Eastern economy, and is very eager to enlist Japanese and South Korean capital and technology in the development of its Far Eastern region. The Soviet Union is, therefore, very enthusiastic about the Sea of Japan economic sphere. Since 1978, China is pursuing a policy of opening to the outside world and is very willing to participate in international economic cooperation. China's three northeastern provinces have in many ways explored possibilities for economic cooperation in northeast Asia, and have actually indicated very clearly that they agree to participate in the Sea of Japan economic sphere. Government circles in South Korea not only endorse the Sea of Japan economic sphere proposal, but also put forward the idea of a Yellow Sea economic sphere, to expand the scope of economic cooperation in Northeast Asia. All in all, the various countries on the shores of the Sea of Japan have shown positive reactions to the Japanese proposal, and the formation of the Sea of Japan economic sphere has become a possibility. However, people will also have to recognize that there are still many obstacles and difficulties to economic cooperation in the Sea of Japan region.

First, political relations must be further improved. Confrontation remains between North and South Korea, and the territorial dispute between Japan and the Soviet Union has not yet been resolved. Especially some of Japan's manifestations in international relations have become a great obstacle to the formation of the Sea of Japan economic sphere. Some important Japanese personalities have tried in their speeches to whitewash certain historical facts and thereby aroused misgivings among Asian countries. As Japan will adopt the criteria of the Western political and economic systems and Western ideology in establishing a so-called "new international order," this will antagonize the socialist countries. The national chauvinism of some Japanese, unwilling to cooperate with others on an equal basis, is also hatefully felt by all peoples of the world.

Second, the difference of systems. Japan participated in such Western international organizations as the Paris committee for comprehensive planning, in the Organization of Economic Cooperation and Development, and in the seven-country summit meeting. Many provisions of these organizations will have a restrictive effect on Japan's participation in the Sea of Japan economic sphere. For instance, the Paris meeting restricts Japan's ability to export certain high-tech products to socialist countries. China, the Soviet Union, and North Korea are socialist countries, and the differences in legal and policy-making systems are additional difficulties for economic cooperation.

Third, insufficient infrastructure. There is no shipping service between Niigata and Vladivostok-Nakhodka. There are only two km of railway for every square km of

Soviet Siberian and Far Eastern region, and the rails have been laid for the Baikal-Amur railway line but the line cannot be completely opened for traffic. Telecommunication and harbor facilities are extremely deficient. All these problems cannot be resolved within a short time.

For the above reasons, and for the foreseeable future, the Sea of Japan economic sphere can only become a low-level loose economic entity.

In the Sea of Japan region, Japan's economic power is of overwhelming preponderance, and in the economic cooperation of the said region, Japan's role is highly important. It is for this reason that the attitude that Japan assumes in the Sea of Japan economic cooperation cannot but attract everyone's attention. Japan could adopt two different methods: One would be to pursue an economic integration with Japan at its center. That would mean keeping the various different countries and territories fixed at their several different levels of economic development, form a vertical division of labor, and increase reliance on Japan by the various participating countries. The result could only be a loss of vitality for the economy in the Sea of Japan region, and the economic sphere would also find it difficult to achieve stability and development. The other way would be to institute cooperation on the foundation of respect

for the rights and interests of the various countries (territories) and with equality and mutual benefit, having the countries (territories) at different levels of economic development utilize, to the best of their ability, whatever advantages they have, and have them develop their own economies at greatest speed. In this respect, some Japanese scholars have come forth with good proposals. For instance, in November of 1988, Hisao Kanemori suggested a four-point plan for Japan's contribution to world economy:

- 1) Focus the objective of assistance on efforts to develop the world's economy; assistance must not be made use of to seek one's own economic or political benefits.
- 2) Make expansion of trade markets a means of economic cooperation; change the past method of only granting assistance without expanding markets.
- 3) While actively promoting government assistance, one should attach even more importance to the role of private investments.
- 4) When developing assistance, the government should steer free from mercantilism.

If the Japanese Government is able to adopt these proposals, and actually implement these principles in the economic cooperation in the Sea of Japan region, the formation and development of the Sea of Japan economic sphere has good prospects.

Conflicts Spoil County-Level Coordination

91CM0443A Zhengzhou LINGDAO KEXUE
[LEADERSHIP SCIENCE] in Chinese No 4,
11 Apr 91 pp 36-38

[Article by Ma Chenyong (7456 3089 0516), secretary, Wenxi County CPC Committee of Shanxi Province: "County Leadership Team Unity Difficulties and Remedies"]

[Text] Clashes in Exercise of Authority Main Reason for Unity Difficulties

As a result of the frictions and the overlapping between the old and the new systems in recent years, some problems of lack of unity and lack of coordination have steadily appeared in quite a few county leadership teams. A lack of coordination among the county CPC Committee, government, and the People's Congress is fairly common, with conflicts between the county CPC Committee and the government, and between the county secretary and the county magistrate predominating. These conflicts are hurting and restricting relations among the various teams, and are causing problems for tranquility and unity throughout the county. The methods that CPC committees at a higher level have adopted to solve these problems are of two kinds as follows: One is a resort to organizational methods to reassign personnel, transferring one or both parties to a conflict and bringing in new personnel. Thereafter, some conflicts are solved, a short period of unity and coordination ensuing among separate teams or within a team. Before very long, however, various conflicts blossom again in new garb. The other method is to streamline leadership personnel, for example, making a single person responsible for the functions of both the county CPC Committee secretary and the county magistrate. However, this method does not completely solve the problems either. This is because, in his role as CPC Committee secretary, the person is responsible for leadership of the People's Congress, while in his role as county magistrate he is subject to the supervision of that same People's Congress. If actions are taken in accordance with democratic legal procedures, county magistrate and government conflicts with the People's Congress can hardly be avoided. This is a sticking point in the present unity of county level leadership teams.

Just where does the problem lie? I believe the problem lies in clashes in the exercise of authority. Under the prevailing leadership system, the county CPC Committee holds a central leadership role within a county. As local organs of state power and administration respectively, the People's Congress and the government are both subject to the county CPC Committee's central leadership, and must do their work in accordance with the independent responsibilities of their separate functions. The courts and the procuratorate both have to handle cases independently according to law, place themselves under leadership of the county CPC Committee, and also accept supervision from the People's

Congress. The leaders of the county Discipline Inspection Committee and the CPC Committee at the same level exercise supervision over the CPC Committee at the same level. Inevitably clashes occur in the exercise of authority, particularly in matters pertaining to personnel authority, financial authority, and authority over materials. In personnel work, it is necessary both to adhere to the principle that the party controls cadres and also to the principle that links control over matters with control over personnel. Local cadres from state organs at the county level are beholden to the county CPC Committee for recommendations, but authority to appoint them rests with both the People's Congress and the government. In economic work, the building of the economy is the key task of the county CPC Committee, but financial authority and authority over materials, which are the lifeblood of the economy, are in the hands of the government. When there are differences of opinion on problems in these regards and they are talked out and handled satisfactorily, conflicts become reconciled and the teams are united and coordinated. When they cannot be talked out and they are not handled satisfactorily, conflicts are not reconciled and clashes occur in the exercise of authority. These clashes take the form of either a "collision" or "arguments back and forth." The central point is that there are collisions between one team and another or among members within the same team in the exercise of their individual functions, which is to say there are clashes in the exercise of authority.

Basic Reason for Clashes Is Lack of Coordination Between Functions and Operating Mechanisms

Reasons are numerous for the clashes among county leadership teams in the exercise of their authority that lead to the steady occurrence of problems affecting unity and coordination. Some people attribute these "clashes" to problems in individuals' ways of thinking, saying that it is an expression of the scramble for power and profit of leading members. I feel that such a perception is not completely correct. It places too much emphasis on the individual qualities of the leaders to the neglect of shortcomings in the system. Granted that the cadre quality problem is a reason, the fundamental reason is a lack of coordination between the functions of leadership teams and the operating mechanism.

First of all, the exercise of authority in an increasing number of leadership organs at the county level is becoming more complex. With the building of democracy and a legal system, county leadership organs are steadily increasing and expanding. In addition to the county CPC Committee and the county government, a county People's Congress Standing Committee and a county People's Political Consultative Conference, and a discipline inspection committee have been added. In the judicial system, the work of procuratorates and the courts has increased, both becoming secondary county level units that independently handle cases. In addition, the People's Armed Police has been put under local leadership to become an integral part of county level

agencies. Thus, governmental units increase without setting up an attendant coordination mechanism, so "clashes" are inevitable.

Second of all, the overlapping of agencies and personnel makes for complications in the exercise of authority. The county CPC Committee has an agricultural department, and an enterprise political department; the government has an agricultural economy committee and an industrial economy committee; and the People's Congress has an agricultural committee and an industrial committee. Each has its own forces, and each acts independently. The county CPC Committee has a judicial committee with responsibility for directing and coordinating the work of procuratorial organs and people's courts. The People's Congress also has a judicial committee with responsibility for inspecting, interpolating, and supervising government legal work. The county CPC Committee has deputy secretaries responsible for supervising agriculture, industry, judicial affairs, culture, education, and health. The government also has deputy country magistrates responsible for these same things. They all have decision making authority, direction authority, and supervisory authority. Sometimes the tasks that one intends to do, another has already planned, or a situation that one understands and is keeping informed about, someone else is assembling forces to investigate. Thus, in a situation in which lateral contacts are missing, it is difficult to avoid redundancy and waste in the exercise of authority.

Finally, misunderstandings about the separation between the party and government generate turmoil in the discharge of functions. Some county leading cadres still have two skewed views of this problem. One is that some party affairs workers believe that the separation of party and government lowers the status of the party in power and weakens party leadership. The party cannot do its work or does not do it well. The other is that some comrades in government and judicial units believe that the separation of party and government means that the two are divorced, the party having nothing to do with administering the government or questioning cases. Thus, on some issues there are symptoms of attempts to break free from county CPC Committee leadership. Because of the simultaneous existence of these two views, plus lack of clear-cut authority over specific functions following the separation of the party and government, it is either that one party is concerned about a matter and another party is concerned about it too, or that one party does not care about it and the other party does not care about it either. Whatever the situation, the discharge of functions is impeded and made disorderly.

Measures for Enhancing the Unity and Coordination of County Leadership Teams

On the basis of an analysis and understanding of the foregoing problems, I feel that improvement of unity and coordination among county leadership teams requires an exploration of means to reform the county leadership

system to make the apportionment of functions and the operating mechanism more rational and orderly. In addition, efforts have to be made to improve cadre quality so that cadre ideological concepts, leadership methods and work style are in keeping with the requirements of reform. The remedies that our county has applied during the past several years were generally in the following five regards:

First, unify combat goals to produce "joint efforts." Only when there is an identity of goals is it possible to produce joint efforts. During the past several years, five teams in the county have established a joint meeting system under leadership of the county CPC Committee. At these conferences, important county matters are reported, discussed, and methods of handling them decided upon. Examples included the drawing up of industrial and business enterprise contract plans, drafting an Eighth Five-Year Plan national economic development strategy plan, and how to oppose corruption and eradicate bribery etc. All of these were discussed in breadth and depth and a consensus reached at the five teams joint conference before the county CPC Committee rendered a final decision. Practice informs us that this way of doing things helps unify the understanding of county leadership teams about matters of importance to the whole county, clarifies the direction to be taken in discharging functions, identifies common goals, coordinates action, and produces group strength, thereby promoting the smooth performance of all tasks.

Second is defining the limits of authority to optimize the operating mechanism. In order to eradicate the overlapping of agencies and personnel, the county CPC Committee must not set up any more industrial secretaries, agricultural secretaries, and finance and trade standing committees outside of government that share responsibility for work that the government does. Instead one secretary should manage the economy. In addition, the county CPC agricultural and industrial department, the enterprise political department, and the government agricultural committee and economic committee outside of government should be combined into a single agency having dual agricultural and economic functions to avoid overlapping in the exercise of authority. This should form the basis for a delineation of the leadership sphere that looks to the matching of authority and the operating mechanism as the functions of separate leadership organs require. The main function of the county CPC Committee is "decisionmaking." It renders overall decisions on party, government, economic, cultural, and legal matters throughout the province in the discharge of political leadership. The government's main function is "execution." It is responsible for organizing and implementing county CPC Committee decisions and People's Congress resolutions. The main function of the People's Congress is "supervision." It supervises the work of the procuratorate and the courts, and supervises laws. The main function of the People's Political Consultative Conference is "advisory." It provides before and after the fact advice to the county CPC Committee for full

reflection of the participatory political role of people in all walks of life. The main functions of the discipline inspection committee, the procuratorate, and the courts is "procuratorial work." They examine the social conduct of party members, cadres, and city and countryside residents, enforcing party discipline, government discipline, and handling situations found through examination according to law and as necessary. Thus, they can both guarantee the leading position and role of the party, and can also enable an equitable distribution of state authority, permitting county leadership teams to exercise their authority in an orderly and dovetailed fashion free from mutual clashes.

Third is forging of lateral links to build a coordination mechanism. In addition to establishing a five team joint meeting system, the county has also set up a joint meeting to prevent and eliminate cooperation under leadership of the county CPC Committee, with the discipline inspection committee taking a leading part, and with the participation of the heads of the procuratorate, the courts, the public security bureau, the supervisory bureau, the audit bureau, and industrial, commercial, and price unit. The county CPC Committee requires one meeting every half year of the People's Congress and the people's Political Consultative Conference, as well as forums of old separated and retired cadres, intellectuals, and democratic personages whose views and recommendations are solicited. On sensitive issues such as personnel, finances, and materials, contacts are more frequent for timely communication. For example, cadre promotions and assignments are matters most likely to generate conflicts, so the county has paid special attention to coordination of these matters in recent years. First, when there is to be a large scale turnover and election of leadership teams at all levels, the county CPC Committee is in overall command, selecting personnel from several teams to form a joint fact-finding team that conducts widespread investigation among the masses. It also organizes and mobilizes members of several teams to provide a suggested name list of personnel under their supervision for reassignment. Next the county CPC Committee's organization department and the county CPC Committee Standing Committee discusses and studies the recommendations to make a preliminary list of nominees, which is then returned to the several teams for their views. Finally, candidates are determined by the county CPC Committee Standing Committee. Second is the routine assessment and separate reassignment of cadres, a process in which the county CPC Committee's organization department basically takes the lead. Transfers of People's Congress Standing Committee cadres, government system cadres and comrades in various departments concerned are assessed en masse. After proposals are made on their assignments, and the views of leading comrades in charge of their work have been solicited, the county CPC Committee Standing Committee studies them and makes a decision. In this way, individual teams have a greater right to take part in, and a greater

right to speak out on major issues in the county, which is extremely helpful in stirring the interest of all quarters.

Fourth is limitations on authority and enhancement of supervisory mechanisms. State organs at the county level and above are now generally increasing the number of investigative, supervisory, and auditing agencies with the goal of preventing some state organs and administrative officials from abusing their authority. However, an additional problem has arisen in the process, namely that under the influence of unhealthy tendencies, some supervisory agencies themselves abuse authority, trading power for money. This shows that supervisory agencies must be supervised as well. It is necessary to conduct supervisory work at many levels throughout the entire province, using authority to restrain authority in the building of a cycle of mutual supervision. The method that the county has preliminarily used is as follows: The secretary or a deputy secretary of the county CPC Committee takes part in People's Congress party organization meetings, director meetings, and Standing Committee meetings to guide and assist the People's Congress in its supervisory work. The chairman or a deputy chairman of the People's Congress takes part in government Standing Committee meetings for before-the-fact supervision of major county government actions. Acting in response to the public, directors meetings of the People's Congress convene ad hoc meetings of officers in charge of the procuratorate, the investigation bureau, and the audit bureau for reports on special case. Each year, the People's Congress Standing Committee conducts an assessment or an appraisal of the work of the procuratorate, the investigation bureau, and the audit bureau. The county CPC Committee secretary, deputy secretary, and Standing Committee are subject to overt supervision in four regards, namely mutual supervision from within the Standing Committee, supervision from the whole committee, supervision from the discipline supervisory committee at the same level, and supervision from the public. This promotes the building of clean government among all teams and assures the normal exercise of all rights.

Fifth is serious attention to ideological education to improve cadre quality. Given the same leadership system conditions, when the ideological quality of individual cadres and particularly of principal team cadres is good, their coordination capabilities strong, and their work style democratic, unity within teams and among teams will be better. If it is not, the unity of teams may be impaired or destroyed. Therefore, conscious attention must be given to a major effort made to improve cadre quality, cadre theoretical training and ideological education. Members of county teams must not only study basic Marxist theory, but also devote themselves to the study and mastery of modern leadership science, management science, and public relations. They must also do more to cultivate their thinking, be adept at self-regulation, and firmly implant a sense of being "public servants" who wholeheartedly serve the people, and correctly handle fame, power, and position.

Appointments Give Perspective on Political Climate

91CM0438A Hong Kong KAIFANG [OPEN
MAGAZINE] in Chinese No 4, 15 Apr 91 pp 24-26

[Article by Liu Yen-tzu (0491 2518 1311), Hong Kong Political Commentator: "Deng Xiaoping's No Big Winner—Perspective on Relations Between Two CPC Party Factions"]

[Text] Zou Jiahua and Zhu Rongji have been promoted to deputy premier. To just what factions do they belong? There is insufficient evidence to say that they are political reformers, but there are reasons for saying that Zou's and Zhu's promotions are an outgrowth of a compromise between two factions.

To everyone's surprise, the Fourth Session of the Seventh National People's Congress [NPC] promoted Zou Jiahua and Zhu Rongji to deputy premier. Qian Qichen became a member of the State Council, and Ye Xuanping became a deputy chairman of the Chinese People's Political Consultative Conference [CPPCC]. These events were followed with great interest in Hong Kong, Taiwan, and overseas inasmuch as Li Peng and Li Ruihuan had announced before the meeting that there were to be no major personnel changes.

After reading reports and commentaries of all sorts, the writer believes there are four issues worth studying as follows:

Ye Xuanping Is Beyond the Age Limit

Let us talk about the first issue first. Ye Xuanping's selection as deputy chairman of the CPPCC is a promotion on the surface. He gains benefits equivalent to those of a deputy premier. However, his promotion is actually a gimmick whereby conservative forces of Li Peng's strip this ranking member of the conservative faction of his prerogatives as provincial governor. This view seems to be the main one held by public opinion abroad.

If this view is well founded, we will find the following interesting contradiction. In the present personnel changes, the several grade promotion of Zhu Rongji, whom people in Hong Kong term "China's Gorbachev," from mayor of Shanghai to deputy premier, marks a great victory for the reform faction. On the other hand, Ye Xuanping from Guangdong who is the "vanguard of reform and opening to the outside world" has been "openly promoted but secretly demoted" in a major setback for the reform faction. How can this contradiction be explained?

Obviously, looked at solely in terms of a struggle between the conservative and the reform factions, the change in Ye Xuanping's official position is difficult to justify. To be sure, Ye's thinking is relatively enlightened; of that there is no great doubt. However, probably also a fact is that Li Peng feels the problem of leading this older generation governor may pose a prickly problem. Nevertheless, the writer believes that age is an important

element that cannot be ignored when observing the present change in Ye Xuanping's official position. It is also clear from the correspondent's interview with Ye that producing a younger State Council was also an important principle in making the present personnel changes.

Actually, Zou, Zhu, and Qian are all within the prescribed 65-year-old age limit, but Ye Xuanping is outside the limit. This poses a major obstacle to his entry into the cabinet. Furthermore, Ye is still facing the problem of retirement upon conclusion of his term of office as provincial governor. His present elevation to vice chairman of the CPPCC means an alternative route for his career. Inasmuch as he is currently a fairly young CPPCC deputy chairman, the possibility of further promotions or becoming the chairman of the CPPCC cannot be ruled out. Actually, Li Xiannian's exit from the position of CPPCC chairman cannot be far distant.

Ye's Elevation Balances Local Factional Strength

Additionally, balancing local factional strength must also be a high level CPC aim in promoting Ye. Zhu Rongji's entry into the nucleus of CPC power following Jiang Zemin means an obvious enlargement of the power of the "Shanghai clique." Naturally, this will arouse the dissatisfaction of other CPC factions. The writer has observed conspicuous evidence of a conflict between the "Beijing clique" composed of "Beijing officials" such as Beijing Mayor Chen Xitong and Beijing Municipal CPC Secretary Li Ximing and the "Shanghai Clique." The promotion of Ye Xuanping can balance this conflict.

Actually Ye's promotion to CPPCC vice chairman fulfills his often repeated desire to remain in Guangdong. The writer believes he is more interested in focusing on the interests of the "Guangdong clique." In view of the shift in Central Committee strategy from north China to Shanghai, Guangdong's position has naturally declined. By remaining in Guangdong, Ye can use his special status and influence to gain funds and preferential policies for Guangdong from the Central Committee.

Zou Jiahua Is Mostly a Pragmatist

Let us now turn to the second issue. Is Zou Jiahua a member of the reform faction or the conservative faction? The writer studied materials on Zou Jiahua, read the reports he made at the current meeting and the statements he made in sub-committee meetings without finding data showing that he is reformist or open-minded. Rather, he saw some data showing him to be a "moderate."

For example, at a Ningxia People's Congress sub-committee meeting, he emphasized the need for long-range strategic thinking in directing economic work. This entails a calm and comprehensive consideration of problems rather than just thinking of some project and then proceeding to build it. One must proceed according to plan; one positively cannot be erratic. He also emphasized a sustained, steady, coordinated plan for economic

development. Although only three adjectives, they summarize 40 years of experience in building the economy, gained at a very high price, China's economy certainly must develop in accordance with this three adjective plan.

As another example, in the nomination statement about Zhu Rongji, Li Peng emphasized that "his work shows daring and resolution; he dares to innovate." However, in the statement on Zou Jiahua, he emphasized that he "considers problems carefully and completely, and handles problems in a steady manner."

In looking at Zou Jiahua's experience, he shares a fine background with Li Peng and Ye Xuanping. He is the son of the left-wing newspaper man Zou Taofen [6760 7290 1164] and the son-in-law of Marshal Ye Jianying. Like Li Peng and Ye Xuanping, he also studied in the USSR. For a long time, he held positions in the Chinese Communist national defense industry system until 1989 when he replaced Yao Yilin as chairman of the State Planning Commission. As is well known, the mainland national defense industry system is the most conservative bastion among mainland industries. It was here that Zou Jiahua accumulated "Soviet-style" managerial experience for a long time while Ye Xuanping gained 10 years experience in leading reform and opening to the outside world in Guangdong. Thus, if Zou Jiahua is not fettered by his Soviet-style, planned- economy thinking, that is probably to his credit.

Therefore, even if Zou Jiahua is not regarded as tending to be conservative, at most he can be considered a "pragmatist."

Unable To Verify Zhu Rongji's Political Openness

The third problem is "whether Li Peng's citing of Zhu Rongji for steadfastness during the 4 June incident was forced. The writer is very puzzled as to why numerous commentators believe that. If Zhu Rongji held a view contrary to Li Peng's during the 4 June incident, which is to say a view contrary to Deng Xiaoping's inasmuch as the 4 June decision came from Deng not Li Peng, is it now possible that Deng Xiaoping can be forgiving, trusting, and make an exception in promoting Zhu Rongji?

On the basis of what the writer has seen, it was some foreign dispatches that termed Zhu Rongji "China's Gorbachev" and there is suspicion of something forced in this. Zhu Rongji, who was mayor of Shanghai around the time of the 4 June incident, coordinated with Jiang Zemin, the Shanghai CPC general secretary, about not having troops enter the city, but using the city's powerful worker pickets instead to maintain order and disperse the students. This was only a difference in the methods that the Beijing authorities used. Zhu Rongji's basic political standpoint was identical with that of Deng Xiaoping, Li Peng, and Yang Shangkun. On this issue of "major principles," one can believe that Deng Xiaoping would not have been "muddleheaded."

In addition, there has been no evidence of any unorthodoxy about political reform issues on Zhu's part. "China's Gorbachev" is only the desire of some foreign commentators.

Results From the Two Factions Coming to Terms

The fourth question is actually a discussion of whether in the current personnel changes there is a component of compromise between the two old political figures, Deng Xiaoping and Chen Yun. Some people suppose that the present personnel changes are the result of Deng Xiaoping's surprise attack against the conservative faction of Chen Yun in which Deng scored a "great victory." However, delegates to the NPC meeting from the Hong Kong and Macao territory learned from Chinese Communist official channels that Deng Xiaoping did the planning for these personnel changes in Shanghai during 1991's Spring Festival. At that time, Chen Yun was in [nearby] Hangzhou, Li Xiannian was in Shanghai, and Deng Xiaoping solicited their views.

Even if a compromise component can be seen from analysis of the personnel changes per se, no doubt the jumping of Zhu Rongji three grades was Deng Xiaoping's painstaking planning. His goal was none other than, first, to strengthen the State Council's ability to push ahead with economic reform and, second, to strengthen Jiang Zemin's supplementary forces in arranging for Jiang Zemin's subsequent complete succession. This may be viewed as being directed against Li Peng.

If one maintains that Zou Jiahua inclines toward the Chen Yun faction, then obviously his promotion nicely balances off the promotion of Zhu Rongji.

These personnel changes were based on the principle of "only up, not down." The aging and feeble Yao Yilin, a loyal follower of Chen Yun, retains the position of first deputy premier. This is clearly a compromise. Consequently, Deng Xiaoping is not a big winner.

As for the talk about a change in the premier in 1993 with either Zou Jiahua or Zhu Rongji replacing Li Peng for a further weakening of the conservative's power, the writer believes this to be a question that still contains many variables. First, there is the problem of Zou Jiahua's color. Is he conservative or open? Second, the possibility of Li Peng succeeding himself cannot be completely ruled out. First, he has an age advantage. He is two years younger than Zou Jiahua and the same age as Zhu Rongji, and he is also the incumbent premier. Second, if the mainland economy takes a turn for the better during the next two years, that will provide him with even more plentiful capital. Furthermore, because of his painstaking work during recent years, he has a certain strength in the party and government system. Finally, will Deng Xiaoping still be alive two years from now? If so, how much influence he will have is questionable. Therefore, it is difficult to reach a conclusion on whether Li Peng will step down; nevertheless, there is no doubt that Zou Jiahua and Zhu Rongji are contenders with Li Peng for the premiership.

The Contest Between the Plan Faction and the Market Faction

To summarize the foregoing, the writer has the following several conclusions:

First, simply using the two labels "reform" and "conservative" in analyzing the Chinese Communist political situation is ill-advised. Usually differences over economic policies are not the main factors influencing Chinese Communist power contests.

Second, outsiders frequently exaggerate the contradictions between the Deng Xiaoping faction and the Chen Yun faction. Actually, in political matters, the perceptions of both factions are fairly identical. Both want to adhere to the dictatorship of the Communist Party and oppose bourgeois liberalization. In economic matters, the Chen faction inclines toward the old plan model, while the Deng faction inclines toward reform that moves in the direction of a market model. However, adherence to socialism and to no privatization is the common bottom line to which both factions hold fast; therefore, terming one faction the "plan faction" and the other faction the "market faction" is more accurate than the sweeping designation of "reform" and "conservative."

Third, the program for future economic construction that the NPC has now passed is a joint product of both factions. Unless the mainland economy deteriorates in the near future, there will be a fierce life-and-death struggle between two factions as during the 4 June incident.

RENMIN RIBAO's 'Pen Talks' Lauded

91CM0481A Beijing ZHONGGUO JIZHE [THE CHINESE JOURNALIST] in Chinese No 5, 15 May 91 pp 21-23

[Article by Sun Yongren (1327 3057 0088): "A Discussion of the Pen Talks 'Only Socialism Can Develop China'"; the author is affiliated with RENMIN RIBAO's Theory Department]

[Text] The editor of ZHONGGUO JIZHE has asked us several times to write something about our "Pen Talks on 'Only Socialism Can Develop China'," a column that we have been running on the theory page. This request indicates that the column has come to the notice of the XINHUA News Agency. This is a great encouragement to us.

Recently, I read a speech given by Ai Zhisheng at a meeting of broadcasters in which he stated, "RENMIN RIBAO often publishes important articles on page five, and I feel that a big problem we have is that we don't have time in the morning to read the articles over carefully and think about them, and we don't propagandize quite enough." This shows that the system run by the Ministry of Radio, Cinema, and Television has paid close attention to the "important articles" published in RENMIN RIBAO in the "Pen Talks" column.

We have also received many indications from our readers that the "Pen Talks" are becoming more and more popular among people in all walks of life. At Beijing University, the Chinese People's University, Qinghua University, and the Central Party School, I keep hearing that a lot of professors have started subscribing to RENMIN RIBAO just so that they can read the articles in the "Pen Talks." When I go to meetings in Hebei, Shaanxi, Hunan, and Hubei, people tell me that a lot of people cut out and save the "Pen Talks." We also get a lot of mail from readers praising the column.

Since this is so, perhaps it is time to talk about the "Pen Talks."

Party Central Committee Leading Comrades Are Right to Focus on Theory

Last June, the RENMIN RIBAO editorial committee decided that for a long time to come, the focus of its theoretical propaganda would be on scientific socialist theory, and it would be coordinated with party-wide activities to promote the study of the "Outline for the Study of Several Issues of Socialism." In order to implement this decision, we started publishing "Pen Talks on 'Only Socialism Can Develop China'." This decision and column is an affirmation of the emphasis on socialist theory made by the party Central Committee of which comrade Jiang Zemin is the core.

Leading comrades in the Central Committee have given many important speeches regarding the need to redouble our efforts to study socialist theory. I was deeply impressed with the efforts to draft the "Outline for the Study of Several Issues of Socialism" as well as activities aimed at the study of this article. Several people at RENMIN RIBAO, including general editor Shao Huaze and I took part in drafting the Outline. We knew that the decision to do the Outline was made collectively by the Central Committee, and that General Secretary Jiang Zemin personally planned the project, arranged personnel for it, guided the research, and reviewed the manuscripts. For various reasons, activities to promote study of the Outline were not given sufficient importance in some districts. General Secretary Jiang Zemin thus repeatedly stressed its importance during inspection trips to various provinces, municipalities, and autonomous regions, as well as in some meetings held by the Central Committee; thereafter the study activities proceeded vigorously nationwide.

The focus of the leading comrades in the Central Committee was correct! This is the unanimous opinion of everyone in our theory department.

One of the missions of the Communist Party is to concentrate on theory. Without revolutionary theory, there can be no revolutionary movement. Without a unified understanding, there cannot be unified will or

action. The slightest error in theory will lead to tremendous errors in practice. When the core leadership of the Central Committee emphasizes theory, it carries forward the party's traditions and builds upon its strengths. General Secretary Jiang Zemin was correct to focus on theory!

At this point, focusing on theory basically means to focus on scientific socialist theory. Theory must be grounded in reality, and at this point, the most problematic reality is the state of the people's faith in socialism. Theory must satisfy the needs of society, and the most pressing need at this time is to unify ideology, withstand external pressure, overcome domestic difficulties, and consolidate China's socialist position. Theory develops between practice and theoretical debate, and the strategists of the world's capitalist system are viciously crowing about the "great crisis" and the "great failure" of socialism, while various types of opportunistic thinking has arisen within the socialist system, denigrating and rejecting scientific socialism. We can and must stand on the successful practice of socialism in China to refute every kind of theoretical challenge. We must abide by and develop scientific socialist theory.

"A Party Newspaper Has To Look Like a Party Newspaper"

It has been a full nine months since 2 July last year when we began publishing the "Pen Talks" and in 36 issues of the paper, we have published 75 articles. This is a long series and it is not finished yet. In order to facilitate efforts by our readers to search for certain articles, we have printed the issue number and the article number at the top of the column. This has made a stronger impression on the readers and has added to the effectiveness of the topic "Only Socialism Can Develop China." This long series has played a role in promoting the study of socialist theory throughout the party, and has been praised by leading comrades at the central level and in every locality.

Among the many encouraging comments, one by comrade Li Xiannian was particularly gratifying. In early November of last year, his secretary telephoned an official of RENMIN RIBAO and said that comrade Xiannian had recently noticed reports in RENMIN RIBAO and that he had seen the "Pen Talks on 'Only Socialism Can Develop China,'" in which one column praised the spirit of Daqing as well as several other small editorials. He felt that the column was pretty good. Comrade Xiannian said that RENMIN RIBAO is like a party paper now, and acts like the mouthpiece of the party.

This comment by a member of the older generation of revolutionaries was an encouragement to this group of editors at RENMIN RIBAO who have been working to make up for the deleterious influence of the erroneous editorial policy that had affected the paper for a time. His comment was also an encouragement to further efforts.

RENMIN RIBAO chief Comrade Gao Di said that right now we can still only use the words "is like," and that we must still work harder. That is exactly how we all feel.

"A party newspaper has to be like a party newspaper!" This view is growing stronger every day among the editors of our party newspaper.

In the past, Comrade Hu Jiwei [5170 4921 0251] used the idea of "reflecting the voice of the people" to downplay and negate the party nature of a party newspaper. This policy had grave consequences which must be fought.

In reality, only by abiding by the principle of having a party nature can a newspaper truly reflect the voice of the people.

Along with a large number of encouraging comments from the older generation of revolutionaries, we have also received much encouragement from our readers. One reader wrote to say, "I remember how the socialist theoretical front languished for quite some time in the recent past. Some people took advantage of their prestige to say a lot of nonsense things, while some people straddled the fence and went whichever way the wind seemed to be blowing. Some people picked up ideas from others and tried to pass them off as their own. Some people, in their ignorance, made a big fuss about ideas which were new to them but which in fact were just old hat.... I was disappointed in and worried about all of these phenomena and the pressing international ideological attack." But now the articles published in RENMIN RIBAO "have pulled a veil away from our eyes and presented the truth with a new clarity. Because the articles are so convincing and theoretically thorough, they are significant because they make the effort to show people how to use Marxist-Leninist positions, concepts, and methods to analyze contemporary world issues as well as Chinese issues, and they have done much to hearten the people and enable the country to adhere to its socialist orientation." Doesn't this letter reflect the true voice of the people? And doesn't this true voice of the people ask that we adhere to the principle of the party nature of party newspapers?

The "Pen Talks" columns, along with their clear party nature, have been very popular with the masses.

Battlefronts, Local Battle Arrays, National Battle Arrays

RENMIN RIBAO is without a doubt one of the most important battlefronts in public opinion in China as well as one of the most important battlefronts of ideological theory. Who should be in charge of this battlefront? For some time during the recent past, this has quite frankly been a problem with regard to the theory page of RENMIN RIBAO. To a certain extent, this battlefront was once "captured" by bourgeois liberalization forces. Preliminary statistics that someone gathered indicate that the ten or more "elite" of the liberalization movement alone have published more than 100 articles on this

page. Then there were many of the other types, mentioned in the letter from our reader, who "talked nonsense," "went whichever way the wind was blowing," "passed off bits and pieces of others' knowledge as if it had been their own wisdom," and "got excited over ideas that were new only to themselves." Comrade Mao Zedong once made the accurate observation that if the ideological battlefield is not controlled by the proletariat, it would be controlled by the bourgeoisie. General Secretary Jiang Zemin reiterated this truth the year before last during an inspection to Fujian Province and was very effective in alerting people to this reality. The reason we started publishing "Pen Talks on 'Only Socialism Can Develop China'" and devoted so much space to this topic is precisely because we intend to ensure that the proletariat controls this battlefield. We want this battlefield to be occupied by socialist ideology.

The core meaning of the term "controlling the battlefield" refers to control of the ideological system. On the newspaper battlefield, an ideological system is fleshed out in countless articles, so there must be people to write these articles. If a proletarian, socialist ideological system is to control this battlefield, we must rely upon writers who are faithful to Marxism. Such writers must be great in number, and they must form a powerful battle array. In everyday life, there are great numbers of writers who are loyal to Marxist theory, and they are a powerful force. However, in the recent past, these healthy forces have been suppressed. Now, under the correct leadership of the party Central Committee which takes General Secretary Jiang Zemin as its core, we must gather these forces together into a huge army so as to display a powerful battle array. In establishing the "Pen Talks" column, our intention was precisely to display a powerful battle array on the pages of our newspaper. No author has written twice among the 75 articles which have been published. The articles will continue and we will continue to publish the work of many different authors. This battlefield is open to the broadest range of writers who are faithful to Marxism. We are confident that this battle array, which grows more powerful every day, will encourage those who adhere to Marxism, be attractive to those whose faith is wavering, and deter those who would cause trouble.

The discussion above on battlefronts and battle arrays has to do with a particular battlefront—the theoretical page (in particular, a regular column). Throughout the nation, there are countless battlefronts of this type. For this reason, the question of how to coordinate these many "battlefronts" and form them into a "national battle array" is a highly significant matter. Much to our gratification, we have noted that since the appearance of our column, great numbers of important periodicals throughout the country have one after the other started up similar columns. A "national battle array" which rallies around the flag of socialist ideology is now being formed.

Carrying Forward the Combative Spirit and Scientific Spirit of Marxism

In order to firm up people's socialist beliefs, we must carry forward the combative spirit and scientific spirit of Marxism. This is a requirement of the times we live in and it has been demonstrated very well by the authors who have written columns for "Pen Talks;" thus they have caught the attention of our readers and have had a positive impact.

The clear combative spirit of many articles in "Pen Talks" has elicited strong responses from readers. Many readers have written letters expressing admiration and support for such articles as "Learning How To Fight a Protracted Warfare in the Ideological Sphere," by He Guorui [0149 0948 3843], "Taking Issue With The Theory of Shifting Themes," by Xi Guangqing [1153 1639 1987], "Deepening the Struggle Against Bourgeois Liberalization," by Dong Xuewen [5516 1331 2429], and "A Few Issues Concerning Ethics and Morality," by Luo Guojie [5012 0948 2638]. An employee of one work unit said in a letter to Professor Zhou Xincheng [0719 2450 1004] of the Chinese People's University, "I feel that the articles written by you, Song Tao [1345 3447], Dai Yi [2071 6654], Gao Mingxuan [7559 6900 0826], and Liu Peixian [0491 0160 1720] (all published on the same page) are like five columns of tanks charging toward the enemy (domestic and foreign forces opposed to communism), or like five big bombs falling toward the forces of bourgeois liberalization. Of course, they are also wonderful weapons to arm us, the masses of workers and peasants." "In our hearts and minds, you are our true proletarian professors. You are our own professors."

Many influential articles in "Pen Talks" have been praised for their integration of the combative and scientific spirit. Such articles include "Socialism Will Inevitably Replace Capitalism," by Gao Di, "Appraising China's Socialism Through Lateral Comparison," by Yang Qianli [2799 0578 6849], "A Few Thoughts on the Scientific Understanding of Modern Capitalism," by Wu Jian [0702 0256] and Wang Yuming [3769 3768 0682], and "A Few Issues Regarding Modern China and the World," by Hu Sheng [5170 4939]. All of these articles earned high praise in theoretical circles for their broad perspective, abundant documentation, and trenchant analyses. They did not avoid the challenge of facing reality, but rather "based their theory on the facts and used reason to persuade."

Although the article by Yu Xinyan [0151 1800 6056] on "Using a Scientific Attitude to Understand Socialism" was not a long article, it "based its theory on the facts and used reason to persuade," thereby attracting a lot of attention both in China and abroad. A Japanese scholar wrote to Yu Xinyan to say, "I found your article in RENMIN RIBAO very enlightening. In Japan today, every one has a negative attitude towards socialism. Perhaps this is because Japan is now in a temporarily stable and developing stage of capitalism. You explained the reason for the tortuous path of development for

socialism in the following way: Developed capitalist nations use unequal trade with other nations to squeeze out unnaturally high profits, of which they distribute a part to the working classes in their own countries in order to mitigate domestic class conflict. For this reason, some people in socialist nations envy capitalism and such phenomena as imitating, reformism, and opportunism have arisen." "Not only did your article point out the manner in which the capitalist system sustains itself, it also explained from a materialist perspective how this material base could cause socialism to retreat temporarily. The breadth of your perspective was very enlightening to me." "In addition, your article has been translated into Japanese and published in Choshu Shimbun." There are several other articles which have also been republished abroad and received good reviews. This shows that our theory is advanced.

The articles in "Pen Talks" not only give a Marxist analysis and interpretation of many new phenomena in the contemporary world, they also sum up in a factual manner the lessons which have been learned by China through experience. They provide new theoretical explorations and explanations. For example, the articles on the combination of a planned economy and a market economy by Wu Shuqing [0702 2885 7230], Gao Shangquan [7559 1424 0356], and Chen Yuan [7315 0337] all contain new perspectives and have stirred up a broad range of comments.

It is also necessary to view the combative and scientific nature of the "Pen Talks" articles from an overall perspective. This series has been like a mass brainstorming session, or perhaps one could call it a brainstorming session of the masses. Everyone participating in "Pen Talks" has his own personality, perspective, and opinions, but when the participants' different views come together in the pages of the newspaper, they all demonstrate a certain commonality. They all defend scientific socialism and flesh out the basic theory of "building Chinese-style socialism." It is noteworthy that the short articles by dozens of professors from Beijing University, Chinese People's University, Qinghua University, the Central Party School, Nankai University, Wuhan University, Harbin Polytechnical Institute, and many other universities, have gone unnoticed by some people, while others have been paid very close attention. There are some things in those articles that are brilliant and collectively could lead to some kind of theoretical breakthrough. Furthermore, the knowledge, wisdom, and prestige of these many professors lends authority to the propaganda and educational work of RENMIN RIBAO.

The "Pen Talks" were originally scheduled to run until late June in conjunction with the Central Committee's arrangements for the study of socialist theory. Since the situation has changed, the plan may be extended. Documents from the Seventh Plenary Session of the 13th CPC Central Committee produced a new summary of the "Basic Theory and Basic Practice in the Development of Chinese-Style Socialism"—the 12 points. Many

people have suggested that we conduct systematic and comprehensive propaganda on these 12 points, and we are presently finding people to write articles for this project. Perhaps it could turn into another "Pen Talks" series.

Malaqinfu Gives Guidance to Young Writers

91CM0478A Beijing WENYI BAO [LITERATURE AND ART] in Chinese 8 Jun 91 p 2

[Article by Malaqinfu (3854 2139 3084 1133): "The Historical Mission of Young Writers"]

[Text] Comrades:

Today the All-China Conference of Young Writers begins. This is not just another regular meeting; it has strategic significance. It is part of an effort to cultivate a group of socialist writers who will take us into the next century. The 300 plus delegates here today come from all parts of the nation, different ethnic groups, different regions, and different occupations. You represent an enormous and vital creative force that belongs to the present as well as the future. You have made great achievements while adhering to the socialist orientation of literature and art and actively carrying out your creative work. You have been selected as the representatives of countless numbers of young writers, which is a measure of the trust that the party and the people place in you. Today, you are gathered in a single hall in Beijing to sum up experience, learn from each other, look toward the future, and struggle in unity. You will achieve a clearer understanding of your historical mission. You will use your youthful energy and your strong sense of historical responsibility to inspire greater creative enthusiasm and to unite and spur forward the great masses of young writers. You will contribute your precious talents and strength to the construction of a socialist spiritual civilization and to the effort to make socialist literature and art prosper even more. This conference is a very encouraging event on the literary battlefield in China, and it will have a deep and far-reaching impact upon efforts to make creative activities flourish.

It is very significant that this conference is beginning today, 23 May. On this day, 49 years ago, Comrade Mao Zedong delivered his "Yanan Talks on Literature and Art." This classic of Marxist thought on literature and art gave an incisive exposition on: the direction of Chinese revolutionary literature and art; the relationship between literature and art on the one hand, and life in society; the relationship between literature and art and the masses; and a series of fundamental questions, such as learning from the past versus creating, and praise versus censure. He creatively developed Marxist thought on literature and art. "Deng Xiaoping on Literature and Art" is the heir to Mao Zedong Thought on literature and art in the new period, and it develops this thought. The writings of Comrade Deng Xiaoping on literary and artistic work are ideological weapons which guide us in battling victoriously against forces on the left or right,

especially the forces of bourgeois liberalization, which would obstruct our path. Deng's writings assure the victorious development of socialist literature and art. When we look back upon the nearly half century of struggle and turmoil since the delivery of the "Talks," we can see that literary and artistic creation has been vigorous and varied in times when we have understood correctly and adhered to Mao Zedong Thought on literature and art. When we have ignored, downplayed, and even turned our backs upon the basic spirit and aesthetic principles of Marxism and Mao Zedong Thought, literary and artistic creation has strayed onto an evil path not in keeping with the times and divorced from the people. With respect to the literary and artistic work of today, General Secretary Jiang Zemin made a long and extremely important speech on behalf of the party Central Committee at an informal discussion among members of the literary and artistic community in the capital on 1 March during the Lantern Festival. He gave a comprehensive exposition of the conditions and duties of China's current ideological and cultural battlefield. He set forth the programs and policies of the party regarding literature and art, and explained the mission and responsibilities shouldered by literary and artistic workers. He called for unified struggle and a flourishing of socialist literature and art. We must make it the prime duty of this conference to study and carry out the spirit of this speech by General Secretary Jiang, use the spirit of the speech by Comrade Jiang Zemin to unify our ideology and understanding, and unify our actions, thereby achieving a flourishing Chinese literature and art.

I

Comrades, youth is a precious time in life, like the soil bursting forth in greenery in springtime, like a flower freshly in bloom, and like the brilliant rays of the rising sun. Your generation will carry us forward into the next century. The heavy responsibility of advancing and developing the great socialist undertaking that was started by the older generation of proletarian revolutionaries has fallen historically upon you. If you are to carry forward with this glorious mission, you must combine the Chinese revolution with the actual realities of construction. You must study Marxism-Leninism and Mao Zedong Thought, and use this most advanced and scientific of all world views to arm your minds. Young people are the hope and future of our country, for which reason you are a major focus of hostile forces in China and abroad who are struggling against us. Those hostile forces place their hopes for a capitalist restoration in China upon China's third and fourth generations. We must build an ideological "great wall of steel," promptly recognize and thoroughly defeat their schemes for "peaceful evolution," and assure that the socialist banner flies high above Chinese soil. Young people are full of energy and have an acute understanding of ideology. You are enthusiastic, eager to learn, imaginative, idealistic, and inquisitive. You have always been an enormous force for social change and progress, so the

question of how to fully understand the sacred mission conferred upon you by history, make full use of your youth, and add luster to the meaning of life has become very important. Among our literary troops, young literary workers are like powerful armies and crack marksmen. In the history of contemporary and modern literature, and in the course of development of China's socialist literature, one generation of young writers after another have left behind lasting footprints and superior creations. As the old saying goes, "each wave on the Yangtze River overtakes the preceding one." Young writers continually inject vigor into socialist literature. It is not necessary to recount in detail how many great masters in the history of Chinese and foreign literature have written their great masterpieces while in their youth. In China alone, the achievements of writers past as well as venerable members of prior generations who are still among us make for a list so long and distinguished as to inspire the greatest admiration. It may be that the success of these young writers is due in part to their own natural gifts, but there are many other factors which must play a role if you are to convert your natural gifts into positive achievements, take advantage of your potential, and create works that are in keeping with the times and beneficial to the people. For example, gaining a deep understanding of our life and times is an absolute necessity; gaining a full understanding of the sacred historical mission conferred upon you is an absolute necessity; relying upon the guidance of Marxist concepts on literature and art to sum up experience and deeply studying the laws of art are an absolute necessity.

No different from literature and art as a whole, the creations of young writers during the new period have undeniably achieved noteworthy successes and new development. We still remember it all so vividly: Everything from a discussion of a nationwide standard for truth to the ideological liberation and youthful exuberance of the period following the Third Plenary Session of the 11th CPC Central Committee. We remember the bold and innovative creations of young authors at that time. We have seen one wave of young writers after another leap from the fertile loam of life onto the stage of literature. How exciting this has been! From an overall standpoint, young writers have reached a new level in the depth and breadth of their reflections of real life and in the expressive power of their art. Of course, the development of young writers, no different from that of writers in general, has not all been clear sailing. There have been several high tides of bourgeois liberalization. The world view, philosophy of life, value system, and literary and artistic concepts of the Western bourgeois have made inroads in China. Such things as "self-expression," "playful literature," and "sex literature" have all had a harmful impact upon young writers. The works of young writers have at times lacked a sense of social responsibility and have tended to be divorced from the masses. This has seriously affected the normal development and healthy growth of young writers. Since the Fourth Plenary Session of the 13th CPC Central Committee, and under the leadership of the Central

Committee, of which Comrade Jiang Zemin is the core, we have moved on the literary battlefield to support rectification and prosperity. The creations of young writers have changed for the better. Many young writers, with their enormous political enthusiasm, have achieved outstanding success in expressing the spirit of the socialist era, creating a new socialist man, and achieving artistic innovation. Overall, our young writers are good, healthy, and capable of carrying on with the glorious mission that has been conferred upon them by history. The corps of young writers in China has the following characteristics: First, these writers are many in number. A hierarchical personnel structure has already formed and is continuing to develop. This shows that the line and the program followed by the Central Committee ever since the Third Plenary Session of the 11th Central Committee has done much to bring into play the enthusiasm and creativity of young writers. It also shows that modernization efforts and the program of reform and opening up have provided excellent objective conditions for the maturation of young writers. This is concrete proof of the fact that the quality of the Chinese people is improving. Creation by young writers is the most vital and important element in literary productivity. The great majority of what is being published in literary periodicals and books has been written by young authors. Second, young writers today are starting off at a high level. They have a broad spectrum of vision and have matured relatively quickly. You here today, writers between the ages of 30 and 40, did not have a peaceful childhood. Many of you have witnessed or experienced great tumult and disasters. Life for many of you has been very difficult. As you entered young adulthood, the quick changes brought on by the modernization effort and the program of reform and opening up were occurring. You quickly sprouted and grew like seeds planted in fertile soil in a clime where temperatures vary dramatically. We feel that the works of many young writers display the breadth of the times and philosophical depth because these authors have a deep feel for the times and abundant personal experience. This is why literary work in the first part of the new period went relatively well and exerted a deep influence upon readers. Third, the works of young writers have been bold and artistically innovative. Literature in the new period has achieved broad ranging breakthroughs and innovations in terms of its ideology, subject matter, artistic vision, method of expression, artistic methods, genre, and language. This is the result of the common efforts of great numbers of writers, and in this regard young writers have always been out in front. In all honesty, young people have strengths and weaknesses. Some have had success in their explorations, some have not had quite so much success, and some have even failed totally. What we need is to promptly and earnestly sum up and learn from experience and continue making progress; we must fully encourage and affirm the spirit of exploration and innovation.

Most of you at this conference are young writers who have been very active in literary circles in recent years.

The international situation, Chinese society, and literary thought during this period have all been very complex and variable. There has been an ongoing standoff between those in China who uphold the four cardinal principles and those who pursue bourgeois liberalization. During this time period, bourgeois liberation has run rampant several times, causing ideological chaos and confusion in literary circles. The damage that resulted was demonstrated clearly in the political turbulence of 1989. It has been more than one year since the Fourth Plenary Session of the 13th CPC Central Committee, during which time the program of improvement and rectification has led to a new turning point in work on the literary and artistic battlefield. However, the effort to eliminate bourgeois liberalization has caused great harm to our undertaking. It will take a long period of very hard work to achieve a flourishing of literary creation. However, it is comforting that during those years many young writers were not swayed by the many complex situations and various mistaken intellectual trends. They adhered to the "two commissions" and for nourishment steadfastly looked to the four modernizations and the practice of reform, and wrote many excellent works which were healthy in content, artistically influential, and displayed a strong sense of the times. These young writers ought to be praised by the people. It is also praiseworthy that many young writers have steadfastly delved into everyday life or even worked at the grass roots level themselves. They are activists on the front lines of the four modernizations. They have left their footprints in the wilderness, the plains, snowy mountains, islands in the ocean, cities, villages, mines, and military camps. In those places they discovered new types of people and new types of life which they incorporated into their own experience, thereby greatly expanding their artistic field of vision and deepening their ideological understanding. Also worthy of praise is the courageous exploration, conscientious innovation, and striving for improvement on the part of many young authors. This type of exploration and innovation was demonstrated first of all in the ways these authors have faced reality directly without avoiding conflict, and in the way they have used the light of revolutionary idealism to analyze social conflicts and illuminate the milestones of life. At the same time, it has also been demonstrated in the artistic thought processes and methods of writing, which have been highly original and successful. Of course, it must be acknowledged that even though the creations of young writers have made great progress and many excellent works have appeared, there has not been a great number of "hot products" which have made any great impact. We still fall short of meeting the needs of the party and the people, so we must build upon the foundation of the program of improvement and rectification and do everything within our power to enable the creation of socialist literature to flourish. When we talk about making this creation flourish, every one will nod his head approvingly. However, making it flourish implies an issue of direction and guidance. For this reason, when we set about the task of making the creation of socialist literature flourish, we

must first apply ourselves to the task of direction and guidance. At the same time, we should remain faithful to a principle that was enunciated by Lenin: In literary and artistic creation, we must absolutely assure the existence of an expansive world with room for individual creativity and interests; there must be ample room for ideology and imagination, form, and content. Deserving thought and study are many new situations and issues regarding the complex spiritual labor of literary creation.

II

We need first of all to earnestly consider, study, and resolve the question of relations between young writers, on the one hand, and the times, the people, and life. You young writers are the products of the period of reform and opening up. Your artistic lives are closely intertwined with these changing times. The times inform writers, and writers give expression to the times. Great writers throughout history have achieved greatness because of their superior ability to express the spirit and the essence of the times in which they lived. You today are faced with a life of unprecedented richness in which the new is substituting for the old. You are experiencing an historical process of greater complexity and vastness than ever seen before. If you throw yourselves into the times, resonate with the times, and struggle arduously for your art, you will certainly create superior works of literature which are in keeping with these uncommon times. If one is to give vivid expression to the times, one must immerse oneself completely in his times. Young writers must not be spectators to the times or mere "observers." The proper path of development for a young writer must inevitably involve close identification with the masses and with social practice. Comrade Jiang Zemin stated in a report last year to the youth commemoration of the May Fourth Movement in Beijing that, "Progressive intellectuals are a manifestation of the proper path of development for intellectuals in China. A writer on this path works under the guidance of Marxism-Leninism and Mao Zedong Thought and is intimately involved with social practice and with workers and peasants. If contemporary intellectuals are to fulfill their historical responsibility, they must proceed forward along this path, enriching and developing the excellent tradition of progressive intellectuals as they participate in socialist modernization and the program of reform and opening up. This tradition must be passed on from generation to generation." The path mentioned here by Comrade Jiang Zemin, which young intellectuals must travel, is the proper path of development for young writers.

If literature is to give deep and thorough expression to our times, it needs to take an interest in and describe the main themes of our times. It must have a grasp of the tides and currents which shape and inform social life. The main current of social life is an objective reality. It shapes and influences the economic, political, cultural, and even family life of individuals everywhere, and permeates individuals' ideology, hopes, morals, ethics, ideals, and interpersonal relationships. This is what our

literary creation cannot overlook or avoid; it must have a thorough grasp in this area. We believe that one must thoroughly illustrate the main theme of the times if one is to give a true and complete reflection of the times in the process of historical development.

Of course, one must not oversimplify in stressing the main theme of the times. The main theme and diversity are interconnected, interdependent, and inseparable because the main theme of the times is a grand, multi-party orchestration, not an isolated, abstract note. Thus it must include diverse content and diversified methods of artistic expression. We feel that the need for a literary creation to grasp the main theme of the times and manifest it within the body of the work does not mean a lowering of artistic standards, and has nothing to do with the old slogan of writing according to the central line which violated artistic precepts. On the contrary, it places high demands upon literary creation. It requires that we penetrate deeply into different areas of life, give expression to different facets of life, and artistically illustrate the diversity of the spiritual world. At the same time, all of this leads us to give expression to the main current of the times and of life. This dialectical unity of the main theme and diversity has been determined precisely by the nature of socialist literature and art. If we are to give deep expression to the main theme of the times, there must be preselection and artistic competition among different forms, schools, styles, and creative methods. Only in this manner can we achieve a synthesis of the ideological depth that Engels had hoped for, a conscious inclusion of historical content, and a Shakespearean richness and vividness of detail.

In a more concrete sense, the relationship between writers and the times implies an issue of becoming deeply involved with life. This issue might seem to be an old subject, but in reality it will always be a new issue for every writer who has the courage to explore and create. Comrade Mao Zedong long ago stated in his "Talks" that any successful writer or artist must go to the masses, to the front line of struggle, to the single most abundant source, to observe, gain firsthand knowledge, study, and analyze all persons, all classes, all masses, all forms of life and struggle, and all the raw materials of literature and art. Only then can he begin to create. This famous statement by Comrade Mao Zedong illuminated a fundamental law of art. It can be said that all of you young writers here today have a certain amount of experience in and affection for life, but as we stand at the banks of the long river of life, we see that the need to become deeply involved in life is a long-term process and forever poses fresh questions. Society continually develops and changes; the tree of life is ever green. Only by diving into life and keeping up with the rapid pace of society can one achieve new discoveries, gain new inspiration, and tap into new poetry and emotion. Some young writers have written solid, original works not long after entering the literary world, but their writings have become increasingly empty, frivolous, and redundant as time has gone by. While there are many reasons for this phenomenon,

an important factor may be that they have already exhausted their original source of inspiration and have not had any fresh life experiences. Although a writer may have a relatively stable subject matter, his writing will tend to stagnate if he does not occasionally invigorate his private life by immersing himself in the rapid currents of society at large. It is part of the nature of a true writer to break the bounds of such restrictions rather than feeling complacent within them. This is also the demonstration of a writer's creative power. It is extremely important for our young writers to expand their lives, gain first-hand knowledge of the ideology and emotions of the masses, and to gain enlightenment about the true meaning of life. The masses are the subject of social practice; "the people are the mother of literary and artistic workers." To become deeply involved in life means to be involved with the masses, be involved with the "four modernizations" which they are carrying out, be involved with the great practice of reform, and to be involved with the deepest aspects of the ideology and feelings of the masses. Only by remaining close to the people, that great mother of life, can art emanate vigor. Only by giving thorough expression to the peoples' hopes and ideals, hardships and pleasures, struggles and aspirations, can literary creation gain acceptance and popularity among the masses.

III

And so, young writers and friends, if we are to produce high quality spiritual products and truly carry out the glorious mission conferred upon us by history, we must resolve the issue of our relationship with the times, life, and people, and we must strengthen our study of Marxism and refine our ideological construction of our life experience,

The advent of Marxism has been a great revolution in the history of thought. It has fundamentally eliminated the laws of social development and of human thought processes. It is the glorious crystallization of several thousand years of civilization. We must have a sufficient understanding of its important historical significance. The significance of Marxism is broad and deep. Throughout the world, in both the East and West, it is guiding the social practice and creative activities of countless millions. It should and must be the sun which illuminates our execution of literary creation, and it must be a powerful ideological weapon which will enable us to analyze and understand life, critically inherit our cultural patrimony, and scientifically assimilate culture from abroad. The situation will vary greatly depending on whether such a world view and methodology exist.

It is especially important for young writers to systematically and earnestly study Marxist literary and artistic theory. When we study the writings of Marx and Engels, the "Talks" of Comrade Mao Zedong, and "Deng Xiaoping on Literature and Art," we should do more than just pick out a snippet here and there; we should gain a deep understanding of the basic spirit and ideological essence of these writings. We must combine our

study with historical materialism and dialectical materialism in order to avoid metaphysical simplifications. Related to this issue is the matter of reforming our world view. If one is to avoid distorting the original meaning of this issue, then how can any of us, including the young writers here today, reform his own objective world while failing to do anything to reform the objective world? The creative work of young writers is at an important developmental stage, and certain weaknesses, points of immaturity, and limitations are likely to be exposed in the process of development. Such problems include insufficient life experience and artistic practice, and creative thought whose content is of insufficient depth. To discuss at this time the issue of reforming our world view (i.e.—establishing a correct philosophy of life, concept of history, value system, ethical system, and aesthetic values) is very beneficial to our efforts to rectify the relationship between the subjective and the objective, adhere to the "two commissions" direction and the "double hundred" program, and attain an accurate pulse of the times.

We must also be aware that it is extremely important to young writers that we correctly inherit and carry forward the cultural heritage of our people, and that we correctly learn from and assimilate useful aspects of foreign culture and art. The facts have proven repeatedly that the development of literature cannot proceed in isolation from this process of inheritance and learning, which frequently provides literary breakthroughs and innovations. If we copy from others indiscriminately, however, it will influence the healthy development of our literature.

The Chinese people have a long cultural tradition and have created a glorious cultural heritage. The cultural legacies and artistic treasures left behind by our predecessors are abundant, and we rightly take pride in the Book of Songs, Chu poetry, Tang poetry, Song poetry, Yuan Songs, and novels from the Ming and Qing dynasties. In reality, each of us, while developing, has been enriched by the literature of our people. By looking down upon the cultural tradition of our own people and engaging in ethnic nihilism, we divorce ourselves from the cultural soil of our own race; we lose our roots. It should be acknowledged that some young writers have jumped very impatiently into creative work without having done sufficient preparation. Their experience has been relatively narrow, and they have not had enough time to gain a relatively deep understanding of our cultural heritage. This is very regrettable. Comrade Mao Zedong long ago indicated the proper attitude toward our culture when he called for us to "inherit critically," "take the cream and throw away the dregs," "get rid of the old and bring in the new," etc. It has only been in recent years, when "wholesale Westernization," and the "modernist craze" swept into the literary and artistic community that these issues became clouded. There is a blood relationship between modernist faction literature and the modern Western philosophy of the twentieth century. Writers in that faction have been deeply influenced by pessimism, intuitionism, existentialism, and

psychoanalysis. In general, they have given up the effort to understand the objective world and its laws of development. Our literature must face the conflicts of life, promote progress, and inspire courage in the people to reform the world. If we copy uncritically from the modernist literary faction or get involved in so-called "comprehensive importation," that would be inappropriate and harmful. Recently, readers have gradually begun to ignore the modernist craze, which was once so popular, precisely because it lacked this analysis, critical insight, and differentiation, and was therefore inappropriate to conditions in China and the feelings of the people. It is worth our time to scientifically sum up and understand this type of literary phenomenon. In learning from our excellent cultural tradition, we absolutely must not limit ourselves only to picking up certain artistic tricks such as methods of expression, turns of phrase, and structure. It is more important that we inherit and carry forward the artistic spirit and ideological character of our people. "Prose is written to express the times; poetry is written to express an event." "A hungry man rejoices upon finding food; a laborer rejoices upon finding work." Such lines as these express the spirit of realism. "A superior man struggles constantly to improve." "In wealth, one must not grow debauched; in poverty, one must not be demoralized; in the face of power, one must not cower." Such is the ideological character of our people. Carrying forward the excellent cultural tradition of our people is inseparable from our ability to manifest this artistic spirit.

In particular, we must be aware that since the May Fourth Movement, China has developed a vigorous new culture and a revolutionary culture. As we inherit our excellent cultural traditions, we must accord a position of great importance to studying and carrying forward the tradition of our revolutionary culture.

If our main concern regarding our excellent cultural tradition is how to step up efforts by our young writers to study it, then the main concern regarding culture from abroad is how to correctly understand and learn from it.

As science, technology, and the productive forces have developed, man's ability to control nature has been greatly improved, and the world has seemed to grow smaller. In an era like this, neither should we nor can we close ourselves off from the world. Opening up to the outside world and assimilating everything that is advanced in foreign cultures, including those aspects of literature and art in the Western capitalist world which have true value, is necessary if we are to enrich and develop our literary and artistic undertakings. History has shown that the culture of our people has achieved glorious developments precisely during periods when we have confidently carried out cultural exchange with foreign countries. We need to carry forward the "robust spirit of the Han and Tang dynasties," and we need to inherit the spirit of assiduous assimilation that our predecessors demonstrated during the May Fourth period. The spiritual civilizations created by the people of all countries belong to all of humanity, including that

which has been created by the Chinese people. However, because of differing historical backgrounds, ethnic traditions, social systems, world views, and value systems, it is necessary that we learn from and assimilate foreign cultures in a critical manner. This is the intent of the program of "make the past serve the present and foreign things serve China," of "borrowing ideas," and the method of treating different things differently.

Comrades, China now finds itself at a key point in its socialist development. Since the beginning of reform and opening up, social life has undergone great changes in every aspect. The recent Seventh Plenary Session of the 13th CPC Central Committee and the Fourth Session of the Seventh National People's Congress laid out the Eighth Five-Year Plan and the 10-Year Long-Range Plan, which will guide the development of our national economy and society. This is the game plan for the achievement of the second strategic objective in our socialist modernization program. It reflects the common wishes of every ethnic group throughout the country. At this new moment in history, the hearts of writers and the hearts of the people are linked together. History has already provided us with new objectives and requirements; the times have already provided us with new subject matter and challenges. Every historical era will create writers who belong to that era; every ethnic group must build up its own literary monuments. The torch of socialist literature is now being passed on to you, a new generation. "Changes in literature affect the entire world; what is to survive and what shall pass away depends upon the times." The new era requires you to give expression to it; the next peak requires you to scale it. We must compose a magnificent orchestral piece for this grand new era. Comrades, you and the great masses of young literary workers whom you represent are the hope of China; the literature of hope will certainly be born in the midst of your struggles! Let us struggle in unity and demonstrate an acute sense of historical mission and responsibility as we make our own contributions toward the effort to establish a socialist literature with Chinese characteristics!

Reflections on Current Shanghai Literary Scene

91CM0499A Shanghai WENXUE BAO in Chinese
27 Jun 91 p 1

[Article by Gu Ni (6253 3136): "Flowers of Many Hues Vie in Fragrance and Beauty"]

[Text] The 1 July holiday is approaching and Shanghai's culture and art scene is a blaze of color. Shanghai's writers and artists are full of enthusiasm, offering every type of gift for the party's 70th birthday: the film *The Creation of the World*, the blockbuster epic that reflects the birth of our party was well received by Jiang Zemin and other comrades in the central leadership. The large symphonic choruses *Light of the Century* and *July* greatly moved people's hearts. The modern dramatic performances about to be unveiled will bring out over 20 good plays with a strong modern flavor, including *The*

Big Bridge. On the television screen such continuing dramas as *Huozhong* will be seen by the viewers. In literary circles essays are being solicited for the 70th anniversary of the founding of the party and manuscripts are pouring in and masterpieces are being selected. And such fine arts fields as calligraphy and photography display their creative achievements in splendid exhibits.... All this truly makes people feel that they cannot take it all in. No wonder some literary and art reporters sigh, "These days there is so much literary and art news that we cannot keep up and cannot write about it all. It actually has been seldom seen in a number of years!"

"The sun is seen in a drop of water." This thriving scene in Shanghai literary circles on the eve of 1 July once again illustrates the party's place and influence in the hearts of the people. Each of these works and each of these performances is a reflection of people's feelings toward the party and a manifestation of the artists' enthusiasm. Quite a few comrades who have seen the works and performances have reflected that these masterpieces certainly were not something rushed through for the occasion. They all had a considerable artistic appeal. The artists who created these works also were not "doing them under orders." They were truly moved from their innermost being and driven to enthusiastically throw themselves into the creation. For example, the principal writer of *Light of the Century*, poet Luo Luo [5012 3157], is over 60 years old and many is the time he could not refrain from getting up in the middle of the night to ponder a line of poetry. *Big Bridge* playwright He Guofu [6320 0948 3940], who has a bad leg, frequently went up on the construction site of the big bridge to get into the thick of things. Behind each work there were many moving deeds such as these. According to a comrade who knows the situation, this in itself has the makings of a lengthy literary report!

This exuberant enthusiasm of the writers and artists also is a result of the conscientious way that the Shanghai municipal party committee has carried out the party's general and specific policies on literature and art. In recent years, the Shanghai municipal party committee has actively strengthened and improved the party's leadership in literature and the arts, persisting in the "two types of commissions" [er wei 0059 3634] orientation, while arousing the creative enthusiasm of writers and artists by every means possible. Key creations such as *The Creation of the World* and *The Light of the Century* were done with the direct interest and assistance of the municipal party committee and propaganda department leaders concerned. Shanghai's writers and artists greatly treasure this creative atmosphere. Just as Comrade Li Ruihuan recently pointed out, "We do not want to emphasize only what should not and cannot be done, but we also want to emphasize what should and can be done, and help people to do it. If we only raise enthusiasm, strengthen leadership, cooperate, and resolve specific

problems in a realistic way, we certainly can accomplish many things on the flourishing literary and art scene that will make the masses satisfied and happy."

Han Yu has a poem that says, "The grasses and trees know that spring will soon return, Flowers of many hues vie in beauty and fragrance." It is probably not an exaggeration to use these two lines of poetry to describe the Shanghai literary world on the eve of 1 July!

Update on Former Culture Minister Ying Ruocheng

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[Text] Beijing, June 28 (XINHUA)—He is pleased of being relieved of the post as a deputy minister of culture and re-immersed in the joy of being a career artist.

"I feel like a fish back in water," said Ying Ruocheng, who served in the Ministry of Culture only a year ago. "It is the theater, stage and filming that really fascinate me most. Even the smell of make-up appears so inviting to me."

No sooner had he walked out of his ministry office last year than he took a role in a television series, though he was already at the age of 62.

Early this month, the former minister enjoyed a triumph with the premiere of George Bernard Shaw's play "Major Barbara" under his directorship.

It was the first Shaw play to be staged in China, and it received a standing ovation from a packed house at the capital theater.

Ying could hardly hold back his excitement when talking of Bernard Shaw. "I became fascinated with Shaw plays 40 years ago when I was a student of foreign literature at Qinghua University. His profound thoughts, wits, sense of humor and beautiful language had a good grip on me."

"'Major Barbara' shines with brilliant thoughts", said Ying, adding that he chose the play with the intention to correct the tendency of dimming the ideological contents of plays in China.

Ying said that to stage a Shaw play in China has been a long-time dream of his. He regarded "Major Barbara" as his greatest triumph since retiring from his ministerial post last June.

He admitted that he preferred performing on stage to filming since stage plays keep him closer to the audience.

He has played the roles of more than 20 characters on stage since he became an actor in the Beijing People Art Theater after graduating from Qinghua University in 1950. His stage productions included Arthur Miller's "Death of a Salesman" and Shakespeare's "Measure for Measure", which he translated himself.

Ying is also known as an enthusiastic "promoter" of Sino-foreign cultural exchanges. He has translated a dozen American and British plays into Chinese, and four Chinese plays and dramas into English.

Referring to his future plans, Ying said that he will concentrate his efforts on translating from Chinese into English in order to introduce the best Chinese plays and dramas to foreign countries.

Urbane and fluent in English, Ying is well-known for his role as a prison warden in the Oscar-winning film "The Last Emperor." He also won "the best actor" award at

the 23d Italian TV festival in 1983 for his role as Kublai Khan, emperor of the Yuan Dynasty in 10th century, in the English television series "Marco Polo."

He is scheduled to go to the United States in mid-July this year to star in a Missouri University production of Shakespeare's "King Lear." He once served as a guest professor and directed two Chinese plays in the Missouri State Theater.

"All I want to do for the rest of my life is to act in plays and translate books as part of my efforts to promote Sino-foreign cultural exchange," Ying said.

NATIONAL AFFAIRS, POLICY

Double-Guarantee Enterprises Achieve Better Results

91CE0596A Beijing JINGJI GONGZUO TONGXUN
[ECONOMIC WORK NEWSLETTER] in Chinese
No 7 15 Apr 91 p 9

[Article by State Council Production Committee: "Key Enterprises Show Results in the Work of 'Double-Guarantee'"]

[Text] Based on the spirit of the Fifth Plenary Session of the 13th CPC Central Committee and directives of the leading comrades of the State Council, the State Planning Commission and the State Council Production Committee in consultation with certain regions and departments concerned, initiated an experiment of "double-guarantee" in 234 key enterprises, to strengthen the supervision and support of key enterprises vital to state economy and people's livelihood, and to develop the leading role and main force function of state-owned large and medium enterprises. "Double-guarantee" means the state guarantees supplies of external production conditions to these enterprises, enterprises follow state guidance, and ensure fulfillment of production plans and submission of tax and profits. The experiment began on 1 April last year with the approval of the State Council. With the full support of relevant regions and departments, "double-guarantee" enterprises have achieved better results than other state-owned enterprises over the past year under conditions of a slow market and fund shortages. They have generally achieved the goal of "double-guarantee," and contributed a great deal to a faster industrial recovery and steady growth.

"Double-guarantee" Enterprises Operate Better Than Other Enterprises

According to the State Statistical Bureau the proportion of production and sales of the 234 "double-guarantee" enterprises within the budget in 1990 was 30.3 percent for output value, 31.8 percent for sales, 30.4 percent for sales tax, and 44 percent for profits. The total output value of "double-guarantee" enterprises in 1990 increased by 3.5 percent over 1989 based on comparable price calculation, 0.6 percent higher than the growth rate of 2.9 percent of state industries, and 2 percent higher than the required increase of 1.5 percent for budgeted industries. Their sales revenue increased by 9.5 percent over the previous year, 6 percent higher than the growth rate of budgeted industries; sales tax increased by 8.2 percent over 1989, 2.6 percent higher than budgeted industries, earned profits decreased 41.8 percent from 1989, 16.2 percent less than budgeted industries. Submission of tax and profits took a turn for the better, and employee labor productivity increased 1.2 percent over 1989.

Production of Major Mandatory Products Increased

The production of 51 products out of 82 products listed statistically as within the scope of "double-guarantee" increased to varying degrees, 48 products fulfilled the state-controlled production plan. Major products fulfilled the plan. Among the products, coal surpassed the plan by 8.9 percent, oil by 5.3 percent, electricity generating facilities by 5 percent, caustic soda and sodium carbonate by 2.1 percent, and chemical fertilizer by 2.9 percent.

Rate of Contract Fulfillment For State-Controlled Products Increased Over 1989

In 1990 sales revenue of state contract products increased by 12.5 percent over 1989, 3 percent higher than the total sales revenue of the "double-guarantee" enterprises. Of 82 products counted, 25 fulfilled the contract 100 percent, and 19 fulfilled the contract 90-100 percent. The rate of contract fulfillment for some major products was 90.3 percent for coal, 100 percent for electricity, 99.1 percent for raw petroleum, 86.6 percent for steel products, over 95 percent for seven nonferrous metal products, 88.8 percent for sulfuric acid, 94 percent for caustic soda and sodium carbonate, 99 percent for chemical fertilizer, 100 percent for ethylene, 97 percent for electricity generating facilities, 82.8 percent for automobiles, 91.9 percent for large and medium tractors, 95 percent for salt and sodium salt, 100 percent for cotton yarn, and 98 percent for chemical fibre.

Current Major Problems of "Double-Guarantee" Enterprises

First, due to a slow market, after shipping state-controlled products, loans cannot be recovered on time, creating insufficient funds. Second, the economic efficiency of "double-guarantee" enterprises declined further than the previous year, and failed to submit planned tax and profits. Objective reasons for economic efficiency decline was that insufficient market supply slowed production and production capacities were idle. "Double-guarantee" enterprises produce more mandatory planned products. But energy and raw material mandatory plans cannot be fully realized, thus production costs increase. In-plan products suffer losses and prices out of plan go down. Large amount of loans are unpaid, short-term loans greatly increased, and interest payment are higher. Subjectively, some enterprises relax management, and fail to tap internal potentials. Some products lack marketability and competitiveness in domestic and foreign markets.

"Double-guarantee" Work in 1991

Recently, the State Council Production Committee arranged "double-guarantee" work at the national enterprise work conference. The major work goals in 1991 are:

1. Enterprises must fulfill production plans for state-controlled products. Submission of tax and profits have

to increase by 5-10 percent on the basis of last's year actual figures.

2. External production conditions for "double-guarantee" enterprises will have to be well adjusted. The general principles are that based on 1990 distribution of supplies, the 1991 plan will be adjusted according to the increase of state-controlled products. When the external conditions change and state-controlled resources decrease, the state and local government will take a skewed policy according to Document No 25 (1990) of the State Council to give preference to guarantee supplies. Departments concerned have already made specific plans for balanced supplies of and loans for electricity, raw materials, and oil.

To improve "double-guarantee" work, all regions and departments will strengthen leadership of "double-guarantee" work, and give priority to tapping the market, vitalizing enterprises, improving product quality, increasing product variety and raising economic efficiency. At the same time, administrative, economic, and legal means must be taken according to relevant regulations to solve the problem of collecting loans for state-controlled goods. A variety of methods will be used to raise funds to gradually add circulating funds to enterprises. We will try hard to achieve "double-guarantee" goals, make greater contribution to the fulfillment of 1991 industry and transportation production plans, and realize the continuous, steady, balanced development of the national economy.

Tianjin Mayor On Socio-Economic Development Program

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[Report by Tianjin Mayor Nie Bichu (5119 3880 0443): "On Tianjin Municipality's 10-Year National Economic and Social Development Program and Eighth Five-Year Plan—Report Delivered at the Fifth Session of Tianjin Municipality's 11th People's Congress on 22 Apr 1991"]

[Text] Fellow Delegates:

On behalf of the Tianjin Municipal People's Government, I am presenting to this Congress a report on the municipality's 10-year national economic and social development program and Eighth Five-Year Plan. Please give them your consideration as you debate the "Program (Draft)." I welcome suggestions from members of the Municipal Political Consultative Conference and other delegates in attendance today.

The tasks set out in Tianjin's 10-year program and Eighth Five-Year Plan were launched in March 1990. Before drawing up the program, the municipal government organized relevant departments to conduct a survey and study of the major issues in Tianjin's economic and social development, obtained ideas from the general public as well as from scholars and experts, studied and learned from the successes of other fraternal

provinces and municipalities, compared and repeatedly debated several different programs. So far this year, acting in the spirit of the Seventh Plenary Session of the 13th Party Central Committee's "Proposals," the "Program" ratified at the Fourth Session of the Seventh National People's Congress, and Premier Li Peng's government work report and the instructions he left behind after his visit to Tianjin, we have further studied and revised our 10-year program and Eighth Five-Year Plan. Below, I will explain the program in its draft form.

Short Review of the 1980's

A thorough and correct summation of the tasks we have accomplished in the 1980's is the important base and foothold of our formulation of the 10-year program and the Eighth Five-Year Plan.

The 1980's, since the Third Plenary Session of the 11th Party Central Committee, marked a decade when the Chinese people of all nationalities took big strides forward to construct socialism with Chinese characteristics under the leadership of the Chinese Communist Party. It was a decade when we focused on economic construction and upheld the four basic principles and the policy of reform and opening up, a decade marked by a new pattern of all-out modernization. Those 10 years were unique in Tianjin's history. Looking back, Tianjin indeed faced many unique problems. Back then, ideologically, we were going through a period of bringing order out of chaos, and politically, we were redressing misjudged, unjust, and wrongful cases, and we had the arduous task of putting many policies into effect. Serious imbalances among the important relationships in the national economy were in urgent need of readjustment. The people's everyday life was a struggle. In particular, recovery and reconstruction and the drinking water problem after the earthquake and natural disasters needed our immediate attention. The municipality's backward urban infrastructure and its filthy, chaotic, and poor appearance were jeopardizing its ability to perform its functions. It was under these complicated and difficult conditions that we launched our construction and reform in the 1980's. For 10 years, under the leadership of the Party Central Committee, the State Council, and the Tianjin Municipal Party Committee, the government at all levels held steadfast to the party line and general and specific policies since the Third Plenary Session of the 11th Party Central Committee, stood by the people of Tianjin, worked successfully in many areas, got rid of all kinds of disturbances, overcame many difficulties, completed all the basic tasks set out in the Sixth Five-Year Plan and the Seventh Five-Year Plan, and opened up new prospects in Tianjin's modernization. Those 10 years marked a period of record development in Tianjin's history. It was a decade in which the people received more real benefits than ever before, a decade when political stability and unity were constantly being reinforced and developed. We made important breakthroughs, and our socio-economic lives

went through dramatic changes of historic magnitude, and these will provide the conditions for Tianjin to achieve even greater vitality and prosperity in the 1990's.

1. There has been a noticeable increase in real economic strength, as marked by a rise in all the important indicators that reflect economic strength and economic level. In 1990, the municipality's GNP topped 30 billion yuan, and its national income reached 24.3 billion yuan. The 10-year cumulative GNP and national income was 1.5 times and 1.4 times, respectively, the sum total of the previous 30 years' put together. The municipality's per capita GNP has increased to 3,493 yuan, more than twice the national average. Every sector of its economy is now equipped with fixed assets of clearly higher standard.

The national economy continued its steady development. In 1990, the municipality's 71.73 billion yuan GVIO was 2.6 times 1980's based on comparable prices. Compared with 1980, the output of key products has increased significantly: Steel production has increased to 1.667 million tons; pig iron, 1.395 million tons; soda, 587,000 tons; automobiles, 27,000 units; television, 1.439 million sets; bicycles, 5.367 million units. Total output of the rural society was worth 277.7 billion yuan, a 11-fold increase. Grain output increased from 1.378 billion kilo to 1.888 billion kilo, up two notches over a 10-year period. The municipality is basically self-sufficient in vegetables, eggs, milk, and fish. Total output of its township industries has reached 19.85 billion yuan, a 14.6-fold increase. They now account for 27.7 percent of the municipality's GVIO, up from 6 percent 10 years ago. Retail sale of commodities in society topped 14.94 billion yuan, a 1.1 fold increase after discounting the price increase factor. As its economic strength increased, Tianjin also made significant contributions to the state's accumulation funds. The cumulative local fiscal income came to 45.4 billion yuan over the 10 year period. Of that amount, 24.9 billion yuan was handed over to the central government. This equalled 1.8 times the original value of the existing fixed assets of the local budgeted industries. Including the profit and income delivered directly to the central government by the state's units and enterprises in Tianjin, the municipality has handed over 52.7 billion yuan, more than what it had delivered in the previous 30 years put together.

2. Technologically, we have entered a new phase. In 10 years' time, Tianjin's industrial structure and product-mix have undergone two rounds of fairly drastic readjustment and transformation. Making use of the state's helpful policies, we concentrated our effort on developing 18 light and textile industries, including the bicycle, watch, garment, and textile industries, and five other trades that complement them. We took advantage of the state's policy of authorizing broader use of foreign exchange to develop some burgeoning industries such as automobile, electronics, and household appliances. Meanwhile, we began to make preliminary readjustments of our heavy industry. We boosted basic industries such as energy and raw materials which had always

been our weak links. We developed computer, fiber-optic communications, program-controlled telephone, precision machinery, numerical controlled machine tool and other advanced, high-tech products. We readjusted enterprise organizational structure to facilitate the development of hot-selling products and set up some enterprises groups. For the municipality as a whole, 53 products now have annual output value in excess of 100 million yuan.

In conjunction with the readjustment and reorganization, we also stepped up technological transformation and rebuilt and expanded some old enterprises. In 10 years, we invested 17.04 billion yuan in industrial-technological renovation, completed more than 8,700 industrial technological transformation projects, and as a result, one-half of the industries and trades and one-third of the enterprises have undergone some degree of upgrading. In 10 years, we have brought in more than 1,200 industrial technological projects, including more than 100 production lines and many key installations that meet international standards, and this has raised the technological standards of many mainstay enterprises to the late 1970's and early 1980's international level. By the end of 1990, nearly a thousand of Tianjin's products have received international awards and gold and silver medals from the state for their quality, or have been named outstanding products by various departments.

3. Urban and rural reforms have made impressive progress. Step by step, we launched and deepened the reform in various sectors in the municipality and began to do away with the old system which had long fettered the productive forces. In the cities, we seized the central link of increasing enterprise vitality and actively promoted several kinds of contracted management responsibility systems, and to complement these, we also made appropriate internal enterprise reforms and restructured the capital goods ownership system. Although the public ownership system still dominates, the individual economy, private economy, and other economic components have undergone rapid development. We deepened reform of the circulation sector, so that planned transfer and allocation is no longer the only way to circulate goods and materials. With respect to commercial wholesale, we now have a rudimentary diversified wholesale and circulation network which integrates industry and commerce, agriculture and commerce, and agriculture and industry and commerce. For retail, we have implemented a new system of "dual leadership by the city and district, with the district in the lead." One after another, we developed the capital goods, financial bonds, foreign exchange regulation, technologies, labor, information, and real estate markets. Meanwhile, we also implemented reform of the planning, finance, taxation, banking, pricing, and labor and wage systems. We readjusted and improved the scope and the ways and means of macro regulation and control, gradually reduced the

scope of mandatory planning, and expanded the role of government guideline and market regulation. We also took into consideration Tianjin's real conditions and focused on our urban construction, port facilities, and reform of the urban management system. They played a very important role in promoting the municipality's steady and smooth development. In the rural areas, we implemented the family-based output-related system of contracted responsibility, and focusing on the goal of accelerating suburban economic development and rural modernization, we continued to deepen the reform and encouraged the peasants to forge different forms of economic ties and gradually set up a two-level economic system that integrated centralization and decentralization. We continued to uphold the policy which made the public ownership system the main system but recognized other economic components. We made prosperity our goal and permitted some localities and some people to get rich first through honest hard work and lawful endeavor. We actively explored ways to link up urban and rural reforms and made comprehensive changes to integrate the production and sales of milk, aquatic products, poultry and eggs, and vegetables. We continued to deepen reform of the scientific and technological system and education system and mobilized the enthusiasm of the masses of scientists and technicians and teachers.

4. We made great strides in our opening up to the outside world. We went all out to open up a development zone, the port, the urban area, and the suburban counties. The economic and technological development zone has gone from its inception stage to the mature, accelerated development stage. We expanded and further opened up the port of Tianjin, making a major breakthrough. The investment environment has clearly improved. Our international prestige is continuously being enhanced. Tianjin has become one of the most important regions for attracting foreign capital. Foreign trade has grown. Over the last 10 years, Tianjin's foreign exports have earned \$14.7 billion, more than the total amount earned in the previous 30 years put together. The mix of foreign export goods has changed dramatically. Today, 81 percent of the industrial goods are being exported, compared to 65.8 percent 10 years ago. We promoted the foreign trade contract system and expanded enterprises' export management rights. These played a very positive role in promoting foreign trade. Today, we not only utilize foreign capital which we did not have before, but we are constantly expanding the scope of foreign capital utilization. By the end of 1990, Tianjin has signed 608 contracts that utilize foreign capital and has put \$1.73 billion in actual foreign capital to use. We have signed 550 contracts pertaining to the "three kinds of wholly or partially foreign-owned enterprises," 236 of them are already in operation or production. Fifty-eight of our old enterprises are in business or in production jointly with foreign businesses. We have made a good beginning in utilizing foreign capital to transform existing enterprises. In addition, overseas contracting, labor cooperation, and tourism have also made good progress.

5. The city's appearance has changed dramatically. We have successfully completed the task of rebuilding after the earthquake and disasters. We formulated an overall urban plan and completed our urban construction and transformation tasks step by step. After 10 years' arduous struggle, Tianjin has turned from a backward, ugly, filthy, and disorderly city into a large-capacity and fairly clean and beautiful city. With respect to the water supply, we have completed an irrigation project and built new and expanded old water supply facilities, so that we now have a reliable supply of water for industrial and household use. With respect to power supply, we have built new and expanded old power plants and heat and power plants. We now have 2.04 million kilowatts of power generating capacity, alleviating our power shortage problem. With respect to transportation, we have completed a sea-land-air transportation system with the port at the core. The port of Tianjin has completed 16 10,000-ton berths. Its cargo handling capacity has reached 24.07 million tons. After the expansion, Tianjin now has a combination cargo-passenger international airport, with cargo-handling its main business. Upgrading of the railroad hub has been completed, and passenger and cargo transport capacity has clearly increased. The Beijing to Yangchuan segment of the Beijing-Tianjin-Tanggu Highway has been completed. A "3-loop, 14-spoke" network of city roads is basically complete. We built new and repaired old country roads to create a crisscross network of highways that connect all points. With respect to post and telecommunications, we have strengthened the city's telephone, long-distance, post and telecommunications facilities and have gradually modernized the means of communications. Meanwhile, we have built many specialized shopping centers and shopping malls and hotels for foreign guests and other commercial and tourist facilities. We have straightened out the city's appearance and environmental pollution problems. All these have created the conditions befitting of Tianjin's role as economic hub, enhanced Tianjin's prestige as an urban center, and have promoted the development of its economic construction.

6. We made significant progress in science and technology and in our educational undertaking. Tianjin now has 144 natural science research and technology development institutions. They employ nearly 300,000 people who make up an army of well-trained scientists and technicians in all disciplines. Over a 10-year period, they have completed more than 4,500 major scientific and technical projects, 74 of which have won national awards. The results of many R&D projects have found economic applications. We have begun to build a technological industrial park and have acquired initial overall superiority in developmental capability in many fields. We have also strengthened social science research work and contributed actively toward the two civilizations.

Education of all levels and all types also made substantial progress. Not only is the quality of education better, but the educational structure has also improved. We

made progress in the area of higher education. We opened an institute of technology, a foreign trade institute, an institute of urban construction, a college of agriculture, a business college, a professional college, and a professional-technical normal university, and a college of education. We expanded the Tianjin University, the Nankai University, the Institute of Textile, the Medical College, the College of Chinese Medicine, the College of Finance and Economics, and the Normal University and so on. We have added some improved schools which we urgently need and have improved the ways the schools are being run. For the municipality as a whole, enrollment in the ordinary institutes of higher education has increased from 30,200 students in 1980 to 51,000 students in 1990. Middle school education has been restructured. The ratio of enrollment in polytechnic, technical, and vocational schools to ordinary high school enrollment is 1.49:1. Over a 10-year period, we have produced 309,000 specialized personnel with better than secondary school education. Basic education has been enhanced. In 10 years, we have built 356 middle and elementary schools. We have solved the enrollment problem of school-age children. One half of the townships in the suburban counties have implemented the nine-year compulsory education system, and in the city, senior high school education is almost universal. Adult education, continued education, and on-the-job training have seen healthy development. Over a 10-year period, we have allocated 3.14 billion yuan for educational purposes. Funding has increased an average of 14.6 percent a year, exceeding by far the rate of increase in fiscal income over the same period. Meanwhile, we have launched many activities to rally society's support for education. The status of the teachers has been boosted, and we are gradually creating a general mood of showing respect for the teachers and attaching importance to education in society.

7. Living conditions have clearly improved. In 1990, the urban population's per capita annual income was 1,522 yuan. Discounting the 67 percent price increase since 1980, their income has increased an average of 5.3 percent a year. The peasants' per capita annual net income was 1,069 yuan, and after discounting the 97.5 percent increase in prices, their income has increased an average of 7 percent a year. The urban population has 12.69 billion yuan in savings, an increase of 14.9 fold in 10 years. Meanwhile, there are many more job opportunities: Cumulatively, 578,000 unemployed have found work in the last 10 years. As the people's income increases, their consumption level and consumption mix also change dramatically. The urban population's per capita annual expenditure has risen from 492 yuan in 1980 to 1,440 yuan after discounting the 57.9 percent increase in prices. Twice as many urban families now own color television sets, refrigerators, and washing machines as before. Over the last 10 years, we have added 31.66 million sq meters of housing in the urban areas. This is equivalent to 1.55 times the livable area in 1980. Per capita living area has increased from 3.6 sq m to 6.7 sq m. We have upgraded some dilapidated and

dangerous buildings, improving most people's living conditions. Most urban households have gas utility which makes life more convenient. We have built a new GNY-OB hospital, a hospital attached to a medical college, a tumor hospital, an auxiliary Chinese medicine hospital and other city-level hospitals and small and mid-sized hospitals. We opened new businesses everywhere, added bus routes and new buses, and eased the public's "hospitalization problem," "shopping problem," and "transportation problem." In 10 years, the people's lives have changed so dramatically and their standard of living has risen so much that it is almost unprecedented since the founding of the PRC.

8. Our spiritual civilization was a huge success. We insisted on "emphasizing both civilizations and achieving success in both." We went deep into the municipality and continuously educated the people about upholding the four basic principles and opposing bourgeois liberalization. We boosted the masses of cadres' and the public's confidence in socialism. In view of the party's weakened leadership and diminished ideological and political work at one time, we paid ample attention to giving play to our political superiority and worked hard to launch ideological and political work which attracted the people and held them together, and in the process, we accumulated new experiences. We held activities to encourage the people to learn from and give recognition to the exemplary, to build civilized units and civilized families, and to encourage the military and the civilian to work together. We have gradually created a social environment for producing a new breed of people with the "four haves." Our cultural and artistic, news and publications, broadcast and television and film, public health, and athletic and other undertakings were also highly successful. Family planning produced clear results: The municipality's natural population growth rate is well below the national average.

Tianjin's democratic and legal systems were continuously strengthened. The municipal government set up a system of soliciting ideas from the People's Congress and the Political Consultative Conference. It retained and perfected its household polling system and strengthened its letter writing and visitation work. We launched widespread democratic consultation and encouraged heart-to-heart talks. We regularly made public the progress of important government works and affairs that the people were most concerned about, so that the people knew what the government was doing. Meanwhile, we strengthened the legal institution and promulgated new rules and regulations that gave play to the function of the legal system in promoting and guaranteeing construction and reform. We made sure that maintaining public safety and strengthening comprehensive administration were the most important tasks of the government at all levels. We strived for good social order and social tendency, so that the people would feel safe and secured. We adopted different ways and means to vigorously increase publicity and reinforce education of the legal system and strived to raise the people's ideological and

ethical standards and their concept of abiding by the law and discipline. We gave full recognition to the masses of activists who made law and order their cause, so that Tianjin's social order had a strong base among the people. In recent years, we have held steadfast to the general policy of applying the law with speed and vigor and have continuously cracked down on and struggled against criminal elements. In particular, we have launched continuous and massive struggle and crack-down against robbery, vagrancy, bribery and corruption, pornography, and the "six evils." We have humbled the arrogance of the criminal elements. Tianjin has remained relatively crime-free compared to other major cities and is one of the regions with the best public order and public safety record in the nation.

Fellow delegates, the reform and opening up and economic construction we undertook in the 1980's were brand new undertakings. Not only were there many conflicts, new situations, and new problems, but we had no existing experience and model to follow. Despite the circumstances, the masses of cadres and people in the municipality worked hard to integrate the implementation of the Party Central Committee's party line and general and specific policies with Tianjin's actual conditions, and grasping the gist of the Party Central Committee, they started out from reality, boldly put them to practice and explored, and gradually acquired and accumulated precious experiences. We can sum those experiences into the following five "upholds":

We upheld the basic work ideology of "do everything for the people and rely on the people for everything." We have always made serving the people the basic purpose of the government at all levels. We have always made maximizing the people's benefits the starting point and the final goal of all our tasks, and sincerely and genuinely and with all our hearts and might, we have always tried our utmost to work for the people and get more benefits for them. At the same time, we consciously made trusting in and relying on the people our most basic work method and let the masses participate in government and politics and be their own masters. We made sure that we could "count on the people to support what we do for them." As a result, we have won back the people's trust which had been lost after being lied to and made empty promises to for a decade, ever since the "Cultural Revolution," and we have recovered and amplified the party's fine tradition and brought the people and the government at all levels even closer together. We have created and maintained a lively situation where the "government works for the people and the people cheers on the government."

We upheld the general policy of steady and smooth development. We strived to reflect the principle of steadiness, stability, and smoothness in our work. Politically, we emphasized smoothing out various relationships, especially public morale, and tried to create a harmonious and cordial greater environment. Economically, we emphasized an orderly and gradual progress

and stressed overall balance among the important economic relationships and coordination among different policies. In everyday life, we dealt with and handled all sensitive issues that pertain to the people's interests carefully and correctly. Under the major premise of maintaining political and social stability, we strived to develop the economy and continued to deepen the reform. Practice proved that our approach had positive and profound effects on reinforcing and developing Tianjin's excellent situation.

We upheld the decision to push the reform forward. The government at all levels held steadfast to the four basic principles and never swayed from its determination to reform and open up and consciously combined the two and put them into practice as we worked to establish a socialism with Chinese characteristics. With respect to providing concrete guidance on reform, we have acquired some successful experiences which include grasping the relationship between reform and construction, emphasizing giving play to the superiority of socialism, paying attention to the unification of enlivening the economy at the micro level and control at the macro level, and supporting the people's bold experiments. It was because of these important guiding ideologies and measures that Tianjin's reform was able to proceed smoothly and successfully.

We upheld the idea of giving full play to our political superiority. The government at all levels consciously placed itself under the party's leadership, gave free rein to the socialist system's superiority, adjusted to the new historical conditions, and strived to make use of our political superiority to organize the masses and mobilize the public. We made it a point to look at and handle all issues from the political point of view, continued to strengthen and improve our ideological and political work, and strived to create a good political environment where the masses of cadres and the people worked with one heart and one mind and showed off their respective talents. Because we correctly gave play to our political superiority, the people were able to rid themselves of various concerns and maintain a positive mental outlook and fine moral tendency as they faced the new situation of reform and opening up.

We upheld the idea of continuously reinforcing and strengthening the municipality's greater unity. We have always made unity an important issue and have worked very hard to make everybody realize how precious and important unity is. We set an example with our own deeds to promote unity, and by sharing a common goal, we supported one another, respected one another, tried to understand one another, and supplemented one another's needs. We continuously strengthened the unity between party and government, the military and the government, and the military and the civilians, the unity between new and veteran cadres, the unity among the people of all nationalities, and the unity among various democratic parties and factions, mass organizations, and patriotic democratic personages. We strengthened the greater unity of all people in the municipality and gave

full play to all factors that played a positive role in Tianjin's four modernizations. These were the basic guarantees of success in all of our undertakings.

After continuous review and perfection and after several rounds of examination and discussion by the municipality's People's Congress, the people have reached a consensus about these basic experiences which are the fruit of the people's painstaking labor over the last 10 years. They are our precious spiritual wealth which we treasure. In the future, we will consciously uphold them and continue to amplify them.

Fellow delegates, every Tianjin citizen should be proud of the glorious success our municipality has achieved in the 1980's. In looking back and summing up the dramatic changes in Tianjin over the last 10 years, we feel deeply that the people are the real heroes, that they are the creator of history. For 10 years, the people have struggled arduously, worked selflessly, used their own vigor and wisdom to turn a blueprint into a beautiful picture and an ideal into reality. Tianjin owes its success to the people. All the glory should go to the people. Here, on behalf of the municipal people's government, please allow me to express our greatest respect and deepest gratitude to the municipality's people of all races who have contributed so much to Tianjin's four modernizations, to the officers and men of the Tianjin garrison command, the Tianjin-based troops, and the military police who shared our joys and sorrows and fought alongside us, and to the democratic parties and factions and mass organizations and patriotic personages who showed utter devotion and who vigorously supported the government's work.

While affirming our achievements and summing up our experiences, we should also realize sober-mindedly that in order to invigorate Tianjin, we still have many urgent problems to solve and issues to deal with. The poor industrial structure, the relatively weak basic and raw material industries, and the obsolete technologies and facilities in the processing industry have resulted in our relatively lack of large-scale mainstay industries and hot-selling products and in the industry's lack of staying power. Development of the tertiary industry has been slow, and we have not given full play to Tianjin's role as urban center. Huge amounts of enterprise profit have shifted elsewhere, economic circulation remains stagnant, and economic efficiency is still low. The government's fiscal income has diminished, but subsidies continue to increase, and this has greatly hampered the development of our economic and other endeavors. Enterprises, especially the large and mid-sized state-run enterprises, have little ability to develop on their own, and not all the new economic mechanisms are in place yet. In particular, we must make every effort to further free ourselves from old ideas, accelerate the transition to a planned commodity economy, improve product quality, strengthen management, stress efficiency, and increase profit. In addition, there are still many conflicts with regard to our social development which we must pay close attention to and strive to solve. In the last two

years, we have steadfastly implemented and carried out the general policy of rectification and improvement and thorough reform. We have begun to resolve the deep-seated conflicts in Tianjin's economic life, and we have had some initial success. We must continue to sum up our experiences, improve our work, and keep steadfastly to the road we have opened up and take big strides forward so that we can usher in a new phase in Tianjin's socialist modernization.

Objectives of Our Struggle In the Next 10 Years

From now until the year 2000 will mark a developmental period with crucial strategic goals for the second step of China's modernization. It will be an important and very critical decade for Tianjin's economic and social development. The next 10 years will link two centuries, and we not only will have to reinforce and further the success of the reform and opening up and economic construction of the 1980's but will also have to create conditions for realizing the strategic goals of step three of our modernization in the next century. The tasks in this period will have the strategic significance of linking what we have already begun in the past with what we will begin in the future. It will be the key to whether Tianjin can maintain the role it deserves and contribute even more to the nation's economic development. The times have put upon our shoulders important historic responsibilities. We must have an acute sense of mission and urgency and try our utmost to open up and forge ahead, and through arduous and solid work, we hope to vitalize Tianjin and welcome the arrival of the 21st century with a brand new attitude.

The objectives for the next decade as set in the 10-Year Program and Eighth Five-Year Plan for Tianjin Municipality's National Economic and Social Development (Draft) are as follows: In accordance with the strategic goals of the second step of China's socialist modernization and what the state expects of Tianjin, we hope to triple the 1980 GNP, at constant prices, by the end of this century. We want to see all people become comparatively well-off and on their way to becoming even more prosperous. We want to use 10 years' time or longer to turn the municipality into a "technologically advanced, multi-purpose industrial base and an open, comprehensive economic center and modern port city." We want to establish an economic system and a socialist spiritual civilization befitting of our new status and elevate the overall quality of our national economy to a new level. We want to invigorate Tianjin, serve the whole nation, face the world, create the conditions for greater development in the next century, and contribute even more to China's socialist modernization. According to these objectives, we must complete the following major economic and social development tasks within the next 10 years:

1. We must achieve sustained and steady quantitative economic growth. By the end of the century, the GNP should reach 61.4 billion yuan, increasing 1.04 folds over a 10-year period and tripling the 1980 figure. The per

capita GNP should top 6,330 yuan, among the highest in the nation. The national income should reach 48.6 billion yuan, doubling in 10 years' time. The GVIAO should top 147.7 billion yuan, a 94 percent increase. Specifically, the GVIO should reach 140 billion yuan, a 95 percent increase. We should see significant increase in economic efficiency, and the profit to investment ratio should increase by 10 percentage points, and society's net output value should increase by 5 percentage points. The overall industrial labor productivity rate should increase by more than 40 percent, and energy consumption per 10,000 yuan GNP should be further reduced. The main industrial products' energy and raw material consumption should be at par with or below the national standard for similar industries.

2. We must have an economic structure that facilitates smooth development. We should develop agriculture, forestry, animal husbandry, sideline production, and fishery at the same time. Grain production should be raised two more notches. The average annual production should top 1.8 billion kilo in the first five-year period and 2 billion kilo in the second five-year period. Cotton production should double, surpassing the 30,000 ton mark by the end of the century. The products of the six large-scale sideline production bases should become clearly more competitive. Commercialization of agricultural output should exceed 80 percent. While giving play to the superiority of the light and textile and other traditional industries, we should gradually create an industrial structure led by the three main industries of petro- and oceanic-chemical, electronics, and automobile and machinery. We should set up some large enterprise groups that can attain economies of scale and develop some hot-selling products which are highly competitive. We hope to see significant development in the tertiary industry, raising its output value from the present 27.3 percent to around 40 percent of the GNP. We want to gradually build five centers—transportation, commerce, finance, information, and science and education—which are fully equipped, which provide quality service, and which have strong gathering and distribution capabilities. 3. We need to significantly build up the economy's staying power. We must continue to increase fixed asset investment. As required by our economic development and overall urban program, we must have some major construction projects to further increase our economic strength. In the coastal areas, by building large plants that produce ethylene and polyester and by upgrading the three large chemical plants, we will have a comprehensive industrial-chemical production base of definite scale and status. Downstream of Haihe River, by building large plants to produce seamless steel pipes and experimenting with "steelmaking in cupola furnaces" and other projects, we will have a combination iron-and-steel production base that produces a variety of unique and quality products. In the west side of the city, the first step is attain the capability to produce 30,000 XIALI automobiles, and the second step is to expand to 100,00-car capacity, and by the end of the Ninth Five-Year Plan period, we should be able to produce 300,000

cars of all types, creating an auto production base for light- and mini-model cars. We must make new breakthroughs in technological transformation. During the Eighth Five-Year Plan period, we must emphasize the upgrading of 20 major product categories and 100 key-point enterprises, bring changes to their technologies and facilities and production capacity, and upgrade and replace most products to bring them up to the level reached by the developed nations in the mid- and late-1980's.

4. We need new breakthroughs in our effort to open up to the outside. We must accelerate the opening up of the development zone. In 10 years, we want to put 10 sq km under development. The port's tax-free zone should be fully equipped, and we should implement a even more open policy to make Tianjin a wide-open window. We need to adopt different formats and utilize foreign capital boldly and bring in advanced technologies and scientific management methods. We should actively develop the "three kinds of wholly or partially foreign-owned" enterprises and strive to more or less triple the previous 10 years' foreign capital utilization rate in the next 10 years. We must increase export through many channels. The export output value should increase to about 20 percent of the GVIAO, with annual export value topping \$4 billion. Nontrade foreign exchange income should also increase substantially.

5. We must let science and technology and education spearhead economic and social development. In accordance with the focal point of economic development, we should concentrate on key scientific and technological projects such as fiber-optic communications, micro-electronics, numerical-controlled systems, bio-engineering, and the development of new materials. We need to find broad applications for the results of 100 major scientific and technological projects and digest and assimilate imported projects and do a good job producing import substitutes and making foreign technologies Chinese. We should actively develop and fully utilize the new technology industrial park and turn it into an important base for developing high-tech and new-tech and for popularizing their application. We need to optimize the educational structure, improve the quality of education, and establish an educational system which is compatible with our economic and social development. Over a 10-year period, we want to nurture 370,000 polytechnic and more advanced personnel and turn Tianjin into one of the nation's advanced cities for education.

6. We must further amplify and perfect the municipality's conveyer functions. We need to build new and expand old power plants and more than double the current installed power generating capacity, so as to satisfy basic production, construction, and everyday needs. We will begin construction in Beigangchi in the port of Tianjin and develop Nanjiang. The port will have 52 million tons cargo-handling capacity, 1.2 times its present capacity. We want to turn the port of Tianjin into one of the nation's major ports. We must continue

to perfect Tianjin's key railway projects and perfect Tianjin airport's facilities, complete the network of city roads, with its "3 loops and 14 spokes," and give the communication and transportation network a new dimension and more speed. We need to build more public facilities that supply the masses' basic needs in terms of food, clothing, shelter, and transportation as well as enhance the municipality's culture, public health, athletics, news media, publication, radio and TV broadcast and other aspects of its spiritual civilization, so as to make life more convenient for the people, give play to Tianjin's role as economic hub, and promote the development of its export-oriented economy.

7. We need to raise the living standard to a higher level. We must continue to perform 20 practical deeds for the people in the cities and towns each year, and we must strive to do a even better job each year. In conjunction with the reform of the housing system, we should continue to work on housing construction, so that by the year 2000, the per capita living area will reach eight sq m for the urban dwellers and two sq m for the rural population. We need to improve the living environment and conditions. By the end of the Ninth Five-Year Plan period, 40-60 percent of the urban population should have in-door heat and more than 90 percent should have gas utility. In particular, we want to bring gas to an addition 200,000 households during the Eighth Five-Year Plan period. There should be 15 telephones per 100 people in the municipality. Environmental quality in the urban and rural areas should further improve. We should protect the air quality and water sources, treat water pollution, control noise pollution, and improve water supply and drainage. We hope to reach the urban sanitation standards set by the state within five years. With increased production, the urban and rural population's income will increase, their consumption-mix will improve, their general health will also improve, and their lifestyle will become more civilized and scientific.

8. We must keep the population increase under effective control. We must hold steadfast to the basic national family planning policy, increase the people's awareness about the total population versus per capita concept, and control tightly the natural and mechanical rate of increase in population. We want to improve the quality of the population and optimize the population composition. Tianjin's natural rate of population increase should be kept at 0.71 percent during the Eighth Five-Year Plan period and 0.62 percent during the Ninth Five-Year Plan period, and by the end of this century, the municipality's population should not exceed 97 million to generate a good population environment for its economic and social development.

To realize these difficult 10-year objectives, we must hold steadfast to the party's basic line, make economic construction the center of focus, uphold the four basic principles, uphold reform and opening up, and put the principle of having "one core and two basic points" to practice as we establish a socialism with Chinese characteristics. We must comply with the 12 main principles

laid down by the Party Central Committee for our 10-year program and Eighth Five-Year Plan and take Tianjin's actual conditions into consideration and make use of and apply them with creativity. We must uphold our long-time basic work ideology of "doing everything for the people and relying on the people for everything" and give free rein to the people's enthusiasm, initiative, and creativity. We should promote construction and reform on the premise of stabilizing the overall situation first. The "Program (Draft)" realistically set down nine specific guiding principles. These principles reflect the basic requirements of the two civilizations. Among them, the following six are the most important and pertinent to our economic development:

Emphasize giving play to Tianjin's role as economic hub: Historically, Tianjin was once China's most important northern economic hub. This role was not only important to Tianjin's own development but was crucial to the recovery and prosperity of China's national economy in the early days of liberation. At the end of the First Five-Year Plan, we installed a single planned management system and ignored the development of the commodity economy, and Tianjin's role as economic hub was greatly diminished. Since reform and opening up and in the wake of the development of the socialist commodity economy, the situation has begun to change. In 1985, in its official response to "Tianjin Municipality's Overall Planned Program," the State Council pointed out that "Tianjin should become a multi-purpose industrial base equipped with advanced technologies. It should become an open, comprehensive economic hub and a modernized port city." To realize this goal, we must recover and give play to Tianjin's role as economic hub. Being a multi-purpose industrial base and modernized port city is the most important characteristic and focal point of development of Tianjin as an economic hub. We must completely change the kind of thinking which ignores the development of the tertiary industry, and in the next 10 years, we must strive to expand commodity and financial circulation, and enhance the municipality's ability to attract and to disseminate, and by giving play to its role as economic hub, we hope to promote and give impetus to its economic and social development. This is the key to understanding and invigorating Tianjin.

Make developing an externally-oriented economy our main direction. In 1988, the Municipal Party Committee and Municipal People's Congress formally ratified Tianjin's strategy of accelerating the development of an externally-oriented economy. The state's 10-year program and Eighth Five-Year Plan emphasize that the coastal region should continue to actively develop an externally-oriented economy and expand its foreign trade and economic and technological exchange to give even more play to its important function to bring in from the outside and link up with the interior provinces. Thus, in the next 10 years and even longer, we must consciously accelerate the transition to an externally-oriented economy in order to realize the developmental

strategy which lets the export-oriented economy dominate, lets the exterior bring along the interior, lets the interior promote the exterior, and which links the interior with the exterior. As the economic hub and as an important coastal city that opens up to the outside world, Tianjin is backed by a vast hinterland and has broad economic ties. It is the hub that links the outside world and the interior provinces. Tianjin must take an active part in international division of labor and international competition, and by opening up even more to the outside world and enhancing its ability to compete internationally, its overall economic quality will approach and gradually catch up with the advanced international standard, which will contribute to the strengthening of the state's economic power. Meanwhile, we must insist on opening up to the interior provinces and developing trans-regional lateral economic ties and enterprise groups and gradually shift to more advanced technologies and management experiences and link up with the vast hinterland to face the outside world. Only in this way will our opening up be truly effective, and only then can we give full play to Tianjin's externally-oriented economy.

Make increasing economic efficiency the central link of all of our economic tasks. To achieve the strategic goal of tripling the GVIAO, not only must we keep up the rate of increase in production, but more importantly, we must increase economic efficiency significantly. Only in this way can we get on the track of sustained, steady, and smooth economic development. Thus, vigorously increasing economic efficiency is a basic requirement of all of our economic tasks and is also the fundamental guarantee of the achievement of our economic and social development goals in the next 10 years. Today we have ample potential in our production, circulation, construction and other sectors. It is not only vital but it is completely feasible that we increase economic efficiency and combine efficiency with speed and make efficiency increase even faster than the rate of growth. We must fully recognize the significance of this issue, get rid of old ideas, get down to solid work, and gradually but thoroughly remedy our lack of economic efficiency. We must rely on scientific and technological advancement, better management, and better product quality and strive to turn our extensive economic management into intensive management. With respect to macro management, we should strive for proper resource allocation, proper allocation of the productive forces, and proper distribution of key factors of production. With respect to micromanagement, we must enforce the responsibility system, strengthen basic work, and improve the quality of all workers. We must go deep into every trade and every business to promote high output and low consumption, more revenue and less expenditure, and we must tap potential and curb waste, so that after a decade of struggle, Tianjin's economic efficiency will rank among the best in the nation.

Rely on scientific and technological advancement as the means to vitalize the economy. Science and technology

are the number one productive forces. Since the processing industry is its main industry, Tianjin characteristically must put both ends—resources and markets—abroad. To compete successfully in the domestic and foreign markets, we must concentrate on giving play to science and technology, and since we have the advantage of being close to the central government's scientific and research centers in Beijing, we should base our economic development and economic efficiency on scientific and technological advancement. In the next 10 years, the construction of Tianjin's industrial base, the readjustment of its industrial structure and product-mix, and the technological transformation of its old enterprises must reflect the principle of scientific and technological advancement to truly bring about the change from extensive to intensive economic growth. We must be willing to spend money and effort on the study and propagation of science and technology, strive to come up with a way to produce high-quality, high added-value products that require low input but generate high output. We need unique products that are technologically advanced, that are of exceptional quality, that are highly profitable, that we can produce in proper batch size, that can give us the lead in the nation, and greatly increase our ability to compete in the domestic and international markets.

Do a even better job coordinating urban construction and economic development. Our urban infrastructure is one of our strong points, but we must realize that our urban infrastructure is still deficient in many ways. There is much work to do if we want to achieve our overall urban program. Furthermore, as we give play to our role as economic center, and as our externally-oriented economy develops, there will be new and more stringent demands on our urban construction. We must continue to hold steadfast to the principle of coordinating our urban construction and economic development and work hard to turn Tianjin into a beautiful, comfortable, orderly, fully-equipped, and large-capacity modern city. These not only are necessary conditions for developing the economy and perfecting the investment environment but are also urgent needs to satisfy the people's material and spiritual and cultural lives.

Make continuous thorough reform the basic driving force behind the enlivening of the economy. Tianjin's development in the last 10 years was achieved mainly through reform, and to realize the development goals in the next 10 years, we must continue unremittingly to accelerate and deepen the reform. As an old and major industrial city, Tianjin has always emphasized the product economy and has been profoundly influenced by the traditional economic mode. It has undergone significant changes in recent years in terms of management system and functional mechanisms, but it still has a long way to go to meet the demands of the development of the socialist commodity economy and the externally-oriented economy. Practice proved that failing to deepen the reform, there will be no further development; failing to deepen the reform, we will not be able to move

forward. We must follow the Party Central Committee's plan, start out with Tianjin's reality, vigorously but steadily accelerate the pace of thorough reform, and integrate reform with development and with opening up. We must be practical and make necessary changes in those systems that are incompatible with opening up and make good use and full use of every policy the central government has formulated especially for Tianjin and the other coastal cities. Our goal is to follow the Party Central Committee's reform direction and basic demands and strive to create a situation where we will have lively enterprise mechanisms, a well-developed market system, and perfect macro control and regulation. We want to gradually set up a new system which links the domestic and foreign markets, which follows usual international practices, and which is full of energy and vitality.

It will take both the Eighth Five-Year Plan and the Ninth Five-Year Plan periods to realize the above economic and social development goals. In the first year of the Eighth Five-Year Plan period or may be even longer, we should continue our rectification and improvement efforts. At the same time, we should lay down a solid foundation, set the standards, and improve efficiency to ready ourselves for the Ninth Five-Year Plan. For this reason, development during the Eighth Five-Year Plan period may be a little slow, but we should pick up speed during the Ninth Five-Year Plan period. This is based on Tianjin's actual conditions. 1991 marks the first year of the implementation of the 10-year program and the Eighth Five-Year Plan. It is important that we do a good job this year. We must continue to work on rectification and improvement this year, and we must continue to resolve the many deep-seated conflicts in our economic lives. We will be facing many problems and difficulties, and when we formulate our economic tasks, we should pay attention to the long-term goals and also consider the realistic possibilities. We must strive to overcome difficulties, concentrate our effort on the economic tasks, and make sure that every measure is implemented properly from the very beginning, so as to maintain a proper rate of economic growth and give the Eighth Five-Year Plan a good beginning.

Fellow delegates, although the "Program (Draft)" is but an outline and the specifics have yet to be worked out in the annual plans, we can still discern from it that Tianjin's developmental goals are grand, its prospects are good, and its tasks are arduous. In the next 10 years, we will focus on the opening up and construction of three zones, namely, the economic and technological development zone, the port's tax-free zone, and the new technological industrial park. We will adopt effective measures and accelerate the technological transformation of old enterprises throughout the municipality. We will focus on 10 key-point projects, namely, seamless steel pipes, ethylene, polyester, mini automobiles, program-controlled telephone, video recorder, copper smelting, chemical fertilizers, cement, and "steelmaking in cupola furnaces." We will put every effort into the following 10 energy and transporting projects, that is, complete the

Jixian power plant; upgrade and expand the three large power plants in Dagang, Junliangcheng, and Yangliuqing; explore and develop the oil fields in Dagang and Bohai; develop the Beitan coal mine; expand the Port of Tianjin; expand the city's telephone and long-distance communication network; open the entire Beijing-Tianjin-Tanggu Freeway to through traffic; complete the irrigation project to channel southern water to the north, complete the "3 loops and 14 spokes," and complete construction of the railroad loop. We will try to raise funds from various sources to fund 10 public facilities, that is, 25 million sq m of housing, a third gasworks, 5 comprehensive and specialized hospitals, an art pavilion, a science and technology center, a gymnasium, a broadcast and television center, a waterworks, a water treatment plant, and a large shopping center. We will further promote the development of the economy as a whole and improve the economic efficiency and embark on a benign cycle. We can envision that to realize the development goals of the next 10 years, Tianjin must undergo drastic changes, and by the end of this century, it will have an industrial structure and product-mix that meet the needs of the externally-oriented economy and will have some unique, name-brand, hot-selling products. It will have a new industrial base of substantial economic strength which embodies the up-to-date scientific and technological standards. Tianjin will gradually become an economic center with full circulation capability, which links the urban and rural areas and the interior and exterior, and where tens of thousands of merchants gather. It will have sea, air, and land transportation that extends in all direction, and it will have a versatile and highly efficient communications network, complete and advanced public facilities, every type and category of service trades, and a beautiful and clean appearance. It will become a modern port city with comprehensive service functions. By then, Tianjin will assume a brand new outlook and rank among the famous cities of the world and become an important window, displaying the success of China's socialist modernization. We already have the foundation and the advantages which will help us realize these splendid prospects. Historically, Tianjin has been China's major industrial and commercial city. It has superior geographical conditions compared to other cities and is endowed with many natural resources. After 40 years of construction, and especially after the 10 years of reform and opening up, it has reinforced its foundation, acquired new strength, and accumulated experiences. So far as our future development is concerned, our goals are clear, the leadership and the rank and file have reached a consensus, and we have the vigorous support of the Party Central Committee. We have a highly qualified and technologically advanced contingent of scientists and technicians and ordinary workers. We have a stable and harmonious political and social environment where the people are of one heart and one mind, and where the people support one another. We have the self-confidence, the will to improve, the self-respect, and the self-esteem which the people have fostered. Although we are still faced with many problems and difficulties, and we will run into

many more conflicts and complications as we forge ahead, we are confident that under the leadership of the Party Central Committee and the Municipal Party Committee and with the help of the masses of people, and if we do solid and practical work, we will overcome the difficulties and dangerous obstacles and fulfill our next 10-year developmental goals.

Important Measures For Invigorating the Economy

Besides determining the main objectives of the next 10 years and the Eighth Five-Year Plan, the "Program (Draft)" also sets some requirements in some important areas. Only if we have a good grasp of these measures from the very beginning can we eventually achieve the goal of invigorating Tianjin's economy.

A. Continue To Thoroughly Restructure the Economic System

The "Program (Draft)" sets down the basic principles and the main goals of Tianjin's thorough reform in the next 10 years and seven key reform tasks during the Eighth Five-Year Plan period. Here, I will discuss only the following:

One, we must make energizing enterprises, especially large- and medium-sized state-run enterprises, the central link and the focal point of the restructuring of the economic system. We must concentrate our effort on our tasks until we get results. The large and mid-sized state-run enterprises are the leading force of China's socialist economy and the main source of the state's fiscal income. In Tianjin's close to 500 large and mid-sized industrial enterprises, we have a contingent of 800,000 industrial workers. The original value of their fixed assets, their GVIO, their realized profit tax, and the amount of profit, tax, and fees delivered to the state make up nearly 70 percent of that of all industrial enterprises at above township level. Whether these enterprises have vitality not only will affect our ability to overcome our current fiscal problems but will determine the municipality's developmental momentum and prospects. It will affect our ability to give play to the superiority of the socialist system. Therefore, in the next 10 years, we should comply with the "Enterprise Law" and gradually separate the functions and duties of enterprises from that of the government, adopt practical and effective measures to truly enable the large and mid-sized state-run enterprises to make their own management decisions, take responsibility for their own profits and losses, develop on their own, and restrain their own behavior, so that they can become vivacious, energetic, and well-behaved commodity producers and managers. Mainly by perfecting the contract responsibility system, handing down the right to make management decisions, strengthening enterprise management, and deepening the reform of enterprise internal labor utilization and distribution and other systems during the Eighth Five-Year Plan period can we amplify those mechanisms that energize enterprises as well as those that constrain their behavior. Meanwhile, by making the tax system more

fair, reducing enterprises' burden, establishing and perfecting the markets for various means of production and so on, we hope to gradually create more or less fair external conditions under which enterprises can compete with one another. Currently, we should consider the municipality's actual conditions and allow some large and mid-sized enterprises to have more power to make production and management decisions, conduct reform and experiments that aim for new breakthroughs, and then gradually widen the scope of implementation. As for piloting the shareholding system, we have formulated a preliminary program. This year, in signing the second round responsibility contracts, we must do a good job with these two pilot projects.

Two, we must aim for reform breakthroughs in several domains. To create better conditions for Tianjin's economic and social development, first, we need price reform. During the Eighth Five-Year Plan period, we must further straighten out the prices of people's everyday necessities. At the same time, in accordance with the state's arrangement, we must either narrow the dual-track price difference or implement a one-track pricing system for raw materials and energy resources. Second, we must implement reform of the social security system. Based on the principle of unifying social assistance with self-preservation, we should gradually reform the workers' retirement, unemployment, and medical care systems. Today the emphasis should be on resolving the issues of how to find work for displaced workers of enterprises that have shut down and for the surplus workers in old enterprises that are being merged with other enterprises. The unemployment insurance system should be formulated and implemented in conjunction with the labor management system, with the development of the diversified economy, with the worker retraining program, and with the development of the labor market to create a lively unemployment and rehiring mechanism. Third, we need to reform the housing system. In accordance with the principle of burden-sharing among the state, collectives, and individuals, and by raising rent and increasing subsidy in steps, by encouraging the units and individual to raise their own funds to build new houses, and by putting up public housing for sale, we can slowly commercialize the existing homes and create a benign input-output cycle of housing construction funds and come up with a new way which not only solves the housing problem but also facilitates the development of the housing and real estate market, the construction industry, and the construction materials industry.

Restructuring of the economic system is a readjustment of the interest relationship. In formulating the reform measures, we must handle the relationship between the state, enterprises, and individuals properly. We must try to reduce the government's financial burden but also consider what the others can afford to pay and make sure that we will not lower the overall living standard. For this reason, we must formulate meticulous plans and make proper arrangements. The people should have a

chance to debate the important reform measures that have a direct impact on them before they are put into effect. Meanwhile, we must do a good job publicizing and explaining those measures to make sure that the reform can proceed in a positive and steady manner.

Three, we must have a plan for enlivening the economy and maintain control as we open up, so as to establish and perfect the local economic control and regulation system and reform the government's management organs and functions step by step. We must follow the Central Party Committee's unified plan and work diligently on the reform of the planned system, the finance and taxation systems, and the financial system to gradually form an effective system of division of labor and close cooperation among the three. With regard to the reform of the government organs and functions, we must reflect the need to integrate simplicity and efficiency. Meanwhile, according to the principle of separation of the government's and enterprises' functions and responsibilities, we must actively explore and come up with a state-owned asset management system and methods that are compatible with the socialist planned commodity economy. The comprehensive economic departments and enterprise management departments should focus on economic construction, start out to facilitate reform and opening up, and give full play to their organizational, coordination, service, and supervisory functions, and in particular, they must work hard to improve services and make an earnest effort to help enterprises solve their practical problems.

B. Quicken the Pace and Go All-out In Opening Up to the Outside World

To open up Tianjin, we must accomplish the following:

We must achieve breakthroughs in key areas. We must concentrate our effort on performing several tasks which have a major impact on domestic and foreign productions and make those the breakthrough points to bring along the complete opening up. Currently, the central authorities have already approved the establishment of a tax-free zone in the port of Tianjin. We must make good use of this base and implement even more versatile open policies to attract even more domestic and foreign, local and out-of-town enterprises to open windows, set up processing plants, and develop entrepot trade here. Tianjin's economic and technological development zone already has a solid foundation. In the future, we must quicken the pace of development, make full use of the pertinent preferential policies, set up more projects at both ends of the production line, and give impetus to the transformation of other enterprises in the municipality. We should utilize foreign capital to graft onto and transform old enterprises. This not only will attract foreign investment but will bring in foreign advanced technologies, management experiences, and operational mechanisms while sending our own products abroad. This will have an important effect on accelerating the transformation of old enterprises and bring new prospects to opening up the municipality. We must have a

plan and choose some enterprises, including some large and mid-sized mainstay enterprises, and proceed with enthusiasm and get some immediate results. Tianjin has an ample supply of land which can be sold for development. We must take advantage of this factor and promulgate and perfect more policies to attract foreign investors to develop whole parcels of land. This will help us open up even more and will facilitate a broad range of economic cooperation and exchange. The above four tasks are unprecedented, and their effects will be felt for some time to come. As we continue to open up further, we can select even more new breakthrough points.

We must push forward in all directions. In the districts, we must link the three open zones together organically, attach importance to the opening up and construction of the coastal areas, give full play to their respective strong points, and open up them completely and systematically. The urban areas have a stronger material and technological base. We must give play to their intermediary and basic roles in opening up to the outside and linking up with the interior provinces. We must take advantage of the suburban counties' lower labor cost and versatile mechanisms and vigorously develop agriculture that earns foreign exchange and the "three kinds of import processing and compensatory trade," joint ventures, and cooperative joint ventures, striving to make even bigger strides in opening up to the outside world. Our tasks should complement one another, and we must go all-out in whatever we do. Every department and every enterprise in the municipality must make full use, good use, and versatile use of the existing policies of opening up to make substantive progress. We must continue to increase the use of foreign capital, and in particular, we must expand the scope of direct foreign investment and increase the use-efficiency of foreign capital. We should develop the "three kinds of wholly or partially foreign-owned" enterprises and continue to emphasize the production-oriented enterprises, emphasize export to earn more foreign exchange, and emphasize high- and new-tech. We must further improve the investment environment, especially the intangible environment, and strive to work more efficiently. We must perfect all foreign-related laws and regulations and improve foreign-related services, so that when people come to Tianjin, they will find a civilized and beautiful modern city where the people are hospitable and the guests can feel at home, a city full of vitality and appeal.

We must break new paths. Opening up to the outside world is a process of continuous understanding, practice and development. Beginning this year, we should implement the new system of allowing foreign trade enterprises to make their own management decisions and take responsibility for their own profits and losses. This will exert pressure on us, but it will also afford us new opportunities. As we deepen the reform of the foreign trade system, we must break new paths to increase export and earn more foreign exchange. As the foreign trade companies increase export, we should actively promote the export agent system, allow industry and agriculture

to run their own export businesses, encourage the "three kinds of wholly or partially foreign-owned" enterprises to export directly, take full advantage of the development zone, the overseas-based organs, and the foreign ports as windows to the outside world, and create an export structure that makes use of multiple channels, several ports, and diversified trade formats at the same time. The manufacturing enterprises must meet international standards when they set up production and strive to follow international practices and meet the needs of the international markets with respect to quality, style, packaging, price, delivery date, and after-sale services. We must strengthen management, keep a smaller stock, and cut cost to keep our exports' cost of earning foreign exchange below the national average. We should also actively develop technology export, labor export, international tourism, foreign project contracting, foreign-related insurance and other businesses to increase our nontrade foreign exchange income.

We must seize the moment. Looking at the municipality, there are two important tasks that concern the overall situation which we must accomplish this year. One is to work on the port of Tianjin's tax-free zone—we must quickly get the infrastructure ready, draw up charters and policies, and basically finish all preparatory work in the first half of this year to make sure that we can recruit merchants and open for business within this year. The other is to make sure that the municipality's ports can fulfill the task of earning \$1.45 billion in foreign exchange on the condition that enterprises reduce losses and take responsibility of their own profits and losses.

C. Diligently Readjust the Industrial Structure

In the next 10 years, we must follow the already-established industrial readjustment ideas and adopt appropriate industrial policies and measures to strengthen organizational leadership and concentrate the necessary financial and material strength to launch an all-out readjustment effort in a planned and systematic way.

We must integrate rectification with the key construction projects, the technological transformation, and enterprise reorganization. The key projects have an important effect on optimizing Tianjin's industrial structure and giving impetus to its industrial development. We should make the current seamless steel pipe project the municipality's number one project and give it top priority and guarantee timeliness and even try to beat the production deadline. As for the ethylene and other projects already approved by the state, we must do a good job with the preparatory work and make every effort to ensure their success. Meanwhile, we should gather the specialists and plan ahead of time to put other key projects on standby. Technological transformation of old enterprises is crucial to the state's fixed asset investment in the next 10 years. It is also an urgent task that will help the municipality end its economic plight and embark on the road to economic prosperity. Recently, the state has designated Tianjin as one of the key cities to pilot the

transformation of old enterprises. We must concentrate our effort on this task, pinpoint the obsolete products and backward technologies and other urgent problems, and quicken the pace of transformation. First, we must actively raise funds, and besides trying to win the state's support, we must find different ways to utilize foreign capital and gather funds in society. Enterprises should spend their additional retained profit on technological improvements, and in accordance with the rectification objective at this stage, we must keep up the amount of input. Second, we must be meticulous in selecting projects and emphasize the development of high-grade, long life-cycle, highly competitive, and profitable products. Third, we must stress investment efficiency. We should spend the funds on bringing in and digesting foreign and domestic advanced technologies and prevent massive, redundant, and substandard productions. We should minimize new building constructions, and we should guarantee loan repayment with high investment return. There must be give and take during rectification, and we must be decisive about eliminating some backward, unmarketable, and unprofitable products and close or merge those enterprises that produce those goods or suspend or change their operation. We must actively develop enterprise groups and let the hot-selling products lead the other products, and to meet the requirements of specialized and coordinated production and economies of scale, we must break down the boundaries between departments, trades and industries, and different ownership systems, and by uniting them, we hope to perfect and develop some multi-functional enterprise groups that are equipped with new management and operational mechanisms and optimize the composition of key factors of production.

To accelerate the rectification of the industrial structure, we must use the state's industrial policy as guide to formulate our own regional industrial policy, draw up a list of priority industries and products, improve and rectify the investment structure, and implement a skewed policy that emphasizes the key trades and industries and products. Currently, in conjunction with the "Year of Quality, Variety, and Efficiency" movement, we must work diligently to make the product-mix more flexible and make good use of the short-term technological improvement loan funds, concentrate on the "short, level, and speedy," and vigorously increase products which are in short supply but which are highly marketable. We must begin by strengthening basic management, improving quality, reducing consumption, and adding new varieties and patterns so as to sustain a proper rate of increase in production while increasing profit at the same time.

D. Strive to Enliven the Greater Circulation System

To further enhance Tianjin's status as economic hub, we must have a highly developed commodity circulation system and financial industry. We must continue to perfect the market system, enhance our commodity gathering and distribution functions, and gradually form an all-encompassing circulation network which takes

care of the consumer goods as well as producer goods, which emphasizes wholesale as well as retail, and which plants a foothold in Tianjin while facing the whole nation.

Centering around the above goals, we must forge broad economic cooperations which span different regions, departments, industries and trades, and ownership systems. We must link up with the central government's Tianjin-based commercial enterprises and goods and materials departments and entice businessmen from other provinces, municipalities and prefectures to come to Tianjin to open shops and set up companies and plants, so that Tianjin can become a trade center where hundreds of thousands of businessmen gather. Meanwhile, we should promote different forms of the agent system and not only actively serve as agent for enterprises everywhere but also set up or merge different kinds of marketing agencies or link up with other agencies to form marketing groups in the nation's 30 provinces, municipalities, and prefectures and more than 2,000 counties to promote volume sales and purchases to and from everywhere far and wide. As we give play to the state-run businesses and supply and marketing cooperatives as the main circulation channels, we must give equal emphasis to state-run enterprises, collectives, joint operations, and individual operations. Through reorganization and merger, we can form some enterprise groups which integrate industry and commerce, agriculture and commerce, agriculture and industry and commerce to form an even more advanced circulation system. With respect to wholesale, in addition to the commercial and goods and material wholesale enterprises we already have, we should expand and perfect the large multi-purpose wholesale markets, specialized markets, and futures markets and hold regular as well as occasional national and regional fairs and trade activities. In addition, we should use the many small warehouses that belong to the commercial department and commodities department as base and set up some mid-sized and small wholesale markets for specialized trades and commodities. We should further develop trust, lease, auction, and other trades. With respect to retail, we should consider the city's layout and build some more large-scale shopping centers and individual-owned markets in selected prosperous neighborhoods and densely populated residential areas. We should rebuild and remodel the farmer's markets and street bazaars, popularize morning and night shopping, and develop some commercial retail outlets that offer 24-hour service, unfolding a picture of prosperity where stores stocked with products of all shapes and descriptions spread like stars in the sky.

We need to adopt diverse measures to develop and perfect a financial structure with Tianjin's own characteristics. We should bring in and set up foreign-funded banks already approved by the state. We must step up effort to open the Tianjin branch of the Communication Bank. Meanwhile, we should set up joint urban credit cooperatives, support enterprise groups' effort to operate

financial companies on a trial basis, and enliven the rural credit cooperatives. We need to establish, expand, and perfect the foreign exchange regulation market, the securities issuance market, the transfer market, and the interbank short-term loan market and set up a stock market on a trial basis. Using a computerized network as base, we can form a regional settlement center to strengthen our international settlement business and create a better financial environment for the greater circulation system.

In the next 10 years we must make every effort and go all out to develop the tertiary industry and boost its share of output value as a percentage of the municipality's GNP. In the spirit of reform, and using appropriate methods, we must speed up the development of the post and telecommunications industry, information and consultation business, real estate industry, tourist business, insurance industry, shipping business, service industry, and urban public utility and other undertakings to suit Tianjin's role as economic center and to complement its commodity circulation and financial industry. We must rely on the strength in various quarters and give play to their respective superior factors, make one industry our main industry but diversify our operations. The pertinent departments, especially the comprehensive economic departments, must diligently study, formulate, and perfect the relevant policies, and guided by a unified program, we must make sure that Tianjin's tertiary industry undergo significant development within a relatively short period of time.

E. Actively Promote Modernization of Rural Areas

In the next 10 years, Tianjin's rural areas should continue to implement the general policy of "serving the cities and enriching the peasants," and in accordance with the developmental direction of becoming more suburban-oriented and externally-oriented, we must pick up the pace of modernization of the rural areas.

Modernization of the rural areas requires comprehensive planning and unified arrangement. There are three specific problems which must be tackled: First, we must rely on science and technology to invigorate agriculture and speed up the modernization of agriculture. We must vigorously advocate the bringing of science and technology to the villages and popularize practical technologies, set up bio-engineering experimental points, and increase mechanization of agriculture so as to increase the per unit area yield of grain, cotton, oil and other staple crops and gradually create a high-yield, high-quality, low-consumption, and high efficiency agricultural system. The "market basket project" aims to create a fairly complete, integrated production and sales system, and while guaranteeing that total supply will not diminish, we must improve quality, lower cost, increase the availability of fine and fresh food in the market, and gradually achieve the socialization and commercialization of the production of sideline products. Agriculture that earns foreign exchange needs long-term development. We need to reinforce and establish the agricultural

and sideline product export bases which operate under different formats and different components. We must continue to increase agricultural and sideline products' share of foreign exchange earning through exports. We must work diligently on afforestation and increase the size of wooded area and protect and improve the urban and rural ecology and environment. Two, starting out with the integration of urban and rural areas, we must accelerate rural industrialization. We should gradually create a township industrial system which integrates organically with the major industries, which is properly structured, which complements industries, and which has a clear advantage in terms of its industries and trades and its products. We must link up and coordinate properly the rectification of township industries and urban industries and emphasize the development of products that complement and serve the major industries, export goods which earn foreign exchange, aid-agriculture products, and fine-processed products that utilize local resources. We must break down the boundary between town and country and shift some products which use agricultural and sideline products as raw material and which are labor-intensive to the rural areas. We must give full play to the township industries' versatile mechanisms and vigorously develop the unification and cooperation between industry and agriculture, agriculture and commerce, and agriculture and science. In particular we should encourage the major industries to link up with the townships to set up joint enterprises and create a new pattern of integrated and coordinated development between town and country. Three, we should develop and build some small industrial zones and accelerate the urbanization of the villages and townships. According to the municipality's overall program, we should set up several small industrial zones in a planned and systematic way in the suburban counties, and by linking up with the village and small town construction projects, we can "invigorate industry to build up the small towns": We can give impetus to the villages and small towns through the small industrial zones by giving them the ability to produce, circulate, consume, and to attract foreign investments and in turn promote the development and the prosperity of these regional economies.

The most basic guarantee of modernization of the rural areas is to ensure the continuity and stability of the rural policies. We must continue to implement diligently the Party Central Committee's and Tianjin's own general and specific policies pertaining to rural economic development, and as the situation develops, we should continue to supplement and perfect those policies accordingly. We must continue to deepen rural reform and stabilize the family-based output-related contracted responsibility system and perfect the bi-level management system which integrates unification and diversification. We must actively develop the rural socialized service system and strengthen the collective economy. We should increase agricultural input and establish an agricultural development fund to give impetus to rural economic development. Every trade and industry in the

municipality must thoroughly understand that agriculture is the foundation of the national economy and therefore we must attach importance to and support agriculture. We must take effective measures in terms of material, technology, and intelligence and contribute to the accelerated modernization of the rural areas.

F. Vigorously Develop Science and Technology and Educational Undertakings

To invigorate Tianjin's economy and accelerate Tianjin's development, we must give science and technology and education strategic status and give their development top priority. We must continue to implement the general policy that "economic construction must rely on scientific and technological progress, and scientific and technological undertakings must look toward economic construction." We must concentrate our scientific and technological effort on solving practical problems during industrial and agricultural development and on promptly turning scientific and technological results into productive forces, and we should let advanced science and technology give impetus to efficiency. We must strengthen the mechanism which attracts enterprises to science and technology and guide and encourage the R&D units to face the economy which is their main battleground. We must continue to develop and build new technological industrial parks, vigorously develop high-tech and new technologies and industries, and accelerate the dissemination and penetration of high- and new-tech into the traditional industries. We must look to the future and perform applied and basic research of backup technologies, and according to the concept that "each generation of production requires a generation of experimentation and a generation of research and development and a generation of thinking," we must keep abreast of product renewal and replacement. We should continue to strengthen "soft" scientific research and accelerate the development of scientific and technological information and equip ourselves with some R&D organizations and new R&D laboratories in a planned and systematic way.

To promote scientific and technological progress, we must thoroughly restructure the scientific and technological system. We must rectify "sloppiness" and focus on the concrete and tackle the main scientific and technological fields. We need to bring in the competitive mechanisms and develop new ways that integrate planned management and market mechanisms. We must further stabilize and perfect those policies that promote scientific and technological development and encourage the R&D units and scientists and technicians to take part in R&D activities of every discipline. We must strive to increase input in science and technology and continue to widen the investment channels and gradually set up a multi-channel, multi-level investment system which integrates the central level, the localities, the different trades and industries, enterprises, and financial institutions, and we must actively attract and utilize foreign capital. We must create conditions for and nurture and train a group of well-known scholars and talents in every

discipline and bring in foreign talents and experts to serve Tianjin's scientific and technological undertakings and economic construction.

The study of the social sciences must be guided by Marxist ideologies, and the emphasis should be on the study of important theories on establishing a socialism with Chinese characteristics and on solving practical problems. We must integrate Tianjin's economic and social development in the 1990's and conduct specialized studies of the externally-oriented economy, the readjustment of its industrial structure and product-mix, the restructuring of its economic system, its spiritual civilization, and its urban development and let the results of these fine studies help our leaders make scientific decisions.

Education must serve our socialist modernization. In the next 10 years, we must basically build an educational system and an educational scope that are compatible with Tianjin's economic construction and social development. We must make basic education the focal point, readjust the structure, tap potential, solve the problem of "enrollment twin-peak," and make sure that the whole municipality is implementing universal and nine-year compulsory education. We must actively develop polytechnic and technical schools, and through careful planning and readjustment, we should gradually set up a multi-level, multi-channel vocational education system. We should continue to stabilize the scope of higher education and optimize the structure while readjusting professional placement. We should actively assist in the rebuilding and expansion of Tianjin University and Nankai University with the state's support. We need to reinforce the results of adult education and emphasize certain on-the-job training and continued education programs. Schools of all types and all levels must be run properly, and we need to improve the quality of education and the teaching methods. We must put education first, strengthen and improve the teaching of ideologies and moral character and political science. The students should be encouraged to take part in various social-practical activities, so as to improve their moral character, intellect, and physical condition at the same time. We must consciously serve the development of an externally-oriented economy and give play to everyone's own characteristics and strong points and actively train personnel needed by the externally-oriented economy. We must continue to thoroughly restructure the educational system and increase educational input step by step. We should advocate and encourage society's forces to raise funds to build schools and donate funds to the schools to accelerate the development of educational undertakings.

We must resolutely give family planning top priority. The government at all levels must seize economic construction and family planning at the same time and fulfill the planned population quota stipulated in the "Program (Draft)." This is an important matter that pertains to our economic and social development, and we must do a good and proper job. We must continue to go deep into the grassroots level to educate the people about family

planning as a basic national policy and increase their awareness about over-population. We must stabilize the existing procreation policy, vigorously encourage the people to get married later and have children later and to live a better life and produce healthier babies, advocate one child per couple, and do a good job with the mobile population's procreation management. We must strengthen specific aspects of the family planning task in the rural areas and set up and amplify the family planning network at the county, small town, and village levels. We must focus on those links that have not done well and adopt effect measures to resolutely bring down the birth rate in the rural areas. We must increase funding of family planning work and build more facilities, improve technical services, and strengthen basic management. We must determine a reasonable scope and really control the population increase in the urban areas, the coastal areas, and the suburban counties. We should implement a responsibility system and make family planning an important norm for assessing the achievements of the government at all levels.

Fellow delegates, to accomplish the above important tasks, we must uphold the party line of seeking truth from facts, be even more open-minded, and abandon old concepts. Only with brand new ideas can we achieve new breakthroughs in economic construction and in reform and opening up. To liberate our thinking, it is vital that we firmly establish the concept of socialist planned commodity economy. To develop a commodity economy, we must have markets. Economic planning and the market are not characteristics that separate socialism from capitalism. Capitalism can make plans, and socialism can have markets. We cannot simplistically equate the development of socialist commodity economy and socialist market with capitalism. Thus, we must establish new concepts which are compatible with the socialist planned commodity economy. Take the market concept for example. All comrades who handle economic tasks not only should pay attention to production but should pay even more attention to management. They must constantly study the domestic and international markets, seize the moment, and make long-term forecasts, so as to gradually steer production to ward the market. Take the concept of competition as another example. We must have a strong sense of survival of the fittest, and faced with strong competitors at home and abroad, we must build our survival and development on the basis of quality and efficiency. This means we must pay attention not only to quantitative growth but even more importantly to qualitative improvement in our economic task, and we not only must keep up the speed but more importantly stress economic efficiency. Take the concept of greater circulation for example. We must handle the dialectical relationship in which production determines circulation and circulation promotes production and turn the circulation sector from a simple supply-oriented sector to a development- and management-oriented sector, so as to further enliven the factors of production, including goods and materials, funds, and

information, and generate even better benefit as circulation and turnover quicken. We must be even more courageous about exploring and bolder about development. As reform in the different domains broaden and become more thorough, we are bound to run into new situations and new problems we have never encountered before. If we stick to the old modes, old experiences, and old framework which are already obsolete, our ideas will once again become ossified, and we will shackle ourselves, and we will lose opportunity after opportunity, and we will be unable to accomplish tasks which we could have accomplished. Only if we dare to break the old mold, open up, take risks, move forward in positive steps, constantly study new situations, explore new ways, and come up with new approaches can we tackle our tasks with vigor and vitality. We must seize the dialectical relationship between stability and reform. Maintaining stability and upholding steady development are an important general policy which we must permanently uphold. Although we emphasize stability, it does not mean that we reject reform and development. Rather, we want to actively push forward with reform and economic development while maintaining overall stability. Basically, reform means promoting the development of the productive forces. It should promote social stability and progress and is in accord with the immediate interests of the masses, and therefore it should have the people's wholehearted support. Of course, it does not mean that every reform will be an overnight success and will bring immediate benefit to the people. Some reforms may even have temporary adverse effects on some people. The government at all levels must handle each reform measure with care and consider what the people can accept. We should push forward actively but steadily and do a good job publicizing and explaining those measures to win public support and understanding. We must consciously overcome egalitarianism, smash the big pot, change the habit of letting the state take care of everything, and gradually form new concepts that are compatible with reform. Deepening the reform step by step in this way, the economy will continue to develop and the standard of living will rise year after year, and our stability will then have a truly firm foundation. We must learn to discover and give free rein to the talented. Modernization requires a group of talented people who dare to explore and move forward and who are educated and capable. Without them, we will not be able to escape our poverty-stricken and backward conditions and we will not be able to keep up with, much less surpass, the advanced international standards. To discover, nurture, and utilize all talents, we must show concern and affection toward the talented, improve the way personnel are selected and promoted, be more open-minded, and let the talented people stand out and show off their talents. The above-mentioned new concepts must be accepted first by the cadres, especially the leading cadres at all levels, and through in-depth and painstaking propaganda and education, the people too should reach a consensus. Because reform and opening up and economic construction concern millions and tens of millions of people, ultimately we must rely on the masses'

consciousness and willingness. In this new historical era, so long as everybody in the municipality becomes more open-minded and work even harder, Tianjin's prosperity will be within reach.

Upholding the Basic Work Ideology of "Do Everything for the People and Rely on the People for Everything"

To realize the all-out revitalization of Tianjin's economy and achieve greater development in all undertakings, it is vital that we further mobilize the people of the whole municipality, get them organized, unite them in hearts and minds to struggle consciously for a common cause. To realize such a political situation, the government at all levels must consciously uphold the basic work ideology of "do everything for the people and rely on the people for everything." We must continue to make strengthening the mass viewpoint and upholding the mass line the basic theme and the basic training of every staff and worker. In accordance with this requirement, we must focus on solving the following problems:

1. Conscientiously Improve Workstyle and Increase Efficiency

We must turn the government at all levels into a streamlined, unified, highly-efficient administrative system and further resolve our lack of coordination and efficiency. In accordance with the state's unified planning, we need to implement reform of the political system in a timely fashion to make the installation of government organs even more appropriate. We should continue to strengthen the ideologies, systems, and workstyle of the municipal government at all levels and among the entire staff so as to significantly improve the overall quality. From top to bottom, we want to implement a strict responsibility system and set clear requirements of the municipality's economic construction and other tasks, and we should set everything properly, examine everything, and make good on everything we set out to do. We want to avoid empty promises; instead, we must emphasize real results and overcome formalism of all kinds. We need to understand the situations and uncover problems and seek truth from facts. We oppose deception and exaggeration and the practice of reporting only the good news but not the bad news. We must resolutely reduce the number of meetings and simplify the amount of paperwork and limit unnecessary ceremonial activities, so that leaders at all levels have more time to spend on studying and solving important problems that are relevant to the overall situation and the grassroots cadres can concentrate their effort on production and on their work. All government functionaries must serve the grassroots, serve production, and serve the people. We want to minimize the number of links, simplify procedure, speed up operation, and increase work efficiency. We need to tighten discipline and be specific about rewards and penalties. No department or individual is allowed to neglect his duty, shirk responsibilities, and bungle his job, even less sit on his work and feign compliance. We must inspect the cadres' work more closely and promote and reward those who work hard, who are capable, and

who produce results. We must investigate and punish those who have bureaucratic tendencies and who are very irresponsible and who make empty promises and bungle their jobs and are negligent and derelict of their duties.

2. Work Even Harder To Build an Honest Government

Being honest, law-abiding, hard-working, and considerate of the people have always been important to the municipal government. For the last few years, we have adopted a series of measures and have gotten some results. In the new era of reform and opening up, to remain an honest government and resist all kinds of corrupt ideas will be a long-term and crucial task. The government at all levels work on this very conscientiously and unremittingly. Early on, as we launch a large-scale movement to educate the people about honesty in government and hold activities to promote an honest government, we should further improve the system and gradually formulate a good set of rules and regulations. They not only should focus on economic construction but should serve the reform and opening up. They must be able to discipline the cadres and also facilitate mass supervision. Starting from the leaders at the municipal-level down, everyone must diligently comply with the rules and regulations that aim to create an honest government. This should be the code of conduct for every cadre. We must diligently implement the method of "two open and one supervision" and put the workers at every level of the government under the people's supervision. Violation of rules and regulations, unhealthy tendencies, using one's power to reap personal gains, corruption and bribery and so on must be carefully examined and severely punished. We must increase education in professional ethics and further crack down on unhealthy tendencies. We must seriously rectify the behavior of those who "eat and take without paying and those who hold things up and demand payment" and those who extort and blackmail, exact fees recklessly, impose fines at will, and apportion expenses arbitrarily. We should set standards to regulate professional conduct, supervise and examine, make examples out of the good and the bad, and conduct propaganda and education in a big way. The supervisory, procuratorial, law-enforcement, and management departments must fulfill their respective responsibilities, handle matters impartially, and remain unswayed by personal considerations. Cadres at all levels must discipline themselves and uphold and amplify the party's fine tradition and become the model and example of honest and law-abiding, hardworking and dedicated cadres.

3. Continue To Insist on Serving the People

In the next 10 years, we want to see a marked improvement in the living standard and the quality of life of the people in the municipality. This is one of the main goals of our struggle and is also the government's most important task and its unshirkable duty. All these years, the cadres at all levels have continued to deepen their

understanding and raised their awareness as they perform practical tasks to serve the people, and they have gradually developed a way of doing things and have gained some experience. In the future, they must go on and integrate the new situation, make new breakthroughs, and pursue new developments. We should realize that in the future, especially in the first two years of the Eighth Five-Year Plan period, there will be many problems in our economic lives which must be solved. This means that the government at all levels must be even more alert and adopt even more measures and do a even better job at improving the people's everyday life. We must continue to make painstaking arrangements for the people, strengthen market management, maintain market prosperity and basic price stability. We must insist on doing everything with our hearts and minds, maintain a positive outlook as we forge ahead, and be completely responsible to the people. Whatever we must do, we give it our best, and whatever we can do, we try our best. If we run into something difficult, we try to make it easier and make every effort to accomplish it, and if there is something we cannot finish today, we break it up and complete it in stages. Whatever we do, we must focus on the important: First, within a specific period of time, we should gather strength from all quarters and try to accomplish a few things which have an impact on the overall situation, which benefit the majority, and which have long-term effects. Second, we must pay ample attention to and try to solve one by one those hot points and sticky problems which the masses of people are most concerned about and which are most urgent to them. Third, businesses and units which have a direct impact on the people's lives must strengthen management and improve the quality of their services and make things as convenient for the people as possible. We must adopt a variety of formats and open up more channels to make working for the people the whole society's concern and carry it through to the grassroots level. We must support and encourage the people to help one another and come to one another's aid and show special concern for the old and the disabled. We should set up and amplify the community service network in which the neighborhoods and villages and small towns play the lead role, which are based in the neighborhood committees and the villager committees, and which aim to benefit the people, aid the disabled, help the old, assist the disabled servicemen, and transform social traditions. We want to publicize and popularize such activities as organizing "volunteers' association" and nominating the "best public servant" and other successful practices started by the masses and create a new trend in which society, all levels of the government, and the people work alongside and serve one another.

4. Strive To Create a Good Social Environment

A good social environment is fundamental to our economic construction and to the successful development of other undertakings, and it is also an anxious wish of the masses. Through highly effective work, we should further reinforce and develop Tianjin's political stability

and unity, so that the masses are of one mind and one heart and can find peace and satisfaction in their work and life. The government at all levels must handle society's various conflicts properly, provide prompt explanation and guidance to issues that are intentionally skewed or that may launch a new trend. We need to be focused and try to solve problems while they are still internal problems, at the grass-roots, and before they get out of hand. We must uphold and strengthen the people's democratic dictatorship, continue to abide by the law, crack down hard on serious criminal cases and economic crimes, and maintain a strong deterrent force. We must abide by the principle of combining the crackdowns with preventions, curing the diseases and the symptoms—with the emphasis on treating the disease, and further implement the general policies and measures of comprehensive rectification of social order. We should form a public safety network that pools the efforts of everyone—with the leaders at the helm and the officials and the general public working together and taking charge together to prevent and fight crime and enhance the overall crime-prevention capability. We must continue to struggle relentlessly against pornography and the "six evils" and crack down harshly on and get rid of all social evils. We must further amplify and perfect the relevant local rules and regulations pertaining to comprehensive rectification to standardize and institutionalize the rectification process. We need stronger public safety system, law-enforcement, and armed police forces, so that they can take up the sacred mission of protecting the people's interest and ensuring social stability.

5. Vigorously Strengthen the Democratic and Legal Systems

Government at all levels must pay close attention to protecting the people's democratic rights politically, economically, and socially and give full play to the people's role as masters as they take part in and discuss politics. We must continue to broaden the channels that link us with the masses and listen to what they have to say. We must uphold and continue to perfect those long-established methods that have worked well. The government at each level must consciously accept the legal supervision of the people's congress and its standing committee at its own level and diligently implement all relevant resolutions and decisions. They must respect the opinions of the people's congress and treat their proposals and suggestions seriously. We must reinforce the patriotic united front work and forge closer relations with the people's political consultative conference, the democratic parties and factions, the relevant mass organizations, and unaffiliated patriotic personages, respect their ideas and give play to their political consultative and democratic supervisory roles. We must consult them before making the final decisions on all major issues, and we should make this our regular practice. We must support the efforts of the workers' union, the Communist Youth League, the Women's Federation, and other mass organizations as they seek their independent development in accordance with the law and with their own

charters, and we should attract and unite with the masses and encourage them to immerse themselves in the reform and opening up and the economic construction. We must further enhance primary level democratic political construction and uphold and perfect the system of the workers' congress. We must diligently implement the organizational laws of the neighborhood committees and the villager committees, the party's nationality policy, the policy on overseas-Chinese affairs, and its religious policy. We must encourage unity and mutual assistance among all nationalities and between different strata in the municipality. We must fully recognize the importance of the legal system, strengthen leadership in administration and law enforcement, formulate and perfect the relevant rules and regulations, and focus on our economy and reform and opening up. We must set up and perfect a legal management organ, establish a politically strong and professionally tough law enforcement contingent, guarantee that the government's management is legal and highly effective, and gradually standardize and institutionalize the administrative system. We must continue to strengthen socialist democracy and legal education. During the Eighth Five-Year Plan period, we should launch among the cadres and the masses the second five-year legal propaganda and education plan in which the constitution is the nucleus, the legal system is substance, and the leading cadres, the state's law-enforcement officers, and the young and mature people are its main target. In the process, we hope to further enhance the people's legal concept and gradually put all of our tasks onto the legal track.

6. Persist in Paying Attention to Both Civilizations

As we vigorously develop the material civilization, it is our objective and an important guarantee of our achievement of the second step of the national economic development strategy to also build a highly socialist spiritual civilization, raise the whole people's ideological, moral, scientific, and cultural standards, and produce a new generation of people with the "four haves." Government at all levels must consciously carry out the general policy of stressing both civilization and, recognizing that it holds the key to the rise and fall and the success and failure of socialism, make the utmost effort to improve the spiritual civilization. We must make our spiritual civilization program an important part of Tianjin's national economic and social development program and scientifically determine our near-term and long-term goals and carry them out in a planned and systematic way. All relevant departments must study and formulate policies and measures that facilitate the construction of our spiritual civilization and give it financial and material support and guarantee. We must go deep into the grassroots level and continuously publicize the party's basic line and educate the people about upholding the four basic principles, about opposing bourgeois liberalization, and about the country's basic condition, so that the principle of "one core and two basic points" strikes

root in the hearts of the people and becomes the ideological and political base of every citizen in the municipality. We must take the realities of economic construction and reform and opening up into consideration and gather the cadres at every level to study the basic theories of Marxism and raise their political consciousness and cognitive ability. We must broaden education on patriotism, collectivism, socialism, self-sufficiency, and arduous struggles, launch a movement on learning from Lei Feng and Jiao Yulu and other exemplary figures and role models, vigorously promote and carry forward the idea of giving consideration to the overall situation and the spirit of selflessness and sacrifice, and guide the masses' wisdom and intelligence and enthusiasm for work toward the glorious task of invigorating Tianjin. We must strengthen education on civil defense, enhance the people's awareness about national defense, and reinforce militia and reserve duty. We must vigorously strengthen socialist moral construction and launch a continuous movement to build civilized families, civilized units, and a army-civilian spiritual civilization. We want to give praise to healthy trends, crack down on unhealthy tendencies, and foster the good practices of respecting the old and caring for the young, assisting the needy and helping the poor, being ready to take action for a just cause, and being happy about helping others. We must further enrich our socialist cultural undertakings. The literary and art, broadcast and film, and news and publication departments must uphold the general policy of serving socialism and the people. They must uphold the principle of letting a hundred flowers blossom and a hundred schools of thought contend and create more and better spiritual goods. We must broadly launch healthy and lively, rich and colorful mass cultural activities to enrich and improve the people's spiritual and cultural lives. We must continue to develop athletic and public health undertakings and increase public health funding via different channels and build new medical and health care facilities, perfect the grade-three public health safety net, improve medical facilities, and raise the medical care standard. We should launch mass sports activities and raise the standard of competitive sports and improve the people's physical condition.

7. Bring the Initiative of All Quarters Into Full Play

To realize our 10-year program and Eighth Five-Year Plan, it is fundamental that we further give play to our political superiority, and through practical and hard work, mobilize to the highest degree the enthusiasms of all sides and give them reasonably full rein. With all our hearts and minds, we must rely on the working class, fully respect the working public's democratic rights and privileges, and give play to their role as masters in the management of national affairs. After the thorough reform and upon strengthening ideological and political work, the masses of workers should link their interests and their fate with that of the state and enterprises and consciously contribute their ideas and efforts to Tianjin's economic vitality and prosperity. The masses of

peasants are the strength behind the four modernizations. As we stabilize and perfect the rural economic policy and take care of the peasants' material interests, we should conduct widespread and in-depth socialist education and continuously raise their consciousness and their quality, so that they can contribute even more of their intelligence and wisdom to the modernization of the rural areas. We must go all out to implement the party's policy toward the intellectuals and continue to give play to the fine tradition of respecting knowledge and the talented in society and gradually perfect the policy and system which facilitate the emergence of talented people, so that we can make the best use out of them, and they give society their best effort. We must show concern and affection for the intellectuals and try our best to do something concrete to improve their working and living conditions. We must further reinforce the unity between the cadres and the masses, between the military and the government, between the military and the civilians, and among the different factions and parties, the different nationalities, and the people of different strata. Under the common goal of invigorating Tianjin, we must gather the strength and the wisdom of people from all quarters and create a lively situation throughout the municipality where the people are of one heart and one mind and are determined to forge ahead and work together for a great cause.

Fellow delegates, this is the first year of the Eighth Five-Year Plan period and is also the year we begin achieving the second step of our strategic goals. Urged by the Seventh Session of the Fifth Municipal Party Committee to "pull through the hard times, reinforce the good situation, do a good job, and strive for even greater development," we must have an acute sense of historic mission and sense of responsibility, tackle and accomplish the present tasks, create conditions for future development, and lay a sound foundation. Let us unite and rouse ourselves, and guided by the spirit of the Seventh Plenary Session of the 13th Party Central Committee, let us do solid work, forge ahead, and struggle for the sake of our glorious economic and social development goals and for accelerating the construction of a socialist, modernized, new Tianjin.

Tianjin Economic Development Report

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[“Excerpts” of the report on implementation of Tianjin's 1990 plan for economic and social development and on the 1991 draft plan for social and economic development, delivered by Li Shenglin, chairman of the Tianjin Municipal Planning Commission, at the fifth session of the 11th municipal People's Congress on 22 April 1991]

[Text] Fellow deputies:

Entrusted by the municipal government, I now submit a report on implementation of Tianjin's 1990 plan for

economic and social development and on the 1991 draft plan to the present session for examination and discussion.

1. Implementation of the 1990 Plan

The year 1990 was an important one to further improve the economic order, rectify the economic order, and further reform, as well as a year experiencing relatively numerous difficulties. In that year, the vast number of cadres and the masses conscientiously implemented the guidelines of the fifth and the sixth plenary sessions of the 13th party Central Committee as well as the third session of the seventh National People's Congress [NPC], positively implemented the demand of "focusing everything on stability, and turning difficulties to opportunities," set forth by the municipal party committee, and worked hard to overcome difficulties ensuing from the road of advance. As a result, new achievements were scored in economic improvement and rectification, the national economy gradually developed towards a better orientation, and an economic, political, and social stability was maintained continuously throughout the municipality. The 1990 plan for municipal economic and social development, approved by the fourth session of the 11th municipal People's Congress, was implemented in good manner. According to the initial statistics, the gross national product in 1990 was 30 billion yuan, an increase of 2.5 percent over the previous year if calculated in terms of comparable prices. The total industrial and agricultural output value (calculated in terms of 1990 constant prices) was 76.94 billion yuan, an increase of 7.8 percent over the previous year if calculated in terms of the comparable prices, both overfulfilling plans. Most other targets were also fulfilled or overfulfilled.

A. Industrial production picked up gradually, and major products increased steadily.

Last year, all fields in the municipality extensively mobilized the masses to penetratingly launch the campaign of "increasing production and practicing economy and increasing revenues and reducing expenditures," and to implement various measures. In March last year, industrial production began picking up from decline month by month. The total municipal industrial output value was 71.73 billion yuan, an increase of 7.8 percent over the previous year in terms of comparable prices; and the total output value of the industry at or above neighborhood and township levels was 57.63 billion yuan, an increase of 3.7 percent over the previous year in terms of comparable prices, both of which had their fiscal plans overfulfilled. Characteristics of industrial production were: First, major raw materials products, new high-tech products, and some products used in agriculture maintained the trends of increase. The output of pig iron, steel, rolled steel, soda ash, and chemical fiber respectively showed an increase ranging from 2 percent to 29 percent; output of submersible power-driven oil pumps and facsimile increased by 40.5 percent and 21.1 percent respectively; and output of pesticides increased by 12.6 percent. Output of some

readily marketable consumer goods also increased by varying margins. Second, new products increased, and quality of products improved somewhat. The municipality as a whole developed a total of 1,805 new products, of which, 1,219 were put into production; and the output value of new products registered a 29 percent increase over the previous year. Third, production of township-run industry and industries of other economic categories increased on a comparatively large margin, with their output value increasing by 31.7 percent and 40.1 percent respectively over the previous year.

Postal, telecommunications, and transportation services continued to develop. The total municipal volume of postal and telecommunications services was 327 million yuan, an increase of 28.3 percent over the previous year in terms of comparable prices, fulfilling the fiscal plan by 117.4 percent. The traffic of ports was 20.633 million tons, 100.6 percent of the fiscal plan. The cargo traffic of railways was 71.787 million tons, 103.3 percent of the plan; and the cargo traffic of roads was 123 million tons, an increase of 7.9 percent over the previous year.

B. A bumper agricultural harvest was reaped and the nonstaple foodstuff production was better than that in other years.

Various walks in the municipality further attached great importance on the basic position of agriculture and enhanced their work of supporting agricultural production. The vast rural areas continued to uphold the "principle" of serving urban areas and making peasants wealthy, implemented the policies on rural areas, paid attention to the investment in agriculture, pushed forward the program of having science and technology make agriculture flourish, overcame the disaster of hailstorm, and succeeded in promoting the development of agricultural production. The total agricultural output value in the year was 5.21 billion yuan, a 7.4 percent increase calculated in term of comparable prices over 1989, accounting for 103.2 percent of the annual plan. The grain output topped the previous peak and was 1.888 billion kg, a 190 million kg increase over 1989, surpassing the annual target. The municipality reaped a bumper grain harvest over the past seven consecutive years. Its cotton output increased on a large scale and reached 15,300 tons, a 39.7 percent increase over 1989. The output of nonstaple foodstuffs, such as meat, eggs, milk, aquatic products, and vegetables, showed a stable increase.

C. The volume of foreign trade and exports increased and new progress was made in utilizing outside funds.

In 1990, the municipality showed a sustained increase in foreign trade and exports thanks to the enhancement of the coordination and combination between industrial and trading fronts and between agricultural and trading fronts as well as thanks to the great effort to develop goods sources and to make deals with foreign firms. The municipality's export volume reached \$1.788 billion, a

5.9 percent increase over 1989, accounting for 105 percent of the annual plan. Of this export volume, that of machinery and electronic products showed a 15.7 percent increase. The municipality's purchase value of export commodities reached 4.35 billion yuan, a 17.9 percent increase over 1989, accounting for 117.6 percent of the annual plan.

The net volume of imported funds in 1990 reached \$275 million (excluding the short-term loans), accounting for 78.3 percent of the annual plan. The municipality signed 129 contracts with foreign countries on operating "three-capital" enterprises and showed a 32 contract increase over 1989. The total volume of foreign funds involved in these contracts reached \$184 million, a 93.5 percent increase over 1989. Of these newly signed contracts, those on operating productive enterprises account for more than 90 percent. The number of "three-capital" enterprises opened in the year reached 42 and the accumulated number of such enterprises reached 236. The situation prevailing in the business and operation of the overwhelming majority of such enterprises was fine. The total industrial output value scored by the "three-capital" enterprises throughout the municipality showed a 50.3 percent increase over 1989 and their export volume showed a 69 percent increase.

The municipality continued to improve the investment environment in the economic development zone, made greater progress in introducing outside funds, and obviously upgraded the level of economic development. The 54 contracts signed in the year with foreign firms on operating "three-capital" enterprises were approved by the municipal authorities, showing a 35 percent increase over 1989. The total volume of investments involved in the contracts was \$132 million, a 24.2 percent increase over 1989. The total industrial output value of the economic development zone in the year was 780 million yuan, a 68 percent increase over 1989. The total volume of profits and taxes earned by the economic zone reached 210 million yuan, a 47.7 percent increase over 1989. Its volume of foreign trade and exports reached \$63.7 million, a 38 percent increase over 1989. Its accounts in foreign exchanges showed a favorable balance of little surplus.

D. The investment structure was steadily and somewhat readjusted and the construction of key projects was enhanced.

In line with the investment scale set by the state, various social circles actively raised funds or collected funds for construction. The total volume of investments somewhat increased and the progress in building key projects was accelerated. The investment in fixed assets of the society as a whole reached 5.75 billion yuan, a 6.9 percent increase over 1989. The volume of investments in local state-run units reached 4.2 billion yuan, a 9.6 percent increase over 1989. Of these investments, that in capital construction reached 1.951 billion yuan, a 9.5 percent increase over 1989; and that in technical renovations reached 1.968 billion yuan, a little increase over 1989. Of

the investments in local state-run units, that in energy resources industries showed a 7.2 percent increase over 1989; that in raw material industries showed a 27.9 percent increase over 1989; that in communications and post and telecommunications showed an 8.9 percent increase over 1989; and that in the undertakings of education, culture, agriculture, forestry, water conservancy works, and weather service showed an increase in varying degrees. The 82 projects set by the municipal authorities were smoothly under construction. The key projects of expanding the Tianjin airport, building the western section of the Jing-Jin-Tang express highway, expanding the Jing-Jin Highway, establishing the municipal telephone network, building the six deep-water berths along the Dongtudi of Tianjin harbor, building the Dagang flour mill, and of building the Hualian commercial building were completely built and put into operation or production. The construction of the projects of expanding the Dagang power plant, building the Junliangcheng power plant (fourth phase work), building the 10,000-ton proteinase plant, building the Wuqing fertilizer plant, building the 150,000-ton cold rolling mill, and of building the TV transmitting tower and library, reached the rate of progress set by the plan. The market and commodity prices were basically stable and people's living standard continued to improve.

The downturn in market sales was changed into an upturn beginning in August thanks to the gradual implementation of the various state measures to invigorate the market and the implementation of our municipality's policies to promote commodity sales and support industrial production. The annual volume of commodity retail sales totaled 14.936 billion yuan, up 3.3 percent from the previous year. The sources of nonstaple foods, such as meat, eggs and vegetables, and major industrial goods for daily use were sufficient and their supplies were guaranteed. Beginning in the fourth quarter of 1989, the state and our municipality put some price adjustment measures into effect one after another to gradually change the distorted price system. Prices were kept basically stable because the contradiction between market supply and demand was alleviated, a bumper harvest was reaped in agriculture, prices were stable in trade fairs and, at the same time, the order in the circulation of goods was further rectified and market management was strengthened. The annual growth rate of retail prices was 2.7 percent, better than the planned target.

E. The income of urban and rural people continued to rise. The total payroll of local state units was 4.385 billion yuan in the year, an increase of 7.8 percent over the previous year or an increase of 5 percent when allowing for inflation. According to sample surveys, the annual per-capita cost of living income of urban people was 1,522 yuan, up 7.5 percent when allowing for inflation; and the annual per-capita net income of peasants was 1,069 yuan, up 4.5 percent. The year-end figure of urban and rural people's savings deposits was 12.69 billion yuan, an increase of 3.73 billion yuan over the figure calculated early last year. The 20 practical undertakings to improve the living standard of urban and rural

people which had been decided by the municipal government were carried out on schedule.

F. New progress was achieved in scientific, educational, cultural and public health undertakings and the socialist spiritual civilization was promoted.

New achievements were scored in scientific and technological research. The 10 projects of the municipality to tackle key scientific and technological difficulties proceeded fairly rapidly and their general targets and plans were defined in the year. Organization already began for the implementation of eight of these 10 projects concerning telecommunication, medical instrument and grain production. A total of 128 scientific research achievements passed municipal-level appraisals and 15 of them reached the advanced levels of the world, 88 reached the advanced levels of the country and 28 could be put into production.

Education developed steadily. Elementary education was intensified and the conditions of instruction and learning improved continuously. The renovation and expansion projects of 15 primary and middle schools and kindergartens in the city proper were completed and commissioned on schedule, dangerous classrooms in rural primary and middle schools were by and large eliminated, primary and middle schools basically fulfilled their quotas of enrollment and the problem of two-shift system in some primary schools was alleviated. The nine-year compulsory education was made universal in 50 percent of rural towns and townships. Full-time secondary specialized schools under the municipality admitted 10,100 students, vocational middle schools 7,362 students and skilled workers schools 8,800 students. Higher educational institutes under the municipality admitted 6,947 students. Thanks to the efforts of various quarters, job arrangements for 18,500 graduates of graduate schools, colleges and secondary specialized schools were accomplished. Operating funds for education showed an increase despite the very difficult financial situation of the municipality.

Medical conditions continued to improve. Hospital beds increased continuously, labor sanitation examination and supervision were strengthened, the level in disease prevention was raised and the incidence of contagious diseases declined notably. New achievements were made in family planning and the birthrate was 15.62 per thousand, lower than the planned target of 16 per thousand. The fourth census was successfully carried out in line with state arrangements. The cultural and art undertakings became more prosperous; new progress was made in sports undertakings; and the radio, film, television, press, publication and archive undertakings witnessed new development.

Last year, all sectors in the municipality also universally conducted education on patriotism, collectivism and socialism, strengthened the work of building administrative honesty and checking unhealthy trends, and carried

out general inspection of finance, taxation and commodity prices and the random levy of fares, fines and forced donations. The financial, banking, supply, industrial, and commercial departments, the customs, and other departments dealing with comprehensive work strengthened coordination and management in accordance with the demand of serving the grass roots and production, and further improved the macroeconomic environment in the municipality. The public security and judicial departments maintained close coordination, mobilized and relied on the masses, continued to persist in comprehensively improving public security, and maintained a fairly good social order.

In 1990, under a situation in which there were many difficulties in various sectors, our municipality scored hard-won achievements of one sort or another in the national economic and social development. This resulted from the united and painstaking efforts and the diligent work of the people across the municipality. However, a severe situation still existed in the whole economy. First, in the process of facilitating a gradual upturn in industrial production, the state-owned industrial enterprises, particularly large- and medium-sized enterprises met with many difficulties, shouldered heavy burdens and showed a slowdown in production upturn because of their lack of vitality. This greatly restricted the development of the entire economy and the increase in financial revenue. Second, the sluggish market, the poor sales of some products, the serious default of funds, and the shortage of funds for production and construction affected the normal economic performance. Some enterprises were running under capacity, and a small number of enterprises were running at half capacity or brought to a standstill. Third, The excessively high cost of earning foreign exchange through export and the fairly great amount of higher-than-normal deficits restricted our efforts to expand exports. Fourth, the fairly great number of factors of reducing revenue and increasing expenditures made the enterprise economic efficiency decline and the strained financial circumstances made the tasks of ending this situation very arduous. The aforementioned problems were created not only by the macro climate of the country and the contradictions in the economic development of our municipality but also by some problems in our work. The pace of readjusting the production set-up and the product mix was not rapid enough; some enterprises were weak in management and had the phenomena of poor quality, high consumption and serious waste. We should conscientiously study this in the course of carrying out our future work, adopt effective measures and strive to solve them.

2. The Major Targets and Tasks Set in The 1991 Plan

The year 1991 is the first year for implementing the Eighth Five-Year Plan, a year for making continued efforts to promote economic improvement and rectification and to deepen reforms, and a year during which our municipality will extricate itself from a difficult position and strive for further development. Conscientiously

organizing this year's economic work is of very important significance in fulfilling the task of readjusting the second-stage of economic structural readjustment, raising economic efficiency, making a good start in implementing the Eighth Five-Year Plan, and promoting further economic, political and social stability in our municipality.

In accordance with the overall plan proposed by the seventh plenary session of the 13th party Central Committee and the fourth session of the Seventh NPC that during the first year of the implementation of this plan or even for a longer period of time, we should continue to carry out economic improvement and rectification and the deepening of reforms and to strive for development in the course of rectification and in line with the demand of the municipal party committee on "bridging over difficulties, consolidating the excellent situation, doing our work well and striving for greater development," our guidelines for the 1991 planned arrangements are to emancipate minds, change concepts, enhance spirit, advance in a pioneering spirit, continue to advance economic improvement and rectification and the deepening of reforms, further expand opening up, actively develop the export-oriented economy, keep our eyes on readjusting the economic structure, strive to develop the tertiary industry, firmly grasp quality, open up markets, raise efficiency, maintain an appropriate national economic growth, promote a normal economic cycle, and lay a good foundation for economic development during the last few years of the Eighth Five-Year Plan period.

Major targets of the arrangements for the 1991 plan are:

The gross national product should increase by 3 percent or by 4 percent through great efforts.

The total industrial output value should increase by 4 percent, and the total agricultural output value should increase by 4 percent.

The municipal export value of foreign trade is projected at \$1.45 billion, and the foreign capital utilized by the municipality is projected at \$570 million.

The scale of investment in the fixed assets of the municipality should be controlled within the quota assigned by the state.

The volume of retail sales of commodities should increase by 10 percent, and the increase scale of retail prices should be put under control continuously.

The population birthrate should be strictly controlled below 15.69 per thousand.

Major tasks of the 1991 plan are as follows:

A. We should accelerate the readjustment of product mix, and maintain an appropriate growth in industrial production.

This year, in the course of continuously readjusting industrial structure and production setup, by regarding the

market as the guidance and the improvement in economic efficiency as the focus, we should achieve success in the readjustment of the adaptability of product mix, firmly grasp the quality of products, and maintain an appropriate growth in production. The raw materials industry should be focused on stabilizing output, readjusting variety, and improving quality, and on vigorously increasing the production of fine-quality and high-efficiency rolled steel, precision chemical industrial products, and other important products. The machinery and electronics industry should be focused on increasing the production of technology-intensive products and new high-tech products. Output of motors, submersible power-driven oil pumps, computers, and photoelectric terminals [guang dian guan ji 0342 7193 4551 2623] should increase by a large margin. Output of color television sets should be the same as last year. Light and textile industrial enterprises should continue to increase the production of readily marketable products. Output of yarn, wrist watches, and synthetic detergent should show an increase ranging from 5.9 percent to 14 percent. Output of household washing machines should be kept at the level of last year. Textile industrial enterprises should focus their work on accelerating the development of new products, new styles and new designs; and should, in particular, exert great efforts in improving the quality of products, enhancing the competitiveness of products, and searching for more markets at home and abroad. The township and town industrial enterprises should continue to stabilize policies, readjust structure, increase export, and further improve technological and managerial level in line with the demands of "readjustment, consolidation, transformation, and enhancement." District and neighborhood industry should develop appropriately in line with the demands of industrial policies and with respective local conditions.

In accordance with the state industrial policies and the municipality's programs for readjusting industrial and product structures, this year the municipality will continue to give special consideration in fund, energy, and raw materials supply to the products which are readily marketable, which have a high content of technology, whose added value is great, whose economic efficiency is good, and which are export-oriented to earn foreign exchange. At the same time, the municipality will restrict or stop the production of the products with high consumption, low level, and poor efficiency. In breaking down the plan, the municipality has first given special support to the production of 30 varieties (categories) of products which promise bright prospects of development, has restricted and curbed the production of 100 varieties of products, and stopped production of 22 varieties of products. Second, the municipality has continued to carry out technological transformations for 20 varieties of traditional products, and develop and expand the export of 15 varieties of machinery and electronics products. Third, the municipality has accelerated the development of eight technology-intensive products and new products, such as motors, digital

control machine tools, and communications equipment. The municipality also plans to develop 1,500 varieties of new industrial products, and put 1,200 of them into production. Fourth, the municipality has paid attention to grasping the commission of maleic anhydrides, epoxy propane, washing powder, refrigerator compressors, and six other items in order to further enhance the level of these products and newly added production capacity.

Accelerating the technical transformation of old enterprises has a very important significance to adjusting product mix, raising economic efficiency, maintaining an appropriate growth rate in industrial production and giving play to the role of our municipality as an old industrial base. Recently the state designated our municipality as a key city in the technical transformation of old enterprises and granted it proper preferential treatment in terms of bank loans and other fields. This is very helpful to accelerating the technical transformation of the old enterprises of our municipality. In this year's technical transformation, we should be based on the current foundation, rely on scientific and technological progress and, in close coordination with adjustment, reform, reorganization and establishment of joint ventures and cooperative enterprises, renew and transform backward technology, outdated equipment and old products in particular so that the technology, equipment, production methods and means of test of the key enterprises of our municipality will be brought up to a standard capable for producing brand-name and good-quality products. According to the arrangement of the plan, the municipality's investment in the technical transformation of industrial enterprises will be increased by 13.3 percent over last year's, which is higher than the growth in the total investment of the municipality. A total of 102 technical transformation projects are arranged for the production of 20 kinds of key products, such as motor vehicles, dyestuff, office automation facilities, metal products and cotton textiles.

B. We should continue to strengthen agriculture and promote a steady development in the production of grain, cotton and nonstaple foods.

In agriculture, we should continue the development of the economy oriented to the needs of suburban areas, stabilize policies, adjust the structure, rely on scientific and technological progress, raise funds from various channels to increase investment and strive for another bumper harvest. The plan arranges total agricultural output value at 5.414 billion yuan, up 4 percent from the previous year; arranges grain output at 1.7 billion kg and calls for efforts to make it not lower than the actual amount of last year; arranges cotton output at 17,500 tons, up 2,200 tons, and also arranges increases in the output of meat, eggs, milk, vegetables and aquatic products.

We should further adjust the planting structure if we are to ensure the fulfillment of agricultural quotas. We should stabilize the areas sown to grain crops, properly raise the multiple crop index and increase per-unit yields. We should continue to implement and improve

the policies encouraging cotton production to facilitate the development of cotton production. We should improve the dual management system whereby unified management is combined with independent management and consolidate and develop the comprehensive socialized service system and the managerial mechanism under which production, supply and marketing form a coordinated process. We should do a good job in the supply of means of agricultural production. We should extensively disseminate and apply the achievements in agricultural science and technology. We should develop the agriculture oriented to earning foreign exchange, strive to increase the export of the farm and sideline products of low cost and high efficiency in foreign exchange earning and build new bases for producing export farm and sideline products. We should intensify farmland capital construction and properly increase the investment in agriculture.

C. We should make active efforts to achieve success in export and use more foreign capital.

The state has cancelled the financial subsidies for export this year and adopted the new system of independent management and responsibility for profits and losses of foreign trade. To promote the export of our municipality, we should reduce the inordinately high cost for foreign exchange earning as soon as possible and gradually bring about a steady upturn. After considering that default in allocations of subsidies for export must be prevented, the municipality's basic need for foreign exchange should be guaranteed and production and the export market should be kept relatively stable, the plan arranges the municipality's value of export at \$1.45 billion and calls for efforts to make it \$1.5 billion. This arrangement shows a decline in export but, when considering the whole work, is conducive to the change in the foreign trade system and the adjustment of the mix of export commodities and will provide favorable conditions for the expansion of export in the future. Major measures to be taken are to optimize the mix of export commodities and to open up the high-price markets in Japan, Europe and America. We should make active efforts to open up new markets after optimizing the mix of export commodities. We should greatly reduce the cost for foreign exchange earning, strengthen enterprise management, assign deficit reduction targets and profit increase targets to pertinent departments at all levels and individuals, clearly define their tasks and responsibilities and apply the reward-punishment system to their performance. We should intensify the comprehensive planning and operation of import and export. We should establish "windows" abroad, take advantage of the price differentials in different countries and localities to purchase and sell goods or to transit and resell goods on the spot and actively participate in the competition in the world market. We should adopt flexible trade methods to expand export through various channels. Production enterprises should do a better job in independent management of export.

Efforts should be made to develop enterprise groups by regarding export products as the leading, to expand the joint export operation between industrial and trading fronts and between agricultural and trading fronts, and to actively enforce the system of setting up export agencies. In addition, we should actively develop the business of signing construction contracts with foreign countries, carrying out oceangoing shipment, engaging in international tourism, conducting insurance business among foreign-funded units, and exporting labor forces so as to increase the nontrade incomes.

The municipality plans to utilize \$570 million of foreign funds this year and 171 items set for this purpose have been initially arranged. To coordinate the rate of progress in building these items, we will actively adopt various forms to borrow short-term, low-interest, and less-charge foreign funds and also take the measure of ensuring the value to prevent the risk of exchange rate. In making arrangements for the plan, first of all we should ensure the fund needed by the continuous construction of key projects and bring under strict control the construction operation of projects whose capability is poor in repaying the foreign debts. As for projects whose investments have been introduced, we should make efforts to save the foreign exchanges, carefully make arrangements for the construction, completely build them or put them into production on schedule, and should bring their results of investments into play as soon as possible. A good job should be done in continuously conducting the early-stage work of projects and laying up a large number of projects which are in conformity with the orientation of the municipal economic development and whose capability in repaying the debts is strong. Further efforts should be made to improve the investment environment and to attract more direct investments of foreign business firms; of compatriots from Hong Kong, Macao, and Taiwan; and of Overseas Chinese. We should develop "three-capital" enterprises which are in conformity with the policies on industries and need not much investment from the Chinese side and whose products are ensured to be exported. We should also bring in full play the "show-case" role of the economic development zone so as to encourage the out-dated enterprises across the municipality to develop the export-oriented economy.

The year of 1991 is a peak period in which the municipality will begin to repay its foreign debts. To safeguard the municipality's prestige in debts, we should enhance the unified management over the work of borrowing, utilizing, and repaying foreign debts. A good job should be done in clearing up the debts and repaying the capital and interest of foreign debts. Of the well-built foreign-funded projects, we should put them into production or have them reach the production targets as soon as possible, bring their economic results into play, enhance their capability of repaying debts, and should give preferential guarantee to the need of repaying foreign debts.

D. We should continuously readjust the investment structure and accelerate the construction of key projects.

In making investments in fixed assets this year, the state will continuously enforce the "principle" of bring the gross volume under control, readjusting the structure, rectifying order, and of increasing the economic results. The investment volume initially set by the state for the local social fixed assets in the municipality is 5.829 billion yuan, an 8.1 percent increase over 1990. In addition, the state will appropriate 2.36 billion yuan of special investment in the 500,000-ton seamless tubing mill in the municipality.

In line with the needs of enforcing the policies on industries and of readjusting the structure, the principles adopted by the municipality in making arrangements for formulating the plan for the investments in local social fixed assets are to give preferential consideration to the projects of energy resources, communications, and of important raw materials; to pay attention to key projects of technical renovations for saving energy, lowering the consumption, upgrading the quality, increasing the variety of products, and for earning foreign exchange through exports; and to conduct the dedication and winding-up work in the construction of projects closely related to the people's livelihood, urgently needed by the society, and whose economic results and social benefits are good. In line with the situation in fund implementation, we should maintain or put off some among the general projects continuously under construction. According to these principles, we have made adequate arrangements for formulating the plans of major construction projects in various fields. While successfully grasping the projects under construction, we have actively implemented fund utilization; created conditions; and successfully made early-state preparations for building a large number of key projects, such as 110,000-ton ethylene plant, 110,000-ton carbide plant, 200,000-ton polyester plant, 300,000-line telephone switchboard, and the technical renovations of cupola furnace and steel smelting. We should strive to begin the construction of these projects as early as possible.

In 1991, we should actively raise construction funds through multiple channels and forms and do a good job in making arrangements for the construction of key projects. Meanwhile, we will further consolidate the construction order; standardize the investment action; and adopt measures to realistically deal with the problem in which the funds of construction projects have surpassed the budget and to resolutely overcome the phenomenon in which departments spare no expenses and spend money arbitrarily. Through the enhancement of management and supervision, we will strive to somewhat and newly upgrade the investment results throughout the municipality.

E. We should control the level of inflation and make proper arrangements for the market and the people's livelihood.

In line with the principle of "stabilizing the commodity prices and invigorating the economy," and in accordance with the principle and the state plan on readjusting the commodity prices, we should properly readjust in a step

by step manner the prices of some commodities and labor services whose prices are obviously unreasonable in line with our municipal reality and on the premise of controlling the scope of increase in retail commodity prices. Meanwhile, we should strengthen management over prices, strengthen price supervision and inspection, particularly grasp well the inspection of the prices of commodities essential for the people's livelihood and some important service charges, strictly check the practice of forcing prices up, cheating customers and cornering the market, using forceful means during purchase and marketing, and giving short measurements, and other acts that disrupt the market and harm the interests of the customers.

Under the plan, this year the municipality's total retail sales of commodities should be valued at 16.43 billion yuan, an increase of 10 percent. The amount of pork, eggs, and vegetables on the market should be basically stabilized; the supply of milk, poultry, and aquatic products should all increase over the previous year. In accordance with the demands of residents in the municipality, we should readjust the varieties and quantity of 19 major manufactured goods for daily use and 15 kinds of daily necessities, do a good job in organizing production, purchasing and marketing, and continue to arrange for the production and supply of minor commodities that enjoy brisk sales in various sectors.

We should make further arrangements for labor employment, continue to implement the principle of combining job assignment by labor departments with voluntary collective employment and self-sought employment and broaden the employment avenue. By accelerating the development of the tertiary industry, we should continue to implement the measures for developing the collective and individual economies, carrying out diversified undertakings, and controlling unauthorized employment, strive to arrange jobs for more job-seekers, and strictly control "the change of rural residence registration to urban residence registration."

Although all sectors are short of funds, we have made arrangements for carrying out the 21 practical things for improving the livelihood of the urban and the rural people in line with the principle of "spending less but doing more."

F. We should accelerate scientific and technological progress and the training of personnel, and should further develop cultural, public health, sports and other social undertakings.

To attain the objective of achieving lasting and stable economic development and to promote the sound development of all undertakings, we must attach strategic importance to scientific and technological progress. The emphasis of this year's municipal scientific and technological work lies in combining scientific and technological progress with economic development, accelerating the process of translating scientific and technological

achievements into productive forces, and making continued efforts to organize the tackling of 10 major scientific and technical problems in the industrial and agricultural sectors in close connection with our municipal plan of readjusting the production set-up and product mix; organize the scientific and technological forces across the municipality to digest and absorb the imported complete sets of technological equipment, bring forth new ideas, examine group by group the technologies of some equipment and production lines that have not been commissioned or have not reached the production standards, and enable them to display efficiency as soon as possible; grasp well the research and technological development of 30 categories of key products that prepare for the momentum of economic development, and do a good job in intermediate experiments and industrial experiments; continue to establish new-technology industrial centers and promote the formation of a sophisticated new-technology industry; continue to popularize and apply energy and material saving new technologies and major scientific and technological findings that help raise technological level, labor productivity, and economic efficiency; persist in developing agriculture with science and technology, and attend to the implementation of the "spark" plan. Continued efforts should be made to strengthen the work on weight and measurement, standardization, patent, and information, and further strengthen research of social sciences and policies. In educational undertakings, we should act in line with the principle of stabilizing the scope, optimizing the structure, raising quality and paying attention to efficiency, strive to run all sorts of schools at all levels, and train qualified personnel for developing the planned commodity economy and the export-oriented economy. We should strengthen elementary education, alleviate the pressure created by the school entrance peak period of primary schoolers and the junior middle school graduates, actively run senior middle schools, extensively raise the teaching quality, particularly improve the outlook of schools with a weak foundation, continue to promote the nine-year compulsory education, and further strengthen and improve preschool educational work. This year the college and secondary vocational school graduates will be assigned jobs according to plan. We should continue to uphold the socialist teaching orientation, attach importance to moral education, actively strengthen education on patriotism, collectivism, socialism and national conditions, and train and nurture a new generation of socialist people with "lofty ideals, morality, education and a sense of discipline."

In public health, we should continue to carry out the policy of putting prevention first, begin to carry out the primary health care planning, and put various kinds of frequently occurring diseases and infectious diseases under control. We should steadily develop hospital beds, and increase the number of professional health personnel. We should strengthen the building of medical ethics and medical style, and improve the quality of medical service. We should sustainedly launch the mass patriotic public health

movement, and strive to improve the health level of the people throughout the municipality.

We should continue to strengthen family planning work, in particular the management of family planning among the suburban rural areas and among the floating population. We should energetically advocate late marriage and late child-bearing, carry out sound child bearing practice, and resolutely check unplanned child births.

We should further flourish various cultural undertakings such as literature and art, press and publication, radio, films, and television broadcasting in order to satisfy the masses' cultural demands in diverse fields, at diverse levels, and of diverse forms. We should continue to develop sports undertakings in order to strengthen the physique of the people and enhance the municipality's athletics level.

3. Accelerate the Pace of Reform and Openness, and Continue To Launch the Double-Increase and Double-Decrease Campaign in Order To Promote the Fulfillment of the 1991 Plan

The municipality's 1991 plan for economic and social development should not only be geared to promote the gradual fulfillment of the objectives of the second stage of economic improvement and rectification, but also be geared to make a good beginning for the development during the Eighth Five-Year Plan period. Thus, the tasks of this plan are extremely heavy. To help fulfill the 1991 plan, we should lay emphasis on the work in the following several fields:

First, we should further deepen the economic structural reform. Achieving success in enterprise reform constitutes the central link of the deepening of the economic structural reform. From the fields of promoting internal reforms of enterprises and improving external environment for enterprises, we should adopt resolute and effective measures to strengthen the vitality of enterprises, large- and medium-sized state-run enterprises in particular. In combination with the conditions of the municipality, we should further perfect the contract management responsibility system, and continue to implement the system under which some key enterprises sign contracts directly with the municipal authorities. We should select a number of large- and medium-sized state-run enterprises, and then delegate more decision-making powers to them. We should select a group of state-run industrial enterprises to try out the shareholding system, with public ownership as the predominance. We should change the management mechanism of some enterprises by adopting the methods of carrying out "grafting" between state-run enterprises and foreign-funded enterprises and carrying out associations between state-run enterprises and township enterprises. We should establish and perfect a number of enterprise groups with different forms, including transregional and trans-departmental enterprise groups. Within enterprises, we should conscientiously implement the principle of distribution according to work, should carry out the method of linking the incomes of managers and

producers with enterprises' economic efficiency and production development, and should give special consideration to key posts and key links in distribution of wages and bonuses. We should resolutely check wanton collections of financial levies, service charges, and fines in order to actually reduce burdens on enterprises. Comprehensive economic developments should support large- and medium-sized state-run enterprises in the fields of funds, materials, and economic policies in order to give full play to their backbone role.

Strengthening and perfecting the macroeconomic regulatory and control system constitutes an important field of the deepening of economic structural reform. This year, we should further improve the planning system. We should reasonably readjust the scope and the proportions of the mandatory and guidance planning and the market regulation. We should study and improve the comprehensive balance system for the national economy and the forms and methods of making comprehensive use of economic means of all sorts. We should begin to establish a new economic accounting system with the gross national product as the nucleus, and should successfully carry out the second survey of the gross national product. We should further improve the investment system, and gradually change the method of determining project examination and approval powers in line with production capacity and investment amount to the method of determining project examination and approval powers in line with the industrial policies and according to different trades and different products. Financial, banking, and other comprehensive economic departments should, in the course of reforming themselves, strive to cooperate and link with each other in order to gradually form a powerful macroeconomic regulatory and control system which is suitable for reform and openness. At the same time, we should accelerate the reform of the system concerning the circulation of the goods and materials of commercial departments, should positively and steadily promote the price reform, study and carry out the housing system reform, and gradually establish and perfect the social guarantee system.

Second, we should continue to profoundly launch the campaign of increasing production and practicing economy and increasing revenues and reducing expenditures. This year, the focus of the campaign should be placed on launching the "quality, variety, and efficiency year" activity in an all-round and realistic manner, with the enhancement of economic efficiency as its central task. We should fully mobilize and depend on the masses to launch this activity in order to yield practical results from it. To this end, we should pay attention to the following tasks. 1) We should firmly grasp quality of products and enhance the competitiveness of products. The emphasis of this work is to raise the grade of products, increase designs and varieties of products, improve packaging and decoration of products, and lower production cost. We should preserve the superiority of a number of existing quality and brand-name

products, restore and rescue a number of brand-name products which have already been lost or are losing their markets, and should develop a number of new quality brand-name products. Starting with key products, key projects, and large energy and materials consumers, we should strengthen the basic management of the purchases, storage, use, and recycling of energy resources and raw materials; check waste; and adopt effective measures to reduce the current large energy and materials consumption. 3) We should strengthen enterprise management; exercise basic quality, cost, fixed-quota, and equipment control in a down-to-earth manner; and strictly enforce labor discipline, technological standards, and rules of operation to ensure that all regulations and systems are implemented. 4) We should continue to adopt effective measures to reduce stockpiles of goods and adjust the mix of the stockpiled manufactured goods and raw materials to reduce the funds tied up in them. Monetary departments should make active efforts to help enterprises end "debt chains" continuously to alleviate the shortage of funds. 5) We should strengthen the collection and management of taxes to ensure steady growth in tax revenues. We should pay close attention to the work to reduce deficits and increase profits, fix the quotas of deficits resulting from policy decisions, and never subsidize the above-quota deficits. We should straighten out financial subsidies and stem loopholes to increase the efficiency of subsidies. Meanwhile, we should make great efforts to retrench the expenditures for various purposes, reduce the expenses for meetings and official travels, apply the responsibility system to the allocations of expenses, and control administrative expenses. All quarters should truly practice austerity.

Third, we should greatly develop the tertiary industry. Commercial, foreign trade, and materials departments should further improve their managerial strategy and adopt every means to invigorate the circulation of goods. We should give full play to the role of wholesale enterprises in purchasing and marketing large amounts of goods to and from afar to meet the needs of the domestic and world market. We should establish a number of wholesale and trade markets with their own characteristics. We should hold some commodity sales exhibitions, import and export commodity fairs, and means of production fairs that can attract more areas. We should restore and develop the role of our municipality as a commodity distribution center. We should further develop monetary and insurance work, actively prepare for the establishment of the communications bank, improve the stock market, and operate urban credit cooperatives well. We should continue to facilitate the development of transportation, information consultation, and post and telecommunication services. We should gradually establish a modern communications and information service network that links to other localities in the country and to other countries. Encouraging policies and numerous measures should be adopted to greatly develop catering service to make the market thriving and the people's life more convenient.

Fourth, we should implement the economic development strategy with the export-oriented economy in the lead and quicken our pace in opening to the outside world. This is the basic way to rejuvenate our municipality's economy. While continuing to develop exports, improve the investment climate, and expand the use of foreign capital this year, we should turn the bonded warehouses within Tianjin Port into bonded districts which open wider to the outside world, manage them as an enclosed unit, and invite bids for business within this year. We should expand the construction of the economic and technological development zone, start the second-phase development and construction of the industrial area covering 1.8 square km after the construction of the 3 square km-industrial area which has already been completed, and enable them to basically have the necessary conditions for establishing plants within this year. We should actively make preparations for the establishment of Chinese-foreign joint banks and foreign capital banks. We should do a good job in expanding the leasing and development of land. We should further develop the transportation along the Eurasian continental bridge starting from Tianjin Port. We should strive for solid and healthy development in the aforementioned fields.

Deputies! Our municipality faces many difficulties in its economic development this year, but there are still many favorable conditions. The state's macroeconomic regulating and control policy measures have been further improved, the external conditions for organizing production are better than in previous years, and last year's bumper agricultural harvest has laid a good foundation for this year's economic development and endeavor to stabilize people's living standard. This will play an important role in organizing well our municipality's economic work. Since the beginning of this year, a good trend has emerged in our economic development, with brisk purchases and sales in the market, a steady upturn in industrial production, continued development in the rural economy, a continued increase in exports, and improvement of economic efficiency. As long as we conscientiously implement the guidelines of the seventh plenary session of the 13th party Central Committee and the fourth session of the Seventh NPC, fully rely on the masses, unify our thinking, unite as one, overcome difficulties, and work in a down-to-earth manner, we will fulfill the various tasks stipulated in the 1991 economic and social development plan. Starting with key products, key projects, and large energy and materials consumers, we should strengthen the basic management of the purchases, storage, use, and recycling of energy resources and raw materials; check waste; and adopt effective measures to reduce the current large energy and materials consumption. 3) We should strengthen enterprise management; exercise basic quality, cost, fixed-quota, and equipment control in a down-to-earth manner; and strictly enforce labor discipline, technological standards, and rules of operation to ensure that all regulations and systems are implemented. 4) We should continue to adopt effective measures to reduce stockpiles of goods

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INDUSTRY

Bureau Releases June Industrial Output by Area

HK1707142891 Beijing CEI Database in English
17 Jul 91

[Text] Beijing (CEI)—Following is a list showing the industrial output value by area in China in June 1991, released by the State Statistical Bureau:

Area	6/91	6/90	(Unit: 100 Million yuan)
			Change over 6/90 (pc)
National total	2102.99	1751.32	13.8
Beijing	69.13	56.91	12.0
Tianjin	53.77	49.73	3.0
Hebei	83.73	68.36	13.9
Shanxi	48.64	39.85	5.9
Inner Mongolia	25.19	21.94	2.4
Liaoning	139.01	119.85	9.9
Jilin	51.64	48.49	5.7
Heilongjiang	78.65	69.13	4.9
Shanghai	155.29	135.48	11.5

Area	6/91	6/90	(Unit: 100 Million yuan) Change over 6/90 (pc)
Jiangsu	232.49	191.68	18.1
Zhejiang	124.88	94.42	25.7
Anhui	53.77	46.08	11.1
Fujian	46.66	36.53	21.9
Jiangxi	41.80	35.20	13.6
Shandong	171.77	143.97	12.0
Henan	77.47	64.21	13.9
Hubei	98.59	81.84	11.7
Hunan	68.61	60.79	9.1
Guangdong	174.69	135.72	25.9
Guangxi	30.83	25.92	13.2
Hainan	3.67	3.00	20.7
Sichuan	118.79	94.11	15.2
Guizhou	19.12	16.95	4.0
Yunnan	30.34	27.23	8.0
Tibet			
Shaanxi	42.91	32.97	22.5
Gansu	28.78	24.48	8.5
Qinghai	5.60	5.00	2.4
Ningxia	6.73	5.14	9.6
Xinjiang	20.20	16.05	23.2

Note industrial output value in 1991 is measured in 1990's constant yuan.

Anhui Prepares Light, Textile Industry Development Plans

OW2707101191 Beijing XINHUA in English
0748 GMT 27 Jul 91

[Text] Hefei, July 27 (XINHUA)—As part of an effort to promote the development of light and textile industries in east China's Anhui Province, concerned departments have drafted plans for producing new, high-class and high-quality products during the Eighth Five-Year Plan period.

In order to develop light industry, local authorities plan to build a wood pulp plant, with a yearly production of capacity of 50,000 tons, in Anqing. Plans also include construction of a detergent factory and salt mine.

Emphasis in the food industry will be on the development of nutriment and instant foods, as well as famous Chinese traditional food and new types of food. The province will also produce over 2.5 million cartons of cigarettes, 300,000 tons of salt and 700,000 tons of beer.

Local authorities will also put forth a great effort to develop the electric appliance industry, as well as industries related to papermaking, and items for everyday use.

The textile and clothing industries plan to produce some 50,500 tons of chemical fibers and 272,000 tons of cotton yarn by 1995, and are determined to increase production and exports of clothing and silk.

Machine Building Output Rises 15 Percent

HK3007082891 Beijing CHINA DAILY in English
30 Jul 91 p 2

[By staff reporter Wu Yunhe]

[Text] China's machine-building industry, which has the responsibility of equipping other industries, is gaining momentum in the development of its production and profits.

Output value of the sector was up nearly 15 percent during the first six months compared with a year earlier, to hit 90.7 billion yuan (\$17.1 billion), said an official with the Ministry of Machinery and Electronics Industry.

The development of the industry has been quite healthy this year, with pre-tax profits reaching 6.8 billion yuan (\$1.3 billion) during the January-June period, a rise of more than 13 percent compared with the first half of 1990.

He ascribed this success to the efforts made by the government since the beginning of this year to improve product quality, variety and economic efficiency.

The industry had, by the end of June, fulfilled almost 58 percent of the planned production target for this year, said the official, adding that the industry's growth rate in production for the first six months was 1.5 percent higher than the level of the country's gross industrial production development.

The official summed up the year's development of the industry by saying that economic efficiency improved, production increased steadily, and exports took an upswing.

The majority of the machine-building enterprises have improved their product mix and started to earn profits this year.

By keeping the industry's production abreast of market trends, nearly 5.4 billion yuan (about \$1 billion) worth of machinery products were sold abroad during the first six months, an increase of 21 percent over the same period of last year, the official said.

The industry earned nearly \$920 million in foreign exchange from exports during the period under review, a rise of over 34 percent.

Of the machinery sector's 74 major production items, 50—mainly farm machines and motor vehicles—saw increases.

The production of farm machinery and automobiles rose significantly, registering 25 percent and 28 percent respectively in the first six months.

Nearly 50 percent of the year's production target for power generating equipment had been fulfilled by the end of June, reaching 4.4 million kilowatts.

The output of petrochemical machinery, heavy-duty mining equipment and machine tools also increased during the first six months.

But experts warned that there was no room for optimism in the future development of the industry. The first six months saw stockpiles worth more than 27 billion yuan (\$5.1 billion), a jump of 1.5 billion yuan (\$283 million) over the end of last year, the official said.

As the domestic market was likely to remain sluggish during the rest of this year, the ministry had urged its machine-building enterprises to step up further the restructuring of product mix, developing those which sold well.

Shenyang Develops Remote-Controlled Underwater Robot

*OW2907020791 Beijing XINHUA in English
0056 GMT 29 Jul 91*

[Text] Shenyang, July 29 (XINHUA)—The Shenyang Robot Engineering Research and Development Center recently announced that it had developed China's first remote-controlled underwater robot.

The multi-functional observation robot has the capability of working in waters as deep as 300 meters.

The features of the new robot include a master control console above water, hand-held controls, a winch, and a positioning sonar system. In addition, the so-called "eyes" of the robot transmit high quality pictures and images to the console, and console's auxiliary video tape recorder allows operators to record valuable information.

Countries throughout the world initiated research and development programs for remote-controlled underwater robots in the early 1950s, and by 1987 some 120 robots had been developed.

China began its research program in the late 1970s.

CONSTRUCTION

Capital Construction Investment Rise Jan-Jun

*HK0408052491 Beijing RENMIN RIBAO in Chinese
28 Jul 91 p 2*

[Xinhua report by reporter Ding Jianming (0002 1017 6900): "Investment in Capital Construction Projects Increases in First Half of This Year"]

[Text] Beijing 26 Jul (XINHUA)—The investment in capital construction projects increased in the first half of this year, and money supply to national key projects was

fully insured, with smooth progress in the entire capital construction, as the China People's Construction Bank disclosed.

Statistics show that by the end of June, the Construction Bank's loans for capital construction increased by 9.25 billion yuan from the beginning of this year, a 4.45 billion yuan increase over the same period last year, accounting for approximately 40 percent in the annual plan, which is 6 percentage points higher over the same period last year. In the newly increased loans, some 85 percent are put in such national key projects and large and medium-sized projects as energy resources, transportation, and raw materials. In the first six months, loans to power projects alone accounted for 4.9 billion yuan, up by 2.7 times over the same period last year.

In addition, the implementation of spending in capital construction in the first six months of the year was rather satisfactory. Spending in capital construction inside the national budget between January and June accounted for 35.2 percent of the annual budget, up by 2.9 percent over the same period last year.

It was learned what accounts for the faster progress in investment in capital construction in the first six months of the year was: Based on the state's requirement "to invest early to enjoy the effects sooner," the Construction Bank has appropriately accelerated the money supply; to insure the urgent need of funds of national key projects to be completed and put into production or partially put into production in the second half of the year, the Construction Bank lost no time in using the credits planned for the second half of the year in the first six months. In addition, the bank has made loans amounting to 1.3 billion yuan for working capital yuan to a number of national construction projects such as Shengli Oil Field, Fengzhen Power Plant, and Zhujiang Power Plant that had temporary difficulties because of failure in dovetailing of planning, construction, and supply of materials to insure the organization of building those key projects on the basis of rational engineering.

TRANSPORTATION

Civil Aviation Implements Contract Responsibility System

*HK3007082991 Beijing CHINA DAILY in English
30 Jul 91 p 3*

[Text] Chinese civil aviation authorities have finally ushered in the long-delayed contract responsibility system, with the aim of improving the image of Chinese airlines.

The system has for years been practised by many industries across the country, and has worked well.

Six major airlines and 11 airports and enterprises signed contracts last Saturday with their controlling body, the Civil Aviation Administration of China (CAAC).

The six airlines are Beijing-based Air China, Shanghai-based China Eastern Airlines, Guangzhou-headquartered China Southern Airlines, Chengdu-headquartered China Southwest Airlines, Xian-based China Northwest Airlines and Shenyang-based China North Airlines.

The contract stipulates that the CAAC has the right to determine any increases or decreases in pay, bonuses and welfare allotments for any of the airlines after examining their flight operations, safety index, service quality, profits, and management.

The better they perform, the more benefit the airlines and their staff will get, it says.

The move is considered one of the most important steps taken by the CAAC since it tried out the system in 1987, at the Chengdu-based Southwestern Airlines.

Jiang Zhuping, director of the CAAC, said that the new set-up would force all the airlines to compete in improving their services and thus win a good reputation for Chinese civil aviation.

Both Chinese and foreign passengers have previously joked that CAAC stood for "Chinese airlines always cancel."

Statistics show that 13 percent of regular domestic and international flights were delayed or cancelled last month, a reduction of 6 percent on the same month last year.

In the same month, 22 letters of complaint were addressed to the CAAC.

The situation worried Vice-Premier Zhu Rongji who called on the CAAC to improve services to meet the passengers' demands.

In the first half of this year, the airlines transported nearly 9 million passengers and 196,500 tons of cargo and mail, representing increases of 33 percent and 25 percent respectively, over the same period of last year.

Jiang said that his administration had put the question of how to ensure that flights stick strictly to the timetable, at the top of its work agenda.

Rich Households Fear Robberies

91CM0487A Changsha FAZHI YUEKAN [LEGAL SYSTEM MONTHLY] in Chinese No 117, 5 May pp 28-29

[Article by Wang Xijia (3769 5045 0502) entitled: "A New Social Countercurrent in the Countryside: The Robber Household"]

[Excerpts] Since implementation of the household contract responsibility system in rural areas, some peasants have been the first to prosper, and a welcome phenomenon has emerged: a growing number of contract and specialized households, and individual industrial and commercial households. But this has also produced another abnormal phenomenon: the robber household. This disgusting phenomenon is a countercurrent in rural areas at present which cannot be overlooked and should be given attention. [passage omitted]

At present, the illegal activity of "robber households" comes in a variety of forms, and the pattern is uninterruptedly the old in a new guise. In broad outline, there are approximately three major forms:

1) Extortion and blackmail in public places. Normally criminal elements rely on strength in numbers, and extort from nonlocal businessmen. For example, in Yiyang County a peasant arrived to do business in Yuanjiang City, where he was stopped on the main street by a stranger who asserted that the peasant owed him 150 yuan and must immediately pay him back, otherwise he would be discourteous. This peasant tried to defend himself and was immediately surrounded by a gang of people, who one by one "criticized" the peasant for "not keeping his word," and not returning the money. To avoid danger and there being no alternative, he reached into his pocket and pulled out the money, buying himself safety. This type of approach first of all produces confusion, making it impossible to distinguish who is participating from among the crowd of people and thereby allowing the group to achieve its foul goals. There are also situations where criminal elements link up in gangs, and occupy a well situated "beach head," watching for businessmen to come by, and then jump out and demand they "pay a toll." This year in early January, a fish dealer selling a cart of fresh fish arrived in Yuanjiang City's Xiaopo Village. He was surrounded by four local ruffians, who demanded more than 400 yuan in cash, stole more than 150 kg of fresh fish and beat and injured him.

2) Entering "rich households" and making extortion demands. Some local hooligans, the dregs of society, use various types of pretenses to "scrounge" from rich peasants. The rich peasants, hoping to "buy peace and quiet" to avoid being harassed, also have no alternative but to bear the pain of paying to "entertain guests." Some rich families with few men and weak social connections, must ask these people for "protection," to avoid being blackmailed by other gangs of ruffians. This type of criminal element on ordinary days idles about, waiting for something of interest to come along, and no

matter whether it is daytime or nighttime, they knock on doors, demanding food or drink. In a village in Taojiang County, four individually owned eating houses frequently had a large group of ruffians come and eat for free, over the course of a year they ate several thousand yuan worth of food, and the four eating houses had no choice but to close down.

3) Focus in on a target, seize the opportunity to rob. Before committing a crime, some criminal elements observe and feel out the situation for a period of time, making careful arrangements. Based on the living habits and patterns of the victim of the crime, they select the best opportunity to commit the crime. There are three major types of crime committed in this manner: burglaries, robberies and kidnapping. Though the third type of crime is not seen very often at present, it is beginning to become prominent, and cannot be neglected. According to a Yiyang County report, in the second half of last year alone, two kidnapping cases occurred in that county. Some kidnappers actually do not realize that their actions are against the law, and when government legal personnel go to rescue the people held for ransom, some still try to bargain. Taojiang County Ganquan Village resident Ding Yongan kidnapped Deng Shiqiao Village Wajin Contract Household He Zhengxiang's three and a half year old daughter for a week. When the public procurator came to rescue her, she herself and her mother were kept guessing as to whether Ding would agree to release her.

The phenomenon of "robber households" is produced by profound social causes. After implementation of the output-related system of contract responsibility, rural areas witnessed the emergence of large amounts of surplus labor, and groups of idlers, loving ease and hating work. They rely on the hard work of their fathers' to live, and have not absorbed the essence of society, focusing instead on dishonest practices. After a while, they join together to form gangs to help each other, copy the approach of movie gangs, turn absolutely lawless, and become a shadowy and extremely pernicious force in rural areas. According to investigation statistics, the Yiyang area has more than 250 shadowy factional gangs, with more than 3,000 members. This socially evil force has already become a cancerous growth on rural society. This is the principal cause of the "robber household" phenomenon. Second, the slackening of rural education in recent years and the atrophy of cultural life has created a situation where clan forces have gained ground and feudal superstitious activity is running wild. In addition, the effect of the overall social "atmosphere" of the last several years has caused rural society to go from bad to worse, and criminal activity has increased daily. In January of this year, the number of robber cases registered in the Yiyang district reached 497, more than double that of 1990. Among these, there were 64 serious and particularly major robbery cases; there were 221 prostitution cases, a seven-fold increase over last year; and there were 172 gambling cases, a 3.58-fold increase over last year. In confronting these unhealthy trends and

evil practices, rural party organizations and public security departments appear weak and ineffective, neither daring to make arrests, nor daring to discipline. Hence justice cannot be promoted, and leaving evil unchecked spells disaster, resulting in the generation of the "robber household" countercurrent phenomenon.

"Robber households" constitute a boundless threat to society. First, there is the serious effect on the development of the rural commodity economy. Because the criminal activity of "robber households" is running more wild day by day, in the whole district there are more than 30 contract households which have stopped extending contracts because they fear being robbed or killed. Many specialized households have also stopped specialized production; fishermen do not dare to go to the lake to work, people who raise animals fear unexpected disaster, sometimes whole families simply move, going to a safer location to continue engaging in production. Some long-distance transport households also tightly lock their vehicle doors for this reason, to avoid shouldering risks. According to relevant county and city investigations, since last year, more than 400 long-distance transport households have shut down because

of public security problems. Because contract households, specialized households, long-distance transport households and individual households have one by one stopped doing business, this has had a serious effect on the rural commodity economy. Second, there is the serious effect on social stability. According to one investigation, more than 90 percent of the criminal activity of "robber households" is carried out by underground criminal organizations with a bad social quality. They not only rob "rich households," but also run amuck in villages, harassing common people, and causing general turmoil.

Third is the serious pollution of peoples' honesty. Chinese people have always been valiant and industrious, and had the fine tradition of hard working and plain living. It is possible that this "robber household" countercurrent, taking backward and decadent consciousness as a base, and possessing a certain deceptive character, results in some confused individuals helping in the cause of evil, assisting evildoers, and creating a degenerate attitude in which evil is not suppressed. Several years ago, the strange phenomenon of "the common practices of manufacturing fake goods, gambling, and robbery," emerged, which is an extremely profound lesson to be learned. [passage omitted]

EAST REGION

Zhejiang Congress Committee Discusses Deputies' Role

OW1007213591 Hangzhou ZHEJIANG RIBAO
in Chinese 29 Jun 91 p 1

[Article by Lang Hong (6745 5725): "Provincial People's Congress Standing Committee Holds Meeting on People's Deputies' Work"]

[Excerpts] A three-day provincial meeting on the work of people's deputies concluded in Hangzhou on 28 June.

The purpose of the meeting was to sum up and exchange deputies' experiences in performing their duties, discuss ways to maintain and improve the system of people's congresses during the new historical period, further improve the work of deputies, give full play to their role in supervising state and social affairs in their respective administrative areas, and ensure fulfillment of the province's 10-Year Program and Eighth Five-Year Plan for Economic and Social Development. [passage omitted]

Wu Zhichuan, vice chairman of the Standing Committee of the provincial People's Congress, presided over the meeting. At the meeting, the deputies' work committee of the provincial People's Congress Standing Committee reported on deputies' work in the province. Chairman Chen Anyu delivered a speech. He fully affirmed the achievements of deputies in the province and explained in depth the importance of deputies' work. The chairman stated: In order to build socialism with Chinese characteristics, we must uphold the people's democratic dictatorship and maintain and improve the congress system. Since deputies are the principal component of people's congresses, we should continue to attach importance to and strengthen deputies' work, vigorously give publicity to their status and role, and gradually foster throughout society a good custom of respecting the deputies' rights and of supporting their work. In exercising their powers, the deputies should not only reflect the interests and will of voters in their own constituencies, but also consider the overall situation and give top priority to the general and fundamental interests of the people. We should assist the deputies in performing their duties in accordance with the law and giving full play to their role.

Chen Anyu said: Presently, deputies at various levels should center on such major issues as enlivening large and medium-sized enterprises; developing science, technology, and education; improving agricultural production; maintaining public order; rectifying malpractices in trades; building a clean government; promoting the spiritual civilization in order to carry out in-depth investigation and study; and taking active part in government affairs and political consultation. [passage omitted]

Attending the meeting were Li Yuhua, Wang Qidong, Wang Yumin, Yang Bin, Kang Mingcai, chairman of the deputies' work committee of the provincial People's

Congress Standing Committee, responsible comrades of the People's Congress Standing Committees and deputies' work committees of various cities and counties, and a number of deputies.

NORTH REGION

"Beijing CPC Committee Guidance for Cadre Theoretical Study"

Defeat Peaceful Evolution Plot

91CM0424A Beijing XUEXI YU YANJIU [STUDY AND RESEARCH] in Chinese No 4, 5 Apr 91 pp 43-47

[Article by Huang Meilai (7806 5019 0171): "Guidance for Cadre Theoretical Study: Defeating the Peaceful Evolution Plot of Hostile International Forces Constitutes a Historical Task in the Consolidation and Development of Socialism"]

[Excerpt] [passage omitted] II. "Peaceful Evolution" Is the Major Danger Facing Socialist Countries Today

What must be especially noted is that, going into the nineties, the strategy of capitalist-imperialism to promote "peaceful evolution" possesses a number of new characteristics, and as a result, constitutes an extremely large danger to socialism.

(1) Strategic objectives on a global scale. In the past, East Europe was the focus of hostile international forces promoting "peaceful evolution." Their strategy was to make breakthroughs in Hungary and Poland, gradually change East Europe, and contain the Soviet Union. At present, in a certain sense, their attempt has partly succeeded. With the evolution of East Europe and the upheaval in the Soviet Union, "a breach has opened in the huge iron plate of socialism and it is rapidly expanding." Thus, with unconcealed delight and blinded by lust for gain, they babble about "an unparalleled opportunity for peaceful evolution" having emerged and "now being almost the end of the historical trial of strength between capitalism and socialism." In their view, as long as Western countries work in concert and concentrate their energies "on doing a good job of fighting a new world war devoid of the smell of gunpowder," capitalism will be able to triumph without having to fight. On 13 May 1989, the U.S. President laid down "the new United States strategy for the nineties—the strategy beyond containment." Without mincing words, he declared that the goals of this new strategy and the ideas behind it go beyond "all previous concepts." It is not merely expanding the containment of the Soviet Union but rather "bringing the Soviet Union into the international family" and merging Eastern and Western Europe into "a totally free Europe," thereby concluding "the historical trial of strength" between the two great opposing systems. He plans on "taking from 20 to 30 years" to "dissolve socialism and then build a new world guided by Western civilization." He himself will become "witness to the conclusion of the final chapter of world communism." Quite obviously, the U.S. President's

pronouncement of "the new United States strategy for the nineties," represents a counterrevolutionary global strategy to use "peaceful evolution" for the elimination of world socialism. Its fundamental strategy is what Deng Xiaoping has described as "an attempt by the entire imperialist Western world to make socialist countries abandon the socialist path and ultimately to bring them under the rule of international monopolistic capital and into the orbit of capitalism."

(2) Frenzied attacks. They take advantage of the temporary difficulties and setbacks suffered by socialist countries to noisily advocate that the "initiative" must be taken to "boldly" "launch an offensive" against them. The U.S. President declared, "Our objective is bold—more bold than any I have thought of before." He personally traveled to Poland, Hungary, and other places to give support to local anticommunist and antisocialist forces. In league with the "excellent heroes" of China who are being supported by various Western countries, he created turmoil and counterrevolutionary revolt and afterwards "led" various Western countries in imposing political and economic sanctions on China, thereby crudely interfering in its domestic politics. He brazenly permitted an expansion of the television war in the Caribbean area in the vain attempt to create turmoil in Cuba and overthrow socialism there. He drew on almost every possible means, including political, economic, diplomatic, trade, cultural, educational, and religious means, to launch a "peaceful evolution" offensive against socialist countries—an offensive which was unprecedented in scope and which was both with and without battlelines.

(3) Cunning and deceitful means. The greatest threat now from peaceful evolution lies in its even more cunning methods—methods that have resulted in greater deceit and seductiveness. The tactics and methods of slicing away a little bit at a time that are part of the "peaceful evolution" strategy being implemented by capitalist imperialism can be understood at a glance.

These methods and tactics are many-sided. They are mainly distinguished by the following three points:

First, "using Western economic strength to achieve political results." Important U.S. politicians and government officials think "economic strength" is a decisive force in implementing the "peaceful evolution" of socialist countries. This so-called "economic strength" means, first of all, "using foreign aid to serve strategic objectives," which is in fact providing communism with a fee for its ceremonial burial (a saying of Zbigniew Brzezinski). However, they wave the banner of "supporting" and "aiding" the "reform" of socialist countries. They say that, in providing aid, "the key is to distinguish between those who are willing to carry out genuine reform and those who are not." Their so-called "genuine reform" means across-the-board acceptance and implementation of Western economic and political methods and value concepts. If this is not agreed on, it means unwillingness to carry out reform. Aid then cannot be

provided, and sanctions even will be imposed. By dealing with each case individually, they exert pressure by providing inducements to change, their goal being "to use Western aid to promote and reward communist countries for developing political pluralism and free market economies." These capitalist-imperialist tricks are quite deceitful and seductive. They then take advantage of their "economic strength" to openly and secretly buy and give support to opposition elements, anticommunists, and those who foment disorder within socialist countries in order to topple them from within. Important U.S. politicians and government officials openly discuss the need "to provide material support to those who are exerting pressure for peaceful evolution." Their means are concealment and cunning. What they often do is manipulate people's values and public opinion by awarding international Nobel peace prizes, human rights prizes, and book prizes in an effort to buy various irresolute elements. Whoever is resolute in their opposition to communism and socialism and has performed well in creating division and causing turmoil are the ones who receive the various prizes. This takes advantage of people's respect for international prizes, thereby increasing the prestige in socialist countries of these "excellent heroes," and at the same time, uses "legal" channels to provide them with operational expenses.

Second, emphasizing ideological strengths and launching an offensive in psychological warfare. Important U.S. politicians and government officials think that, in the struggle between the two social systems, the "appeal of ideology will play a decisive role." In presenting the President with a research paper, the Rand Corporation, a U.S. strategic intelligence research service, clearly pointed out that "A good job must be done in fighting 'a new world war' without the smell of gunpowder.... What is most important is taking the offensive in psychological warfare." The report suggested to the U.S. President that "70 percent of the effort be in offensive psychological warfare." They are taking advantage of China's opening to the outside world to engage in a large-scale war of corruption; they are taking advantage of China's effort to develop a commodity economy to engage in a large-scale "war of sugar-coated bullets"; and they are taking advantage of all aspects of modern media to engage in a large-scale "war of rumors." They are taking advantage of China strengthening economic and cultural exchanges with various countries and taking advantage of China's eagerness to develop its economy by sending certain specialists and scholars to China under the cloak of economic and cultural exchanges to secretly "sow the seeds of discontent," and through overseas students and personnel training, provide ideological and cultural inducements that will create "pro-Western sentiments in the next generation." President Reagan once openly declared, "This is a long-term investment.... Wait until they gradually become pillars of Chinese society. Then we can gradually change China to capitalism through their minds." We must emphatically point out that their focus on "human rights," multiparty systems, and "privatization," which are part of the ideological

struggle they have launched, is replete with hidden implications. They are obviously using human rights to interfere in the domestic politics of other countries and to impose peaceful evolution—in effect, flaunting the banner of respect for human rights to deceive people. Mr. Brzezinski was quite clear on this point. He said that, in this way, it would be possible “to provide a theoretical basis for engaging more directly in activities aimed at achieving democracy” and would even “help those holding differing political views to gradually become genuine members of the political opposition.... When the time comes, they would demand that talks be held on the peaceful transfer of power.”

Third, utilizing the trend of democratic socialism to promote peaceful evolution. Democratic socialism is in basic opposition to scientific socialism. As an ideology, it is an expression of bourgeois thinking, and the socialist system that it advocates is no more than an improved form of capitalism. From the day it emerged from the Second International, democratic socialism, which was developed from the revisionism of Bernstein and Kautsky, has been constantly criticized by Marxists within the international communist movement. During the eighties, owing to certain socialist countries having suffered temporary difficulties and setbacks during the course of their advance, they were urgently seeking ways to extract themselves from their predicament. In focusing on the situation, Western politicians discovered that democratic socialism could be used as a major channel for enticing these countries into peaceful evolution. Because democratic socialism flaunts the banner of socialism and, at the same time, carries the coloration of “democracy,” it misleads people even more. Brzezinski says, “Democratic socialism and the welfare state often are the most effective methods to use in the struggle against the strong appeal of communist theory and they provide democratic alternatives to the communist model.” The Socialist Party International has always been openly antagonistic to the Communist Party and to socialist countries. They have now changed their general policies, saying that they could cooperate with the Communist Party and, through ideological struggle, influence and “transform” socialist countries, thereby making communist parties abandon scientific socialism and gradually draw closer to democratic socialism. They publicly claim that the Socialist Party International represents a beacon for East European reform and that the crisis in East Europe can only be resolved by taking the road of democratic socialism. From 20 to 22 June 1989, the Socialist Party International convened its 18th congress in Stockholm where it issued the “Socialist Party International Declaration of Principles,” which stressed the need “to mold” the 21st century according to the principles of socialism and publicly proclaimed that “the Socialist Party International supports all efforts to reform communist societies through liberalization and democracy.”

In the past, the influence on China by the Second International's doctrine of social democracy was not

great. However, during the 1989 disturbances, the banner of bourgeois liberalism waved by the “excellent heroes” who caused the turmoil was essentially the same as social democratic thinking. Both advocate ideological pluralism, multiparty political systems, and privatization and marketization of the economy, and both oppose the four cardinal principles. Consequently, these people could in the future quite possibly shift to waving the banner of democratic socialism, thereby continuing their push for their “overall Westernization” and bourgeois liberalization. To counter this, we definitely have to remain vigilant and know how things stand to make absolutely sure their plot does not succeed.

In short, “peaceful evolution” constitutes the main danger facing socialist countries today. It is the sacred duty and a great historical mission for consolidating and developing socialism that Communist Party members clearly understand the characteristics and laws of international hostile forces in order to defeat their “peaceful evolution” plot.

III. We Must Adopt Realistic and Effective Means To Defeat the “Peaceful Evolution” Plot

The danger of “peaceful evolution” exists objectively. Preventing and opposing it, adhering to the socialist system, and safeguarding the People's Republic of China constitute a long-term historical task that will last several generations. We must educate the entire party and the people throughout the country in this regard, especially the young people, and at the same time, adopt appropriately realistic and effective measures.

(1) Being determined to do a good job of building our own party. Preventing and opposing peaceful evolution is a great life-and-death struggle affecting the cause of socialism. A strong headquarters is needed to lead this struggle—that means the CPC. The changes in East Europe, the unrest in the Soviet Union, and the 1989 political disturbances in China have provided a serious lesson, namely, we must remain vigilant within the party, especially with respect to problems at the higher levels of leadership. Whether capital imperialist countries can succeed in bringing peaceful evolution to socialist countries to a large extent depends on factors internal to those countries. The most important of these factors is whether the communist party, and especially its leadership, adheres to Marxism and whether it is closely linked with masses. Just as Comrade Mao Zedong pointed out in an August 1965 discussion: Leaders and leading groups are very important; many situations are such that, when the leadership changes, the entire country changes coloration. In view of the experiences at home and abroad, we must be determined to do a good job of building our own party and ensure that the control of the party and the state is firmly in the hands of those who are loyal to Marxism. We must firmly and thoroughly implement the “CPC Central Committee Decision on Strengthening Ties Between the Party and the Masses.” In strengthening the flesh and blood ties between the party and the masses, the most important

problem is adhering to the party's mass line and guaranteeing that party decisions and their implementation conform to the interests of the masses. At the same time, we must strengthen clean government to thereby firmly oppose and overcome various negative and corrupt phenomena within the party. History shows that, as long as our party adheres to Marxism, puts correct policies into effect, and is itself healthy and with close ties to the masses, then, it can lead the people throughout the country in the defeat of peaceful evolution plots by hostile forces at home and abroad.

(2) The need to focus our strength on doing a good job of building socialism in our own country. During the eighties, we made new breakthroughs in socialist modernization, attracting worldwide attention with our successes. However, because of historical factors, today, there is still a relatively large disparity in the level of our productive forces in comparison with developed capitalist countries in the West. The superiority of the socialist system still has not fully manifested itself. International hostile forces are now in the process of exploiting this situation in China to impose "peaceful evolution." Furthermore, in the next 10 years, given the unpredictable nature of world politics and with economic competition becoming even more intense, whether we can consolidate and develop the successes of the eighties and further promote vigorous economic growth and social progress to enable China to stride into the 21st century in high spirits directly depends on the success or failure of the struggle to oppose "peaceful evolution" and has a bearing on the future destiny of the Chinese nation. Consequently, we must firmly and thoroughly implement the "CPC Central Committee Draft Proposal for the 10-Year Program for National Economic and Social Development and the 'Eighth Five-Year Plan'" and consolidate and develop a stable and unified political situation, to thereby focus our strength on doing a good job of building the economy and carrying out reform and the opening to the outside world. As long as we continue to improve our economy and as long as socialist China, which accounts for one-fifth of the world's population, remains full of vitality, we will be the strongest support of the international communist movement and the strongest attraction to the people of the world.

(3) The need to consolidate and develop the peoples's democratic dictatorship and to make every effort to strengthen and improve work in the ideological realm. The resolution of the Sixth Plenary Session of the 11th CPC Central Committee concerning certain historical questions declared that, at China's present stage, exploiting classes have been eliminated and the class struggle is no longer the main contradiction in society. However, to a certain extent, class struggle will continue to exist for a long time and, under certain conditions, could even intensify. We must oppose both the viewpoint that class struggle should be expanded and the viewpoint that it has already been extinguished. The 1989 political disturbances and the present domestic

situation have proved that this is an extremely correct position. Now and for a long time in the future, class struggle will, from a domestic point of view be prominently manifested as antagonism to bourgeois liberalism and as a struggle to uphold the four cardinal principles; and from an international point of view, it will be manifested as antagonism to peaceful evolution and struggle to oppose peaceful evolution. Class struggle within socialist countries is always related to and works in concert with international class struggle. Those who stubbornly adhere to bourgeois liberalism are actually acting as the agents and constitute the social basis for international hostile forces carrying out peaceful evolution in China. Consequently, if we are to oppose peaceful evolution, we must oppose bourgeois liberalism—which is, in effect, opposition to peaceful evolution. The key issue with respect to class struggle still remains political power. The disturbances and revolts engineered by the small number of people who push for bourgeois liberalism are ultimately intended to seize political power. It is for this reason that we have to uphold the dictatorship of the proletariat, that is, the people's democratic dictatorship. Lenin said that only recognizing class struggle did not make one a Marxist; one had to recognize class struggle and the dictatorship of the proletariat to be a Marxist. Lenin's thesis is still valid today. Every revolutionary should always remember this teaching of Lenin's and struggle to uphold, consolidate, and perfect the leading position of the proletariat.

Comrade Mao Zedong said, "Whoever intends to overthrow a regime always must first create public opinion and must first carry out ideological work." Comrade Mao Zedong's thesis scientifically brings to light the laws of class struggle. The struggle for the past 10 years proves that those who advocate bourgeois liberalism always do everything possible to take over the ideological front and public opinion to influence our thinking and to capture our younger generation. International hostile forces who are pushing for peaceful evolution also pay special attention to ideological and cultural infiltrations. This is why, if we are to protect and consolidate the people's democratic dictatorship, we must, as Comrade Jiang Zemin has pointed out, "vigorously strengthen and improve work in the realm of ideology and use Marxism and socialism to guide the work of theoretical, propaganda, education, news, publishing, cultural, and artistic departments, thereby occupying the ideological and cultural fronts and the public opinion front." We must clearly realize that, in the realms of ideology and politics, "the question who has won and who has lost" really is not over and has not been completely decided. Consequently, the ideological struggle not only cannot be neglected, it must be given full attention and the initiative taken to launch an offensive. In this regard, Comrade Jiang Zemin has pointed out on a number of occasions, "We must take the initiative to use Marxist-Leninism and Mao Zedong Thought to capture the front and launch our attacks.... Merely mentioning resistance is not enough. We cannot only be on the defensive. We definitely have to use Marxism to capture the front." Of

course, in launching our "attacks" and our offensive in the realm of ideology, we must uphold party principles and adhere to the methods of class analysis. At the same time, we must strictly distinguish between the two different types of contradictions, strictly distinguish between academic issues and political issues, and we must uphold the general policy of "letting a hundred flowers bloom and a hundred schools contend." It would be to no effect to simplify the process.

In brief, the replacement of capitalism by socialism is truly a major trend in the historical development of the world today. As long as we remain closely united around the party Central Committee with Comrade Jiang Zemin at the core, are firm in our socialist convictions, uphold the party's basic line during the primary stage of socialism, adopt effective methods, and work conscientiously, we will certainly defeat the peaceful evolution plot of the international hostile forces. Our great socialist motherland will certainly become more vigorous and stand firm as a rock in the East.

Issues to Be Considered

1. *Why do we say that peaceful evolution and opposition to peaceful evolution are the major forms of struggle between the two systems of capitalism and socialism today?*
2. *What new characteristics does the present imperialist "peaceful evolution" strategy have?*
3. *What practical and effective measures should we adopt to defeat the "peaceful evolution" plot?*

Questions, Answers On Peaceful Evolution

91CM0424B Beijing XUEXI YU YANJIU [STUDY AND RESEARCH] in Chinese No 4, 5 Apr 91 pp 48-49

[By Zhao Liangyu (6392 5328 3768) and Zhen Yu (4176 3768): "Questions and Answers"]

[Text] **In the struggle between peaceful evolution and opposition to peaceful evolution, why are socialist countries always on the defensive and why are capitalist countries able to be successful in promoting peaceful evolution in socialist countries while socialist countries are unable to effect evolutionary change in capitalist countries?**

We must first make clear that "peaceful evolution" is a concept with a specific meaning. Essentially, it refers to a strategy that hostile capitalist forces of the West use when strong military pressure is being maintained, a so-called "means-beyond-warfare" strategy, to promote evolutionary change in socialist countries from within, thereby achieving subversion and elimination of socialism.

The struggle between the two basically antagonistic systems of capitalism and socialism began when the world's first socialist country was born. However, in the very beginning, capitalist countries mainly attempted to

strangle socialism in its cradle through the use of armed force and used peaceful means only as a supplement. Only when armed force and the threat of armed force repeatedly failed were they forced after the fifties to begin emphasizing the strategy of peaceful evolution. In a sense, their reliance on peaceful evolution as their main strategy marks the defeat of the imperialist policy of armed force.

Because socialist countries have, over a relatively long period of time, maintained a clear understanding and a high-level of vigilance, capitalism and peaceful evolution plots have not met with success. In this respect, we really cannot conclude that socialism has always been on the defensive. During the seventies and eighties, a series of new phenomena occurred in the development of imperialism. These mainly have been reliance on the new technical revolution, promotion of new colonialism, and adopting certain self-regulating measures within the capitalist system that have enabled capitalist countries to maintain relative stability and, in some areas, achieve a certain superiority. Moreover, socialist countries, owing to causes both historical and current, have suffered certain difficulties and setbacks, especially in those countries that have relaxed their vigilance toward peaceful evolution. This has temporarily put socialism in an inferior position. Imperialism has seized the opportunity to intensify its peaceful evolution offensive, and this has met with success in certain socialist countries. This undoubtedly has been a severe setback to the socialist cause. However, we must clearly understand that there is nothing unusual about these complications and reversals happening to the socialist system—a system which has only been in existence for several decades. Furthermore, the peaceful evolution plot of capitalism, although it has been successful in some socialist countries, certainly has not been completely successful in all socialist countries.

The disturbances and counterrevolutionary revolt in Beijing in late spring and early summer of 1989 which were quelled by the party, government, and people of China, securing and consolidating the socialist position, constituted a great victory in smashing the capitalist peaceful evolution plot. According to the laws of social development and an analysis of the basic contradictions of capitalism, Marxism scientifically concludes that socialism will inevitably replace capitalism. Practice has proved and will continue to prove that this is totally correct. Marxism holds that violent revolution is a universal law of the proletarian revolution. This is because the basic issue of revolution is state power, and the main components of state power itself, such as the military, the police, and the judicial, represent a type of violence. Reactionary exploiting classes will not automatically withdraw from the historical arena. They always are the first to use state power's mechanisms of violence to suppress the proletariat and the working people. Confronted with the violent suppression by the reactionary exploiting classes, the proletariat has no choice but to use revolutionary violence to oppose counterrevolutionary violence. History has proved this time

and again. This has been especially true when the forces of international capitalism have been relatively strong. Of course, Marxism itself does not, under certain conditions, exclude the possibility of overthrowing the capitalist system through revolutionary struggle using peaceful means. However, historically, there has never been an instance when this has occurred. Even if one day this should occur, it could only be the result of the proletariat having gone through a series of revolutionary struggles. It absolutely could not be considered "peaceful evolution." However it might manifest itself, Marxism always stresses that revolution cannot be subsidiary. In the final analysis, the method with which a country chooses to overthrow the capitalist system can only be decided by the proletariat and working class of that country in accordance with international conditions and the specific situation in the country at the time.

Even though socialist countries pursue independent and peaceful foreign policies, grim reality shows that we must be clear headed and maintain a high degree of vigilance in order to do a good job of making preparations for a long-term struggle against peaceful evolution. As long as we firmly uphold the basic line of "one center and two basic points," give full attention to doing a good job of building the party itself during reform and the opening to the outside world, uphold the policy of grasping the two civilizations together, and do not lose faith in the face of temporary difficulties, we certainly will smash the peaceful evolution plot of capitalism and achieve victory for socialism.

Why must we, on the one hand, resist the peaceful evolution strategy of developed capitalist countries of the West and, on the other hand, engage in economic, technical, and cultural exchanges and cooperation with them?

Developed capitalist countries of the West rely on their economic strength and military deterrence and use economic, political, and cultural means to penetrate and subvert socialist countries. This is what is meant by their pursuing a strategy of peaceful evolution. The success of this strategy in certain socialist countries has made it more dangerous. Challenged by Western hostile forces, socialist countries must rise up, resist, and firmly defeat their strategic plot. There is no other choice.

Implementation of the opening to the outside world includes carrying out such things as economic, technical, and cultural exchanges and cooperation with various developed capitalist countries of the West. This constitutes a basic national policy of socialist modernization. The building of China's economy is being carried out under conditions of economic and technical backwardness and faces such difficulties as a shortage of capital and technical and managerial backwardness. If we are to overcome these difficulties, we must, in addition to relying on our own efforts and on arduous struggle, still effect the policy of opening to the outside world in order to expand foreign trade and economic and technical exchanges. Through the introduction of technology, equipment, qualified personnel, and capital, through

improvement in the level of China's productive forces and its managerial standards, and through readjustment of economic structure, we will narrow the gap with developed countries and step up our pace of economic and technical progress.

If resisting and defeating the peaceful evolution plot of Western hostile forces are for the purpose of defending and developing the socialist system and for maintaining the stability of the internal political situation and a favorable environment for building the economy, then, expanding the opening to the outside world and developing economic, technical, and cultural exchanges and cooperation with various countries are for the purpose of providing advantageous international conditions for building socialism with Chinese characteristics. The two purposes are identical. They both guarantee the consolidation and development of the cause of socialism in China. If we are to defeat the peaceful evolution strategy of Western hostile forces, we have to adopt comprehensive political, economic, and cultural policies, uphold the leadership of the Communist Party, uphold the guiding position of Marxist ideology, and strengthen our faith and confidence in socialism to thereby construct a secure ideological line of defense. At the same time, it is essential that we must do a good job of building a socialist economy. Because the present level of economic development and people's material standard of living in socialist countries are clearly lower than in developed capitalist countries, the superiority of the socialist system still has not been fully brought into play and the attractiveness of socialism is still not strong enough. When Western hostile forces slander socialism, the first thing they grab at is that economic development in socialist countries is still comparatively backward. Consequently, only by upholding the primacy of economic construction and exerting ourselves to develop production so that the result is economic stability, prosperity, and people living and working in peace and contentment will allow socialism to take deep root in the hearts of the broad masses. Only then can we withstand the serious challenges facing international socialism and make ourselves invincible.

Some people are liable to say that "dual tactics" are all right but only represent wishful thinking and ask what they have accomplished. They hardly realize that, under conditions in which contemporary science and technology are making new progress every day and international economic contacts are becoming increasingly widespread, no country can possess all the needed natural resources and technology. Developed capitalist countries are no different in this regard. This means that no country (including socialist countries) can develop its economy while sealed off. Economic and technical exchanges and production cooperation between countries are increasingly becoming, in modern international activity, an objective requirement of social production. To say that the U.S. economy is developed and that its technology is advanced does not mean that every sector is advanced, and to say that China's economy and

technology are backward likewise does not mean that everything is backward. Each has its strong points. It is for these reasons that we have to be adept at taking advantage of international conditions and expand economic and technical exchanges, thereby developing the economic services of our own country.

Of course, in the process of carrying out the opening to the outside world and expanding economic, technical, and cultural exchanges, we must systematically and selectively introduce advanced technology and other advantageously things from capitalist countries. We absolutely cannot emulate and introduce the capitalist system and absolutely cannot emulate and introduce various ugly and decadent things. At the same time, we must guard against Western hostile forces using economic aid and cultural exchanges to propagandize capitalist political forms, economic forms, value concepts, and degenerate life styles in order to stir up dissatisfaction with and hostile feelings against socialism and communism. We will, in this way, prevent the peaceful evolution plot from succeeding in China.

NORTHWEST REGION

Uygur Author's Trilogy Taken to Task

Author Said To Distort History

91CM0515A Urumqi XINJIANG RIBAO in Chinese
3 Jun 91 p 4

[Article by Aziz (5337 0463 1320), Yusuf (3768 4790 3940) (a Uygur), and Lin Sheng (2651 5116): "Respect History, Maintain Unity, Oppose Division—A Refutation of a Trilogy That Includes *The Uygurs* and That Distorts the History of the Formation and Development of Our Unified, Multiracial Country"]

[Text] Historical materialism is the Marxist view of history. It is the basic point of view from which the proletariat, the Communist Party, and other socialists examine, study, analyze, and judge history. Upholding historical materialism requires a respect for history, first of all. The history of our great motherland includes the history of all nationalities, including the Uygurs, in the joint founding, development, and protection of a unified, multiracial state. Thus, when writing the history of any people, this historical fact must be respected. However, Turghun Almas' so-called "use of the historical materialist point of view for dealing scientifically with history" when writing three books—one of which is entitled *The Uygurs*—about the "true face" of the Uygur people and their history of association with the motherland in three books may be capsulized as follows: China has never been a unified multiracial country; China is the nation of the Han people; and the Uygurs have always been an "indigenous nation" that is "independent" of China. This is a complete distortion and a falsification of history. The present article intends to use

historical facts to unmask in three respects Turghun's falsification of history and his advocacy of a division of the motherland.

China Has Been a Unified Multiracial Nation Since Ancient Times

Turghun Almas' assertion that China is not a unified multiracial nation, but rather the land of the Han people, is a preposterous thesis. One of his main arguments for this is that "China's territory and its administrative authority never extended north or west of the Great Wall; it was limited to the central plain." This argument, like the thesis, does not stand the test of history.

Marxist theory on the state includes a series of basic viewpoints. One of the two basic viewpoints is that a nation is a product of the emergence of an exploiting class during the latter part of a clan society that is linked initially by kinship ties. The other basic point is that numerous small kingdoms linked by kinship ties unite or merge into large, territorially contiguous, multiracial nations, and that this is a basic pattern in primitive nations' development into modern states, as well as a huge step forward in the development of human society. Our own unified, multiracial nation is a concrete reflection of this objective pattern of national development in the historical process of its formation, expansion, and consolidation on the good earth of China.

Opinions differ as to just when a nation appeared on the soil of the divine land of China. However, it is certainly beyond doubt that in the 22d century BC, the Xia Dynasty was already made up of numerous kingdoms. According to *The Tradition of Zhou* written in the seventh year of the Duke of Ai [in the state of Lu], "the dukes and princes were to gather at Tushan to receive bearers of jade objects and silk fabrics sent as tribute from 10,000 kingdoms." The term "10,000 kingdoms" was not necessarily meant to be an exact figure, but rather indicated that there were myriad kingdoms at that time. The "Annals of the State" that appear in the records of the Later Han Dynasty [AD 25-220] record more than 3,000 kingdoms at the time of the founding of the Shang Dynasty [1766 BC], more than 1,700 kingdoms during the Western Zhou Dynasty [1027-720 BC], 1,200 during the Spring and Autumn Period [722-481 BC], and only somewhat more than 10 during the Warring States period [403-221 BC]. The increasingly small number of kingdoms shows the historical reality of mutual association and mergers of small kingdoms. One social phenomenon at that time that merits close attention was that the emperors of the Xia, Shang, and Zhou dynasties were all leaders of an alliance among princely states. These three dynasties covered a period of approximately 1,800 years during which dynastic changes occurred; nevertheless, the alliances continued. This showed that by 2100 BC a multiracial country in embryonic form had already appeared on the good earth of the motherland.

From this multiracial embryo, our country developed into an indestructible, solidly united, multiracial country that went through more than 4,000 years of continuous development. This notably included the Qin, Han, Tang, Yuan, and Qing dynasties and the new China; these were major historical periods in the formation, development, expansion, and consolidation of our great, unified, multiracial nation.

Following the end of the Qin Dynasty [221-200 BC], feudal chiefs quarreled with each other. Out of these quarrels emerged the first unified, multiracial, centralized state in China's history. Its administrative territory extended eastward to the sea, southward to the five ridges [the mountain ranges that cross the borders between Hunan and Jiangxi, and between Guangdong and Guangxi], northwestward to Gulintao, northward to the Henan territory (at the bend of the Huang He in modern Inner Mongolia), and northeastward to Liaodong. This shows that at the time of its birth, our unified, multiracial nation exercised effective control over not only the Huang He, the Chang Jiang, and the Liao He basin, as well as the vast region to the north of the Zhu Jiang, but that its administrative domain also extended northward beyond the Great Wall. Within this territory lived most of the ancestors of our different nationalities, which presently number more than 56. Clearly, the foundation for our unified, multiracial nation was already laid at this time. Building on the foundation of the unity of the Qin Dynasty, the Han Dynasty brought the western domain into the bosom of the motherland in 60 BC, and also opened up territories elsewhere. As a result, the area under its administrative control extended southward and eastward to the sea, southward to Yunnan and Guizhou, northward to the great deserts [principally the Gobi, Ordos and Taklamakan deserts], and northeastward to modern day Heilongjiang, Liaoning, and Jilin provinces. Eight years after the Eastern Han, during the second year of the reign of Huanglong [230 BC] of Eastern Wu, which was the easternmost of the Three Kingdoms, the motherland formally took possession of Taiwan, thereby further expanding the territory of the motherland. At that time, the ethnic structure of the country included the ancestors of virtually all of the country's present-day nationalities. The founding of the Tang Dynasty ended the division of the country into northern and southern dynasties, and reunified the whole country. At the same time, political, economic, and cultural relations were established and developed with Turpan, and people traveled back and forth. Relations were quite close, thereby laying the foundation for the future entry of the Tibetan region into the bosom of the motherland. The Yuan Dynasty continued the relations with Turpan established during the Tang era, and in the first year of the Yuan Dynasty (AD 1264), the Administrative Office was established in the central government, with responsibility primarily for military affairs in the Tibetan region. In 1288, three local pacification commission headquarters under direct jurisdiction of the Administrative Office were established. They were responsible primarily for political and

military affairs in the nationality areas of Tibet, Qinghai, Gansu, and Sichuan, and they exercised effective jurisdiction over the Tibetan region. With this, the unified nation of the Chinese people that endures to this day was completed. The Qing dynasty strengthened unity and conducted resolute campaigns to put down remnants of the previous dynasty and the separatism and division of local forces. It made a historical contribution in consolidating the outstanding achievement of the unification of the motherland that had been fashioned, developed, and expanded for thousands of years and in which people of all nationalities shared.

The foregoing rich historical facts from the eternally etched history of the Qing eloquently testify that our great motherland has a more than 4,000-year history as a multiracial nation from its embryonic state to the present time, and it has more than 2,000 years of development from this embryo into a unified multiracial nation. The territory and the administrative authority of the motherland has stretched northward across the Great Wall to the great deserts, and westward across the Great Wall to the western territories for more than 2,000 years. However, Turghun Almas disregards the historical facts, insisting that China was never a unified multiracial nation, and that its administrative domain never extended beyond the Great Wall in the north and in the west. Clearly his "use of the historical materialist viewpoint to deal with history scientifically" is false, and only his use of historical idealism as a guide for the willful distortion, revision, and fabrication of history is true.

The birth of new China infused our unified multiracial nation with unprecedentedly powerful vitality and cohesiveness. The establishment of the socialist system in China eradicated exploitation and the exploiter class among all peoples, thoroughly rooted out the sources of class oppression and ethnic oppression, and established and developed equal, unified, and mutually assisting socialist ethnic relations. While today all peoples take part as equals in managing important national affairs, minority nationalities living in compact areas exercise autonomy in managing their own people and affairs in their own areas through the autonomy policy and the minority nationality areas system. For the past 41 years, the state has adopted a series of special policies and spent huge amounts of financial, material, intellectual, and human resources to support the development of economic and cultural endeavors in minority nationality areas. Not only has this spurred fundamental changes in the appearance of minority nationality areas, but it has also further strengthened the unity of the country's great multiracial motherland in a material, political, and ideological way. In order to realize the great ideal of socialist modernization today, all fraternal peoples are uniting even more closely. For the three books—including *The Uyghurs*—to attempt to use fabrications of history to sow discord in ethnic relations can only be to no avail.

All Nationalities Have Jointly Created the Unified Multiracial Nation

Historical materialism holds that the masses are the creators of history. Comrade Mao Zedong correctly pointed out that "The people, and only the people, are the power that creates world history." The unified multiracial nation that was created, developed, expanded, and consolidated in the historical advance of our great motherland is a monument to the joint building of generation after generation of the forefathers and posterity of the country's 56 nationalities.

However, Turghun Almas, who touts the "use of the historical materialist viewpoint to deal with history scientifically," disregards the fundamental viewpoint of the materialist view of history. This view holds that it is the masses who create history. He is also unconcerned about the historical fact that all nationalities in the country jointly created and defended the unity of the motherland. Instead, he insists on terming the multiracial nation the nation of the Han people, and he even does not hesitate to tell the cock-and-bull story that all nationalities in the western region and the deserts have waged a long "ethnic war" with Han "China."

Our unified multiracial nation was shaped, developed, and expanded in the course of an endless feudal society. During this historical period of class oppression and ethnic oppression, contradictions, fights, and even warfare—the highest form of class struggle—among different nationalities was inevitable. However, the essence of these struggles was class struggle, i.e., opposition to class oppression rather than opposition to the unity of the nation. Consequently, every time the exploiting class in certain nationalities use these struggles to conduct splittist activities, or each time that outside forces act to exploit weakness, people of all nationalities who think in terms of overall unity, and who care about the motherland, always place safeguarding the unity and sovereignty of the nation in first place and struggle for this. All of the peoples of the western territories and the great deserts have a similar glorious tradition.

During the early days of the Western Han Dynasty, the Wusun people who moved from Hexi in Gansu to the Ili He basin formed an alliance with the Xiongnu in the western region for a time. However, the Xiongnu slaveholders forced all nationalities to do their bidding, dominated the western region, and frequently went to war to set up separatist regimes and plunder. They both harmed all peoples and obstructed the Han central government dynasty from moving through the western region. Thus, when the Han Dynasty sent troops to the western region to subjugate the Xiongnu nobles during the second and third years of the Western Han (72-71 BC), they were victorious, thanks to the vigorous support they received from the Wusun and other peoples in the western region. During the second year of the reign of Shenjue (60 BC), a protectorate was established in the western region that exercised control over 36 kingdoms. From this time forward, the western region formally

became the sacred territory of the motherland. This shows that all the peoples of the western region made a basic contribution to the great cause of the unity of the motherland. During the final years of the Western Han, following the political reforms of Wang Mang, the wrongheaded policies pursued in the western region brought about a mass uprising that brought an end to the protectorate. This threatened both the unity of the nation and the tranquility of all peoples. All the kingdoms of the western region sent envoys to the capital to appeal for a restoration of the protectorate. According to an account in the *Later Han Chronicle*, during the 21st year of the reign of Jianwu of the Eastern Han (45 BC), "Sixteen kingdoms, including the king of Shanshan and the king of Cheshi, sent envoys bearing tribute to request protection." In the 17th year of the reign of Yongping (AD 74), the protectorate was revived in the western region. This also showed the noble character and sterling integrity of all peoples in the western region in safeguarding the unity of the motherland. In subsequent historical eras, the western territory (it began to be known as Xinjiang Province in 1884) witnessed the separatist regime of the western Turks, the riot of the Tuyuhun, the rebellion of the Dzungar nobility, and the reliance on foreign power to split the country of Big and Little Khoja, Zhanggeer [phonetic], Hojaniyaz, and Sabitdamalla. In addition there were the incursions of Czarist Russia and Akhbar. Faced with domestic trouble and foreign invasion, the people of all nationalities in the western region shared a bitter hatred of the enemy. They worked in tandem with the military forces of the central government in carrying out an epic struggle against internal and external reactionary forces. In safeguarding the unity and sovereignty of the motherland, numerous heroes appeared. Examples include Asnasir, a Turk; Qibiheli, a Huige; the Uygur Eseyi Clan; the Kazakh, Kabanbayi; the Mongolian Batuer Huntaiji Clan; the Tadjik, Kuerchake; and the Tibetan Kunge Zhalecandeng, who were outstanding representatives. The foregoing historical facts fully demonstrate that the people of all nationalities in the western region were the creators and the defenders of a united multiracial nation.

Like all nationalities in the western region, the peoples of the great deserts likewise made tremendous contributions to the great cause of the motherland's multiracial unity. However, Turghun Almas says that all the peoples of the great deserts, particularly the Xiongnu people, "became a frightful enemy for the Chinese." This is a complete absurdity that plays fast and loose with historical facts. The Xiongnu were an ancient people in the northern part of the motherland, and they played a positive role in unifying the northern part of the motherland. Subsequently, five khans within the ruling class fell to quarreling. The victor, Huhaxie [phonetic] Khan, established an amicable and vassal relationship with the central government dynasty during the second year of the reign of Ganlu of the Western Han (52 BC). In the 24th year of the reign of Jianwu of the Eastern Han (AD 48), the Xiongnu divided into a northern and a southern

faction. The southern Xiongnu continued the outstanding achievements of the former Huhanye Khan. Between 500 and 600 years thereafter, they maintained subordinate and friendly relations with the central government dynasty or neighboring central plains authority. This shows that most of the Xiongnu people and some of the rulers made valuable contributions in the motherland's movement from partial to full unity. Naturally, there were battles during the process of total unification, but these battles were caused by the efforts of the slaveholding nobles to set up separate regimes, expand, and plunder. The spears of battle were pointed at the Xiongnu nobles and not at the Xiongnu people. Thus, whenever the Xiongnu nobles came under attack, their soldiers and people, who were forced to take part, always rose in rebellion to go to the side of the cause of the unity of the motherland. From the foregoing, it is clear that like other peoples, the Xiongnu were founders and protectors of our unified, multiracial nation. An extremely small number of people among the Xiongnu nobles were the only ones to oppose the cause of the motherland's unity.

Other northern peoples contributed to the cause of the motherland's unity in many more ways. They began to advance the unity of the nation with their own people. The Ashina [phonetic] people, who had long held a ruling position among the Turkish people, and the first khanate in the history of the Turkish people that they established maintained good relations with the Sui and Tang dynasties from the very outset. The Huige chief, Tumidu [phonetic], won merit in helping the Tang suppress Xueyantuo [phonetic]. The Tang dynasty made him a general and viceroy of Hanhai, which played a positive role in ensuring peace in northern Xinjiang. Members of these two nationalities, Ashinashier and Qibiheli, made outstanding contributions in putting down local forces and strengthening Tang Dynasty rule in the western region. The Mongols' and the Manchus' tireless contributions to the cause of unity of the motherland will be forever recorded in the history of the Qing Dynasty.

After the Opium War, Czarist Russia relied on unequal treaties and invaded northeast China and northern Xinjiang. The people of all nationalities inhabiting these areas, such as the Mongols, the Manchus, the Daur, the Xibe, the Hezhen, the Hui, and the Ewenki, were of one heart and one mind with the people of the Han race. They fought in common to strike heavy blows against both the aggressors and internal divisive forces. In the 14th year of the reign of Tianbao and in the second year of the reign of Qianyuan, both of the Tang Dynasty, a Tartar named An Lushan and a Turk named Shi Siming incited the "An-Shi Rebellion." Subsequently, a Shatuo named Li Keyong rebelled. For a time he directly threatened the rule of the Tang Dynasty. The Huige and the Xiagasi [phonetic], who were still in the great deserts at that time, and the Sai [phonetic] people at Yutian in the western region sent troops across the desert to inland China where they joined the central government troops in putting down the rebellion to safeguard unity.

Turghun Almas regards as fictitious the thousands-of-years old unified multiracial China that was founded and defended by generation after generation of people of all nationalities. These people stood up for it in wave after wave and shed their blood together for it. He states preposterously that it was a "China" of the Han people. Not only does this utterly distort the historical fact that China was created and supported jointly by peoples of all nationalities in the country, but it completely negates the magnificent contributions people of all nationalities made to the great cause of building a multiracial, unified motherland. It slanders and dishonors the millions upon millions of martyrs of all nationalities who gave their lives for the unity of the motherland.

The Royal Court, Local Authority, and the Relationship Between the Two

The trilogy that includes *The Uyghurs* flatly denies that China has historically been a unified, multiracial nation. Its other thesis is that "during past historical eras, numerous 'ethnic nations' always existed apart from the 'China' of the Hans, and they have been antagonistic to each other for a long time." In this regard, Turghun Almas reaches the absurd conclusion that historically China has never been a unified nation, to say nothing of a multiracial nation.

With regard to the royal court, on the basis of historical facts, we believe the following three understandings are necessary. First, in every dynasty, once the central government exercised effective control over the whole country, even though there might be one kind of self-styled "nation" or other exerting local control, all such a nation had to do was acknowledge submission to the central government, accepting and enforcing the central government's degrees and administrative control. At that time, the dynasty represented our unified, multiracial country. It was the China of that time. This historical reality existed for more than two-thirds of the 2,200 years since the appearance of the first unified multiracial nation. For this reason, we say that the main stream of our country's history is unity. Second, from the time of the Qin Dynasty to the birth of new China, less than one-third of the time was periods of national division during which some regional regimes founded by the ruling classes of various nationalities appeared on the good earth of the motherland. They all called their regimes "nations," and some even styled themselves successors to the legitimate "royal court." Nevertheless, no matter whether they thought themselves a "nation" or a "royal court," none could independently represent all of China. Furthermore, all of the parts of the country that were in a temporary state of division once again moved in the direction of unification. Third, all of the peoples in the country created and defended a unified, multiracial nation; thus China is not the nation of any single nationality, but rather a nation of 56 nationalities in which every people is naturally the master of our great motherland. Regardless of whether successive dynasties were ruled by the Han nationality ruling class or by a

minority nationality ruling class, all were natural continuations of the historical development of our unified, multiracial nation. They were an organic, integral part of our nation's history. This is generally recognized by the people of all nationalities in the country and by those who possess a breadth of knowledge. It is also recognized by the minority rulers who held control of the central government. As Kang Xi, the second emperor of the Qing Dynasty, said in the *The Imperial System*, "The Qing court rules the whole land in the same way the Zhou and Han courts did; it continues the achievements of previous dynasties."

The foregoing understanding of the role of the imperial court is simply historical common knowledge, but Turghun Almas regards the successive periods during which a dynasty ruled the entire country and periods when the country was temporarily split up as so many regional regimes termed "nations." He slanders the Yuan Dynasty in which the Mongolian ruling class established its rule over the entire country as the Mongolian "occupation of the whole country" following the "subjugation of China," thereby coming to the absurd conclusion that China has never been unified, and that "China" is only a nation of the Han people. The absurdity of such an argument, which cares not even for minimal common knowledge, is obvious and not worth refuting.

The reasons for the periods of temporary division and local regimes in China must be analyzed and understood in terms of the feudal system and the specific historical climate. One prominent political characteristic of the feudal system is that various power groups within the ruling class maintain their own military forces, and each has a strong desire to set up a separate regime and expand the sphere of its own authority. This characteristic shows up particularly in a multiracial nation in which various factions within the ruling class of a nationality quarrel among themselves, and in which the ruling classes of all nationalities vie for power. In the process of these ruling classes or groups striving to establish their own rule over the entire country, sometimes a specific historical environment occurs in which no ruling class or group has sufficient strength to rule the entire country. Under these two circumstances, the appearance of either a regional regime or a temporary division of the country is unavoidable. The feudal system ordains it. Thus, in a feudal society, battles to unify separatist regimes are inevitable. This is the reflection in political issues of the basic law of the unity of opposites in the development of everything. However, Turghun Almas neither cares about this basic law of Marxist theory of knowledge, nor does he heed the fact that our country was unified most of the time. He denies that our motherland is a unified multiracial nation, thereby thoroughly exposing his evil intention to preach national division.

Class Standpoint of Uyghur Author Attacked

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14 Jun 91 p 4

[Article by Yang Faren (2799 4099 0088): "Class Struggle Theory Is a Guide to the Study of History—A Criticism of Turghun Almas' *The Uyghurs*"]

[Text] Whether history is studied through the medium of the Marxist class struggle theory is an important matter of principle. Use of class struggle theory in explaining and analyzing history is a basic ingredient in the materialist view of history. Marxism tells us that all history since the disintegration of clan society is the history of class struggle. In a class society, class struggle is a direct motivating force from beginning to end in the historical development process. No matter that history is complex, murky, and confused; as long as we uphold the Marxist theory of class struggle and adhere to the class analysis method, we will be able to grasp the essence and the objective laws of historical development. Then murky historical phenomena will suddenly start becoming clear. As Lenin said, "Marxism provides us a guiding thread that enables us to discover laws in murky and confused situations. This thread is the theory of class struggle." (*Selected Works of Lenin*, Vol. 2, p 587) In this sense, the Marxist theory of class struggle is our guide for the study of history.

Since the time of the Qin and Han dynasties, China has been a multiracial, unified nation. Although the unavoidable fact of class oppression and ethnic oppression has existed in the history of our country, the living together in friendship of all nationalities, their close economic and cultural exchanges, and their joint creation and defense of multiracial unity has been the mainstream throughout the country's historical development. As one member of the great family of the Chinese people, the Uyghurs, like many other people, have a long history and have made indelible contributions to the motherland's historical and cultural development. The Uyghurs are a hardworking, brave, and highly intelligent people. They are a people who have constantly added to national harmony and supported the unity of the motherland, and who have a fine tradition of patriotism. However, for a long time, there have always been a few people both inside and outside China who exacerbate race relations and fan the flames of "Xinjiang independence" in a vain effort to achieve their goal of splitting the unity of the motherland. It is against just such a background that Turghun Almas's book *The Uyghurs* came out. This book pays no heed at all to the original facts of history. It presents a series of extremely mixed up, absurd, and arbitrary opinions about the origins and development of the Uyghurs and their relations with the great family of the motherland. It departs fundamentally from Marxist historical materials and the theory of class struggle to tout racial splittism. For this reason, it is very necessary to make a differential analysis of it.

The Marxist Theory of the State Will Brook No Denial

The Marxist theory of class struggle is the theoretical underpinning for the Marxist doctrine of the state. In *The Origins of the Family, Private Ownership and the State*, Engels applied class struggle theory to the results of Lewis Henry Morgan's studies in examining the evolutionary process whereby a classless clan society became a slave-system class society. He did this in order to clarify the sources and functions of class that the state produced. Later on, in *The State and Revolution*, Lenin carried forward this superb idea of Engels, saying that "the state is an outgrowth and a manifestation of irreconcilable class contradictions." "The state is an agency of class rule." (*Selected Works of Lenin*, Vol. 3, pp 166-167)

The preceding theses of classic authors showed the existence of class and class struggle to be a prerequisite for formation of the state. In the book, *The Uygurs*, however, the appearance of class as the origin of the state is dismissed with a single stroke. In talking about formation of the Xiongnu state, the book mentions that "when they entered a certain stage of the primitive communal system, the embryonic form of the state (armed force) took shape. ... Various tribes having close kinship, language, and other ties coalesced in a tribal alliance to oppose tribes that differed from themselves in language and in other ways. It was the armed force of the tribal alliance that was a basic factor in becoming a state in ancient times." Actually, the earliest states in ancient times were slave states. What the author is talking about here was in no way the "basic factor in becoming a state" in ancient times, but rather certain basic characteristics of the social system in primitive times before the advent of slave states. In *The Origins of the Family, Private Ownership and the State*, Engels analyzed the basic features of the Iroquois and Greek clan societies. He noted that kinship relationships are an essential feature of clans, and that possession of a dialect that is distinctive to the tribe is also an important feature of clan society. The military might that the clan possesses is simply an armed organization that the inhabitants have put together themselves. It differs in character from a standing army that follows the founding of a state. The fundamental issue is that inasmuch as clan societies have not formed antithetical classes of slave masters and slaves, they do not have the prerequisites necessary for producing a state. Historical data also show that it was only during the Warring States period in China, from 475-221 BC, that the Xiongnu appeared on the historical stage and gradually unified the nomadic peoples of the north. After that they became a class society and established their own preliminary form of a state. Therefore, for *The Uygurs* to say that "the Xiongnu possessed the basic features of an ancient state" in 1500 BC is preposterous.

The state is the outgrowth of irreconcilable class contradictions. After history entered the period of a slave society, production relationships occupied a dominant position in the slave system. The slave masters nakedly dominated the slaves, driving the slaves to constant rebellion. In order to protect the slave ownership system

and to suppress the rebellion of slaves and other working people, the slave masters had to rely on an instrument of organized force, and this instrument of organized force was the state. This is the historical truth about the origin of the state. However, in discussing the circumstances of the rise of the Xiongnu khanate, *The Uygurs* is mute about this ultimate reason for changes in economic relationships at that time. Not a word is said about the formation and development of class contradictions. Instead page after page is devoted to much discussion of warfare against the Shang Dynasty and attacks against the Zhou Dynasty, advancing against the states of Qi, Yan, Zhao, and Qin "not only to ward off attacks from powerful and arrogant neighboring countries, but to subjugate them" in order to establish and improve their own state. By the logic that this book presents, would not the state simply become an outgrowth of irreconcilable ethnic contradictions? If one says that a failure to note the emergence of classes and to talk abstractly about the formation of the state shows a lack of common sense, then it is simply a distortion of Marxist theory of the state in this context. Certainly a state possesses not only internal functions, but external ones as well. Its internal functions are basic. Its external functions take second place to its internal functions. This is because unless all exploiting classes first oppress their own exploited classes in order to consolidate their dominant position within their own country, resistance to foreign aggression and external expansion are both impossible.

In discussing the distinctions between the state and the old clan organization, Engels particularly stressed two points. "The first point is that the state distinguishes its citizens by area. ... The second distinction is the establishment of common interests, and these common interests are no longer directly consistent with those of the inhabitants that it has organized as an armed force. ... Maintenance of these common interests requires that the citizens pay a fee, namely taxes." This requires, in turn, that "officials take charge of common interests and tax collections." (*Selected Works of Marx and Engels*, Vol. 4, pp 166-167) These two points are interrelated and inseparable. The combination of the two make up the basic elements of a state. This is an exceptionally scientific and strict theoretical point of view of universal guiding significance. Using this theoretical viewpoint in examining the relationship between the ancient western territories, which are known as Xinjiang today, and the great family of the motherland and confirming the basic historical fact that Xinjiang has been a part of the great family of the motherland since the time of the Western Han Dynasty unites historical and theoretical logic. However, *The Uygurs*, does its utmost to try to shake the scientific conclusion that Xinjiang has been a part of magnificent China since the Western Han Dynasty, concocting and fabricating numerous falsehoods in this regard.

The First Contention That China Is the Land of the Han People This argument appears everywhere in the book.

The books says that "the Turan and Han peoples were neighbors on the soil of the country," and that "the Xiongnu were neighbors of the Han from ancient times and threatened them." "For China, they became a terrifying enemy." Quite right. After the Qin and the Han dynasties, for a time the concept of China was a name applied specifically to the dynasty founded on the central plain by the Han people. However, as people with even a slight knowledge of history know, the concept of China developed and changed in the course of history. To equate China with the dynasty founded on the central plain by the Han people is conceptually incomplete. By no means does it capture the features and characteristics of our multiracial nation. As the history of our country unfolded, China gradually came to have a fuller connotation, one that included all the territory of the country and all of the people in this territory. The Marxist theory of the state shows that a state is founded on kinship relations and is built on territory. As the clan system changed into the state system, human society also changed from the age of barbarism to the age of civilization. Accompanying this age were advances in social productivity and development of methods of exchange, as well as territorial expansion. All this gave rise to the movement and migration of population, which advanced both population growth and the intermixing and blending of peoples. The result was that associations founded on kinship relationships no longer existed. They were supplanted by associations identified with a citizen's area, without regard for the clan, tribe, or people to which the citizen belonged. This was, in fact, the way that the history of our country unfolded. Prior to the Qin, China was a nation largely made up of the Xia people or the Huaxia people (whose name was changed to the Han people following the Han Dynasty). Their territory was located largely in the Huang He basin and along the Chang Jiang. The bringing together of six kingdoms under the Qin not only united all the Xia, but in addition the Nanyue territory that lay south of the southern mountain range was taken, and there was a gradual expansion northwestward into the territory of the Xiongnu. This brought the political unity of our country westward to Gansu, northward to Mongolia, eastward to the sea and to the east of the Liao He, and southward beyond the five ridges [Guangdong and Guangxi provinces]. This established a multiracial nation in which the Huaxia people were predominant, but which also included the Bai-Yue system, the Miao-Yao system, the Shi-Qiang system, and the Altai system, as well as some minority nationalities in the northeastern part of the country. From the foundation of unity that the Qin laid, and as a result of warfare against the Xiongnu in the north, the pacification of the Yue in the south, the movement into the western territory, extension of administration over the Yi in the southwest, and the setting up of states in the northeast, the Han Dynasty built a large, multiracial, unified nation that included all but Taiwan and parts of Tibet. Despite the several subsequent divisions, consolidation and advancement of the unity of the motherland was always the mainstream of historical development. In the process of unifying the

motherland, not only did the Han people make the contribution they should have made, but all of the peoples of the country made the contribution they should have made. This is to say that this multiracial, unified country was positively not founded by a single nationality alone, but was created jointly by all of the peoples of the country. Thus, China positively is not a China that includes only the Han people, but is a China of all the Chinese people that includes all nationalities.

The Second Contention That the Great Wall Is the National Boundary In many places, *The Uygurs* refers to the area within the Great Wall as being China, and the area outside the Great Wall as being the "independent" countries of various other peoples. It regards the Great Wall as the natural boundary between China and the desert to the north, and between China and the western territory. The Great Wall, which was begun in the second or third century BC, is positively not the national boundary of China. Although the territory of China was generally defined by the Great Wall in the time of the Qin Dynasty, even then 44 counties were located in the area that was north of it and that lay south of the bend in the Huang He. Convicts from inland China were sent here. The Great Wall was not adhered to as the boundary of the state. During the Western Han, the country's territory was further expanded to a large area north and west of the Great Wall. It extended to the east of the Liao, where there were four states, namely Xuantu, Lelang, Zhenfan, and Lindun. Through the defeat of the Xiongnu, five dependencies outside the Great Wall and four states to the west of the Huang He were established. Through the opening of the western territory, 36 small kingdoms came under the rule of the empire. Thereafter, China's territory gradually expanded from the foundation laid during the Qin and the Han dynasties. In Tang times, the Shanyu and Hanhai protectorates were also established. This meant that the whole area of the great desert north and south of the Great Wall belonged in the Chinese domain. Thus, how can anyone say that the Great Wall is the northern boundary of China? Furthermore, ever since the Eastern Han Dynasty, and particularly during the era of the Western Jin and the epoch of the division between north and south, large numbers of nomadic peoples from north of the Great Wall migrated across the wall in a vigorous blending of nationalities. During the Yuan and the Qing dynasties, first Mongols and then Manchus crossed the Great Wall to rule the central plain, establishing their rule over all of China. This shows even more clearly that the Great Wall is in no way the northern boundary of China. The book's completely groundless, subjective assertion that the Great Wall is the national boundary of China is nothing more than an effort to find grounds for the absurd theory that Xinjiang has not been Chinese territory since ancient times. In reality, this is entirely fruitless. An analysis using the principles of Marxist theory on the basic elements in the formation of a state shows that the fundamental issue in determining to which state a territory belongs is whether the state's common interests have been established and are enforced in this region.

Historical data show that in 60 BC, the Western Han began to establish a protectorate in the western territory, a demonstration that the common interests of the nation that was China had been established in the western territory. This marked the entry of the western territory into the Chinese domain. The implementation of common interests in the western territory was manifested primarily in the following three ways: The first was the investiture, and the appointment and removal of administrative leaders; the second was the levying of taxes and the payment of tribute; and third was the use of armed force to help all the peoples of the western territory quell rebellion and repel foreign aggression. Naturally, during times of internal disorder in China's dynasties, and when national strength waned or policies went astray, enforcement of the state's common interests in the western territories also fell by the wayside. However, looked at in terms of the long stream of history, continuity in the enforcement of China's national interests in the western region is evident at a glance. It is an unchangeable basic historical fact. Therefore, the theory of the Great Wall as national frontier that *The Uygurs* espouses will not stand up in the face of history.

The Third Contention Is the Theory of an Independent State For Peoples Speaking a Turkic Language *The Uygurs* dwells at great length on the contention that the peoples who speak a Turkic language are an independent political entity. It says that "during the era of the Turkish Khanate, the term Turk applied to those who spoke a Turkic language and had the same or similar customs, including the Uygurs, the Oguz, the Kirghiz, the Kejinqiake [phonetic], the Chuyue [phonetic], the Bashimi [phonetic], and the Tuqishi [phonetic] as well as the subsequently Turkicized Khitans. From that time, the term Turk applied to all national associations and political associations of tribes and peoples living in the domain of the Turkish Khanate." What a striking similarity between this point of view, which ignores class contradictions and combines all peoples who speak a Turkic language into a single Turkish empire, and the one that pan-Turkish elements advocate! As was said earlier, a state is a political entity that differs from peoples that form a social entity. In a multiracial nation, in particular, it most certainly is not founded on kinship relations and a common language. A single people can build a single country, and they can also build several separate countries, or they may be located in several countries. This depends on changes in historical conditions at the time. As for all peoples speaking a common language, the situation was even less like this. In reality, did not peoples of the Han, Manchu, and Mongolian races live under the rule of the Turkish khanate that the book mentions? What about the large numbers of feudal subjects of the Qi and the Zhou that were carried off during the period of the Northern Dynasty. Did they also speak a Turkic language? Furthermore, to the west of the Turkish Khanate were kingdoms such as Persia. In these places there was no lack of Turkish-speaking tribes or peoples, but they were not included in the domain of the eastern Turkish domain despite their language ties.

Therefore, the viewpoint that the book endlessly espouses, of Turkic-speaking peoples forming a nation, is nothing more than a replaying of the old pan-Turkish tune.

To summarize the above, in leaving out an analysis of the emergence of classes and class rule, and in ignoring the basic historical fact that the central government of China's royal courts exercised authority north of the great desert and in the western territories for a long period, while talking inordinately about the "independent state" of the Uygurs, *The Uygurs* brazenly tramples and departs from the Marxist theory of the state. Its negation of the Marxist theory of the state is, in fact, a negation of the Marxist theory of class struggle. Put bluntly, the book's concept of the state is not founded on the Marxist class concept, but rather on an extremely narrow race concept.

Substituting a Narrow Racial Viewpoint for the Marxist Class Viewpoint Not Permitted

The Uygurs devotes a large amount of space to the discussion of race wars, but is mute about class struggle. Actually, it treats the national issue and the class issue in isolation from each other. Certainly the national issue and the class issue are distinct. They differ in concept, scope, and content, as well as in their historical time. Thus, we cannot entirely equate the national issue with the class issue. Nevertheless, we must also realize the ways in which the national issue and the class issue are linked. First of all, all peoples in a class society are made up of different classes. Thus, within every people there are class antipathies, class struggles, and different class interests. A people is not a totality in which interests are completely identical. In order to safeguard its own rule, the exploiting class always pretends that its interests are the interests of the whole people, particularly when it wants to violate and plunder the interests of other peoples. In recounting the history of national development, the book completely ignores the class antipathies and struggles within a people. It pretends that the interests of a people's ruling class are the interests of all of the people, substituting the history of the so-called national struggle for the history of the class struggle. Inevitably, the result is a complete distortion of historical fact.

At the same time, class oppression is the root social cause of national oppression. This is one important way in which the ethnic issue and the class issue are interrelated. In *On Poland*, Marx and Engels wrote, "It is the present ownership relationships that result in one people oppressing another people." (*Selected Works of Marx and Engels*, Vol. 1, p 287) Lenin also noted that "National oppression policies are a legacy of autocracy and monarchy." (*Collected Works of Lenin*, Vol. 24, p 269) In consolidating their ruling position for the sake of their class interests, simultaneous with their exploitation and oppression of the working class among their own people, all exploiters bend every effort to exploit and oppress the people in other ethnic groups in pursuit of their policy of national oppression and national plunder.

Thus, they create and enlarge ethnic contradictions that provoke national antagonisms and clashes, thereby causing a sharpening of national contradictions. Therefore, in essence, national oppression is an extension of class oppression into a people's relations. It is class oppression that is the social root of national oppression. Consequently, ethnic strife occurs in a class society. It is a surface manifestation, while class struggle is at the heart of the matter and is frequently hidden behind this surface manifestation of racial strife. This identical nature of class struggle and racial strife should be starting point for our examination of ethnic strife. One major, erroneous viewpoint in *The Uyghurs* is its denial of the identical nature of ethnic strife and class struggle, and its treatment of the two in isolation and as opposites. It substitutes an extremely narrow, nationalistic viewpoint for the Marxist class viewpoint.

Warfare is one of the highest forms of struggle for resolving contradictions between classes, peoples, and states. Lenin said, "No war is inseparable from the political system that produced it. The policies that a country, i.e., a certain class in that country, pursues in wartime are bound to be and will certainly be a continuation of the domestic policies it pursued within the country for a long time before the war. It is simply that the method used to pursue them will be different." (*Selected Works of Lenin*, Vol. 3, pp 71-72). This thesis of Lenin is the fundamental viewpoint we adopt in the examination of all warfare issues, and naturally it is also the fundamental viewpoint we adopt in examining ethnic strife issues.

Since warfare is the continuation of politics, when examining historical race warfare, it is necessary to examine the historical nationality policies of the ruling class. From the standpoint of the exploited class, no matter which nationality is in the country's ruling position, overall that nationality pursues a policy of national oppression and exploitation. Consequently, in a class society, race relations are always unequal, and as ethnic contradictions develop, outbreaks of race warfare are bound to occur. In the history of China, Han rulers dominated the successive dynasties longer than any others. In addition, since the Han population was larger and stronger than other populations, they frequently pursued chauvinist, majority-nationality policies. They looked down on and oppressed minority peoples, and even used military force to subjugate them. Events such as the first emperor of the Eastern Han Dynasty's western expedition to subjugate Kokand in order to obtain blood-sweating horses and Wang Mang's dispatch of a punitive expedition to humble the princes and dukes of kingdoms in the western territory were of this kind. Such race warfare is actually a manifestation of feudal landlord class dictatorship in relations among peoples. In addition, because the rulers of minority peoples were also members of the exploiting class; because they maintained a slave system; because they had a purely nomadic economy in which self-sufficiency was difficult to attain; or because of greed during temporary decline in a

dynasty's power, one people also frequently resorted to invasion and harassment, plunder, and attempts to annex the territory of another people or of the Han people inland, thereby igniting race wars. The wars of the Xiongnu and the Turks against the Han, the Sui, and the Tang dynasties were of this kind. These race wars were a manifestation of class interests and the will of the ruling class. They were a continuation of the long-pursued policy of plundering and annexing other peoples and their territory. They were a manifestation of class struggle in the form of race warfare. They were actually an extension to the central plains region of the slave master class dictatorship of these peoples. Engels said about these societies, "Warfare as well as organization to carry out warfare have become a normal function in the daily life of these peoples. ...They regard plunder as easier and even more glorious than productive labor. ...Now they wage war purely for plunder; warfare has become a normal occupation." (*Selected Works of Marx and Engels*, Vol. 4, p 160). This passage profoundly reveals the class character of ethnic warfare. One might say that pillage of the population and wealth through warfare has been a general historical characteristic of nomadic and hunting people moving from a clan society into a slave-holding society. Both the Xiongnu and the Turks went through such a general historical process, which is to say that the slave owning class regarded the plunder of other people's wealth as a regular part of contacts between peoples, and a major way in which to accumulate wealth.

The Uyghurs fails to reveal the class nature of the race warfare of the Xiongnu and the Turks against the Han, Sui, and Tang dynasties. It purposely ignores the correlation between these wars and the class policies that the rulers of the Xiongnu and Turks pursued. This can only be out of the "despicable prejudice" that Lenin condemned.

The Uyghurs states: Two sentences must be said about the character of the warfare between the Turks and China. The nature of the warfare between the two nations was diverse. One cannot reach a conclusion about these battles by discussing them at a single level. Sometimes, the Turks crossed the Great Wall to invade the territory of China, and sometimes the Chinese armies also crossed the Great Wall to invade the territory of the Turks. They were not interested in carrying out a military attack against them, but rather they had long-range plans, and the goal was the occupation of their territory. Any war that has aggression as its goal is naturally an "unjust war." At this point, the book presents two viewpoints about just and unjust wars. One is that a war that has aggression as its goal is an unjust war; naturally this is beyond dispute. The second point is that the determinant of whether warfare had aggression as its goal was the crossing of the Great Wall. This viewpoint precisely reveals that the book covers up the true class warfare essence of the ethnic warfare.

It was mentioned earlier that warfare is a continuation of politics. Unless one analyzes warfare in terms of the state

system and the policies concerned, it is very difficult to distinguish between just and unjust wars. This is because in the final analysis the goals and the social consequences of warfare are determined by the policies of the countries and the classes waging the war. Comrade Mao Zedong said, "Historically, wars have been divided into two categories. One type is just, and the other is unjust. All progressive wars are just, and all wars that obstruct progress are unjust." (*Selected Works of Mao Zedong*, single volume edition, p 465). Accordingly, determining whether a war is just or unjust depends primarily on the following three matters:

The first matter is the class policy followed before the war—whether it advances or obstructs historical progress. Most feudal ruling classes pursue policies of ethnic oppression and ethnic exploitation. However, different dynasties—or the same dynasty at different times—may make some adjustments in the specific nationalities policies they follow as historical experience and different historical conditions warrant. They may adopt nationalities policies that are not entirely identical in order to moderate the contradictions among various nationalities and as a means of safeguarding their own ruling position. Thus, objectively some of these policies may help advance racial harmony and social progress. Such a state of affairs is not without historical parallels. For example, the policies that attempted to cement relations with rulers of minority areas by marrying daughters of the Han ruling family to the rulers, the appeasement policies of the Tang, and the policy of resorting to war to gain peace clearly helped achieve an environment of peace and stability and helped revive and develop social production. This benefitted the Han, Xiongnu, and the Turkic peoples alike. Conversely, the rulers of the Xiongnu and the Turks consistently pursued a policy of plunder and annexation. However, basically speaking, this was ordained by their nomadic and hunting modes of production. Whenever their undiversified economies could not satisfy the ever-growing needs of their daily life, they frequently resorted to military action to pillage others' territory, even expanding this pillage to the fairly rich central plains and agricultural production areas of their southern neighbor. This gave the policies they pursued a marked plundering character, which was in the nature of unjust warfare, of course. However, the warfare that the Han and the Tang dynasties waged against aggression was markedly defensive in character, so naturally it was just warfare.

The second matter is whether the goals of warfare are in keeping with the requirements of social progress, or whether they obstruct the requirements of social progress. Aggressive warfare opposes social progress. It destroys human civilization, occasioning extreme misfortune for all peoples. By contrast, although it may require people to make a temporary sacrifice, the ultimate winning of peace and the revival and promotion of social productivity in a war against aggression is, without doubt, consistent with the requirements of social progress. Otherwise, to say—as the book says—that

crossing territory is the determinant of aggression only obscures the line between just and unjust wars. It creates an air-raid shelter in which aggressors can hide from just condemnation. By this logic, did the war that the Soviet Union waged in defense of the country in which their armed forces crossed the national frontier and ultimately linked up with Allied armies to attack Berlin and wipe out Hitler's Fascism make the Soviets aggressors? Obviously, this is extremely absurd logic. The book maintains that "formerly the Xiongnu were aggressors, and the Han Dynasty was always on the defensive in a position of self-protection. In 127 BC, however, the reverse occurred." "The Han Dynasty changed from a passive to an active position" to become the "aggressor." This seemingly reasonable exposition actually obscures one important fact, namely, it jumbles together the goals of warfare with changes in the strategic situation resulting from the growth and decline of the military power of both parties. This is obviously a metaphysical analytical method. The question is very clear. The Xiongnu always provoked war with the goal of pillaging and annexing territory. Not only did the Xiongnu cross the Great Wall to commit aggression, and the Hans cross it to counter aggression, but when a change in the comparative strength of both parties occurred later and the Han sent large forces across the Great Wall in pursuit of the Xiongnu in order to root out this hotbed of warfare, their actions were still counter-aggressive in character.

The third matter is the social effect of warfare—whether it advances or obstructs social progress. We are historical materialists. We are devotees of the theory of unity regarding the goals of warfare and the effects of warfare. Examination of whether the social effect of warfare is to advance social progress or not requires looking at whether the result of warfare impels social forms to develop toward a higher social stage, or whether it causes a regression of social forms. For the Xiongnu, the warfare between the Xiongnu and the Han Dynasty had the extension of their slave system to the central plain as its purpose. Naturally, this was a historical regression. For the Han Dynasty, it was to maintain its own feudal rule and to oppose regression of the feudal system to slave society. Naturally, this was in keeping with the requirements of historical progress. Second, it is necessary to look at whether the warfare advanced the development of social productivity. Much historical data show that in their aggression against the Han, Sui, and Tang dynasties, the Xiongnu and the Turks carried off large numbers of the population, livestock, and large amounts of wealth. They destroyed social productivity, and obstruction of social development was the natural result. Third, it is necessary to determine whether the warfare advanced or split national unity. National unity was not just the fundamental desire of the Han people; it was also the fundamental desire of peoples of other nationalities in our country. When the nation was unified, the races prospered, society advanced, and the nation was rich and powerful. With the reverse was true, the races suffered, people sank into extreme misery, and

national power declined. Obviously, the large-scale pillage of the Xiongnu and the Turks, and the Han, the Sui, and the Tang dynasties' linking the armed forces and peoples of all nationalities in joint resistance were battles between those who wanted to split the unity of the motherland and those who wanted to defend it.

Certainly, the feudal rulers of the Han, Sui, and Tang dynasties labored under the limitations of their class. While counterattacking Xiongnu and Turk aggression, their policies were not without shortcomings. Nevertheless, in terms of an overview of the entire historical process, it must be recognized that the wars that the Xiongnu and the Turks provoked were unjust wars of aggression, while the counterattacks that the Han, Sui, and Tang dynasties conducted were just wars against aggression. This tells us that all forces that seek to split the unity of the motherland move against the tide of history; they all obstruct social progress; and none of them will come to a good end. This is the accurate conclusion that history has left us.

Author Accused of Divisiveness

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[Article by Ji Dachun (4767 1129 2797): "To Preach Pan-Turkism Is To Espouse National Splittism"]

[Text] 1. Recklessly Concocting and Irresponsibly Fabricating A Portrayal of a "Turkish Nation" That Never Existed, For the Purpose of Preaching a New Pan-Turkism

During the past two or three years, Turghun Almas, "an expert in both culture and history," has successively published two historical works. One is *A Brief History of the Xiongnu*, and the other is *The Uyghurs*. If one were to characterize these two books, it would be that they had no need for historical facts, and they employ the technique of modeling personages to portray a nation that never existed in fact—the "Turks"—as the dominant characters in the books. The books espouse the view that the people of various nationalities in Xinjiang are not strangers to each other. This was a rather popular viewpoint of Pan-Islam and Pan-Turkism during the 1930's and 1940's. A gang of counterrevolutionaries who used this view in carrying out activities to split the motherland have long since been punished by the Chinese people, and some of them have died in foreign countries and strange lands. However, the fact that their reactionary views, dressed up in new garb, have continued to harm people since the 1940's and to this day cannot help but make one feel particularly alarmed.

Pan-Islam, which is also termed Greater Islam, and Pan-Turkism, which used to be known as Greater Turkism, both appeared before the proletarian revolution in Turkey, i.e., during the Ottoman Empire. Ottoman was a part of Turkey in ancient times. The Turks originated in the southern part of China's Altai Mountains, where historically they founded the Turkish Khanate. This

soon split into two parts; one was known as the Eastern Turkish Khanate, and the other the Western Turkish Khanate. Both of them had very close relations with the Tang Dynasty. With the dissolution of the eastern and western Turks, the formerly united tribes became independent one after another, and developed in the historical process into separate peoples. Some emigrated westward, where they came in contact with Europeans moving eastward. The Europeans lumped them all together under the term "Turan nomads." Those who emigrated to western Asia were the Seljuks and the Ottomans, who set up regimes on the peninsula of Asia Minor. The Ottoman Empire was the most powerful and prosperous of the two regimes. In the 16th century, the empire became an imperial power on the shores of the Mediterranean Sea, at the juncture of Europe, Asia, and Africa. It conducted a policy of assimilating the people in its dependencies by force. This met with universally strong resistance and brought about the precipitous demise of the empire. During the 18th century, the capitalist countries of Europe began to flourish and look for overseas markets. Dividing up the "Ottoman legacy" became one of their main goals. In order to rescue themselves from their declining fate, the sultan of the Ottoman Empire and the country's Islamic pope, Caliph Abdul Hamid II, preached unbridled Pan-Islam. He dreamed of becoming the "pope" of the Islamic world. After this "bloody sultan" was overthrown, his successor continued to advocate Pan-Turkism. He fantasized about reviving an old historical dream of ruling all the peoples of Asia who spoke a Turkic language. To this end, he created the myth that all peoples who spoke a Turkic language were different tribes of a so-called "Turkish nation." However, neither Pan-Islam nor Pan-Turkism saved the Ottoman Empire from perdition. At the end of World War II, it lost its final dependencies. Not long afterward, the capitalist revolution was victorious, and changed the name of the country to the Turkish Republic.

Because they ignore both class and class struggle, and talk only about nationality and religion, both Pan-Islam and Pan-Turkism are able to fan intense religious fanaticism and national chauvinist sentiments, which the imperialists have used. They were first used to overthrow newborn Soviet countries following the Russian October Revolution, and to support anti-Soviet and anti-Communist bandit regimes in the Soviet Union's central Asian region. These were ultimately defeated. In the old pre-liberation China, imperialists used the divisive national rebellion of the bogus "Turkestan Islamic Republic" that they incited in Xinjiang. One of the ringleaders of this rebellion, Mohammed Imin, published abroad a distorted historical account titled *The History of East Turkestan*, which incited indigenous division. Later on, this group threw in their lot with U.S. imperialism and the Chiang Kai-shek government, and after the restoration of Xinjiang to Chinese rule, they continued to preach this rubbish. Their views, in a nutshell, were expressed in the following slogans: "Our nationality is Turk; our homeland is Turkestan; our

religion is Islam." "For us Turks, our motherland is not only Turkestan, but the vast united Turan."

Both Turkestan and Turan are actual place names. The name Turkestan has existed for more than 1,000 years. It pertains to a place in central Asia between the Syr-Darya and the Amu-Darya. On the eastern bank of the Syr-Darya, in the modern day Soviet Kazakh SSR, stands a small city called Turkestan, and in northern Afghanistan, a place is called Turkestan. During the 18th century, the terms south and north Turkestan, and east and west Turkestan appeared. The geographic concept covered by the term Turkestan was an extremely broad one. Later on, the term East Turkestan came to mean the southern part of China's Xinjiang Province, and it was also used in a general sense for all of Xinjiang. Western Turkestan was Turkestan. It applied to all the dependencies under the governor general of the Turkestan that Russia set up after merging the various feudal khanates of central Asia. Turan is also the name of a large plain that lies to the east and south of the Aral Sea in the modern-day Soviet Union, the plain known as the Turan Plain. The Syr-Darya rises on the northern end of the plain and flows northward, and the Amu-Darya crosses the southern end of the plain flowing southwestward. It is a narrow area located mostly in the middle of the Kazakh Soviet Socialist Republic [SSR] and the western part of the Uzbek SSR. Farther south, on the eastern side of Semnan Province in Iran, is a small city that is also called Turan. The term Turan applies to this geographical area. Just as the concept of Turkestan has expanded, so also has the geographic concept of Turan been extremely enlarged. In the writings of Pan-Turkism elements, Turan applies to a large tract extending from western Asia and central Asia northeastward, which is to say modern day Turkey. The historical eastern and western Turkish khanates, and even the areas occupied by the Turkish khanates before they split up, may all be termed either Turan or Turania.

It is to Turghun Almas' credit that he did not use the slogans and the terminology of Pan-Turkism without reservation, as did Maisiwude [phonetic] Mohammed Yimin before liberation. Instead, in accordance with his own views, and following his own subjective desires, by formulating and carefully cutting and pasting he cobbled together the far-fetched history of other countries and other peoples that he was able to imagine in his history of the "Turkish people." Thus, "pan-Turkism," and "Turania," as well as various other so-called Turkish slogans became self-evident, vividly portrayed things.

Notice how he cut and pasted history:

First, the Iranians called the Saike [phonetic] Empire Turan, and the Saike, the Xiongnu, and the Turks all believed in "Saman." Thus, the Saike people became Turans, who became the "ancestors" of the Uygurs.

Second, the Oguz Khan in a 10th century book entitled *Tales of Oguz Khan*, was a mythical figure in a Uygur epic. However, Turghun Almas did not even bother to

take the time to research the reference, but simply said that this was Maodun, the Xiongnu ruler in the third century BC. Thus the Xiongnu also became the ancestors of the Uygurs.

Third, the Dayueshi [phonetic] lived as neighbors of the Xiongnu and the Wusun peoples; thus the Dayueshi people were termed brothers of the Xiongnu and "one of the peoples who made up the Xiongnu."

Fourth, only after the words Turk and Tiele [phonetic] does he simplistically add parentheses, as with "Turks (Uygurs)" and "Turk Khan (Uygur Khan)." He says "the Tura....were ancestors of the eastern Uygurs," thus equating the Turks, the Tiele, and the Uygurs. No matter what the historical record says, and no matter what conclusions scholars have reached in their research, he refuses all of it. Let me mention in passing why Turghun Almas uses the term Tura instead of Tiele. According to research done by the late Turk historian, Mr. Qin Chongmian [5355 1814 0517], the term Tiele is written in many different ways in Chinese and foreign historical accounts. European scholars generally agree that it is the Turkish world Tolis; however, in order to make a deeper study, Almas selected some related terms, such as Tiraks, T'au'ura, and Turkler (the Turkish plural forms), which he provided for reference. Turghun Almas simply chose T'au'ura to take the place of Tiele without further scholarly study, and he also changed its spelling to Tura. He also said this was Qin Chongmian's view. After such a sly change, "Qiula" becomes "Tura," and Tura might easily be linked to Turan.

Fifth, in order to broaden the range of the Turks, Turghun Almas also "creatively" called some ancient peoples Turks, such as the Rouran, who spoke a language in the Mongolian family of languages. He also said that the Turks assimilated the Xianbei and the Khitans. He even said that the Buriat Mongolians of Ming and Qing times were a Mongolized "Uygur tribe." Such irresponsible running off at the mouth really does not deserve refutation.

After completing these reckless concoctions and irresponsible fabrications, in three pages at the end of the second chapter of the first volume of *The Uygurs* Almas drew the following conclusions: The ancient Xiongnu, Tura, Dayueshi, Wusun, Kangju [phonetic], Saizhong [phonetic], and Turks were all Turks. The Yakuts, Buriats, Tuvas, Sarts, Sarig Uygurs [Yellow Uygurs], Uygurs, Khazaks, Khirghiz, Uzbeks, Bashkirs, Tadjiks, Turkmens, Moerdawa [phonetic], Chuvash, Khakass, Azerbaijanis, and the Avars who live today in China, the Soviet Union, Afghanistan, Iraq, Iran, and Turkey, as well as the Turks in Turkey are not separate peoples, but Turks. "Geographically speaking, these Turks live in a wide contiguous area extending from east to west and southwest in Asia." "An overwhelming majority of them are Sunni Moslems today. Their population totals at least more than 150 million."

Turghun Almas, who knows nothing about ethnography, ethnology, or historical studies, likes to ramble on and pretend to be a source of wisdom. In *The Uygurs* he cuts, pastes, cobbles together, and molds things to fabricate a so-called modern Turkish nation that has a common territory and a common religious faith. He reduces these peoples living in these territories to the status of different tribes of the "Turkish nation." By so doing, he actually preaches a new pan-Turkism, which he ultimately links to pan-Islam. He will be hard pressed to peddle the treachery in his writings and fabrications that are so utterly lacking in scholarly value. Nevertheless, since he sails under the false colors of being generally recognized in today's scientific world, the way he deceives and harms the public cannot be ignored.

Incites Historical Enmities and Preaches National Splitism While Sailing Under the False Colors of Academic Research

The study of historical science must take Marxism-Leninism and Mao Zedong Thought as a guide in the pursuit of the objective laws of historical development. It must be used to expose the class and ethnic oppression that the ruling classes among all peoples inflicted in past ages and that harmed the production and daily life of the working people of all nationalities. It must be used to reveal the steady progress of peoples of all nationalities in moving history through the production struggle and class struggle, and to jointly create a pluralistic multiracial nation. Also, historical facts must be used to inculcate patriotism in peoples of all nationalities, stirring them to love their magnificent socialist motherland that has been liberated, that has abolished exploitation and oppression, that has realized racial equality, and that is now engaged in reform, opening to the outside world, and the four modernizations.

However, Turghun Almas acts contrary to reason. In *A Short History of the Xiongnu*, and in *The Uygurs*, he portrays the strength and prosperity, the greatness, and the independence of the "Turkish nation" that exists in his mind with the goal of inciting historical hatreds among nationalities and preaching national division. At the beginning of *The Uygurs*, he categorically declares, "From the time they entered the period of recorded history until the 14th century, our ancestors and compatriots built the great Oguz Empire—the Xiongnu Empire, the European Hun Empire, the White Hun Empire, the Dalan [phonetic] Turkish Khanate, the Eerhu-Huige [phonetic] Khanate, the Gaochang-Houighour [phonetic] Khanate, Uyygur Kara Kingdom, the Jiaseni [phonetic] Kingdom, the Great Seljuk Sultanate, the Huacizimo [phonetic] Kingdom, and the Sayad Kingdom, all of which were great, powerful, wealthy, and civilized states." In addition, he exaggerated the vastness of the territories of these khanates, kingdoms, and empires. "In the east, they extended to the shores of the great ocean," "east of the modern day Xing'an [sometimes called Khingan] range"; "west to the Black Sea," "where the Danube River enters the sea";

and "south to the Great Wall," "to the northern part of Shaanxi, Hebei, and Ningxia provinces in China."

Marxism holds that a nation is a function of a certain stage of social development. It is a stable community having a common language, territory, and economic life, and it is expressed in a common mental outlook about common national cultural characteristics. A nation is not the same as a race, nor is it the same as a state. Turghun Almas purposely wraps them up together. Not satisfied with making the Xiongnu, the Saizhong [phonetic], and the Turks a part of Uygur history, because of the westward emigration of the Xiongnu, he makes the European Hun Empire and even Hungary a party of Uygur history. Because of the westward emigration of the Turks, he writes into Uygur history the Seljuk Turks in Asia Minor. Because the Jiaseni Kingdom was founded by the Turk Sabuketele, the history of Afghanistan is also written into the history of the Uygurs, and even some small kingdoms in central Asia and Huacizimo are regarded as a part of Uygur history. What earthly scientific value does a history written in this way have? Oddly, he wrote about the Seljuk Turks but did not write about the Ottoman Turks. The Ottoman Empire that the Ottoman Turks founded lasted more than six centuries (1290-1922). Was this an omission or an intentional omission to avoid reminding people of the origins of pan-Turkism?

It is far from enough to suppose that the book was just written for the purpose of satisfying the intoxication of the author's soul. While fashioning a "Turkish nation," he concocts a state of the "Turkish people." In his book, the concept of "China" is strictly limited to the dynastic system that the Han people founded, and the boundary between "China" and "our ancestors and compatriots," the Xiongnu and the Turks, is the Great Wall. In *A Short History of the Xiongnu*, he says that when the Han Dynasty was not crossing the Great Wall to attack the Xiongnu, the Xiongnu were crossing the Great Wall to attack the Han Dynasty. In *The Uygurs*, he is more unequivocal: "Sometimes the Turks crossed the Great Wall to invade the territory of China; and sometimes the Chinese army also crossed the Great Wall to invade the domain of the Turks... with the goal of occupying their territory."

The final shaping of China as a multiracial country went through a protracted process of historical development. In this process, peaceful contacts between the regimes of different peoples occurred, and bloody warfare also occurred as well. In no case, however, was the Great Wall the national boundary. The concept of national boundaries took shape only after the appearance of modern states. Such boundaries are established by bilateral treaties. Boundary markers define them, and they are internationally recognized. Construction of the Great Wall spanned more than 10 centuries, and the Great Wall served both the purpose of preventing the flight of the agricultural population and also protected farming areas from the depredations of nomads from the north. It was both to prevent the nomads from crossing the Great Wall

to establish residence and take up farming to the south, and it was also to stop the central government from establishing administrative systems, and sending officials and armed forces north of the Great Wall. How could it serve as a frontier or national boundary?

The Great Wall did not prevent the Xiongnu and the Turks from moving southward to live, and Turghun Almas acknowledges this. The third part of *A Brief History of the Xiongnu* tells of the southward immigrations of the Xiongnu, but the words he uses are "The Xiongnu emigrated to China," and "the Xiongnu emigrated inside the Great Wall to set up a country in China." To set up a country on the territory of another sovereign country does not make sense, does it? What he is admitting is that more than 2000 years ago, China was already no longer a country of a single people.

Nor did the Great Wall prevent the central government from establishing various levels of military and civil administration to the north of it. As early as the Western Han, a protectorate was established in the western region. It was located in Xinjiang Province at Cedaya [phonetic] in Luntai County. All the areas under the rule of the governor in the north at Youzhou, Bingzhou, Shuofang, and Liangzhou, as well as their dependent states were north of the Great Wall. Relations of the Tang Dynasty with the northern and western regions were even closer. The dynasty set up a Hebei Circuit, a Guannei Circuit, and a Longyou Circuit [circuits were administratively similar to provinces]. Under these circuits were administrative organizations on various levels such as protectorates and military governorships. For example, the Anbei Protectorate was located north of the desert. Initially, this protectorate ruled the eastern end of the Kanshou Shan in the present day People's Republic of Mongolia. The khan, Tumidu, of the Huige Khanate, was appointed commanding general of his dependency of Huaihua and governor general of Hanhai. In the western territory, two large protectorates were established at Anxi and Beiting for the garrisoning of modern day Kuche and Jimsar in Xinjiang Province. The area of rule of just these three circuits encompassed the northeast, Inner Mongolia, and Xinjiang in modern day China, as well as central Asian areas in the People's Republic of Mongolia and the Soviet Union. The area under rule of the Song Dynasty was not large. The entire country was divided up into several disunited regimes. For example, in north China there was the Liao Dynasty founded by the Khitans and the Jin Dynasty of the Nuzhen tribes. In the western territory there was the Kara Kingdom that the Geluolu people and the Houighour people founded. The Yuan Dynasty set up provinces throughout the country, and the Qing Dynasty established military governments in border regions. More recently, most provinces have been restructured. All this is familiar.

Turghun Almas either purposely conceals from readers these objective historical facts, or avoids mentioning them, which is to say that he purposely distorts them or renders them ambiguous in an effort to downplay their

role. In his *A Short History of the Xiongnu*, he says simply that "Zheng Ji garrisoned the Han Dynasty western region protectorate" as though the western region protectorate consisted of a single person. In *The Uyghurs*, he said that the Tang Dynasty set up official organs under various names to which they appointed Turkish baba [a title] as officials in an effort to bring central Asia under its control. However, it was really unable to rule the domain of the western Turkish "khanates." Thus does he dispose of the protectorates at Anxi and Beiting. As for the Tang Dynasty's rule of the area north of the desert, and the influence of Han civilization, he likewise makes a straightforward denial. When he quotes the Turkish language steles of which he is proud, such as the "Juete-qin Stele," and the "Nine Name Houighour Khan Stele" which were inscribed in both the Turkish and the Han language, why does he not relate this fact to the reader? Turghun Almas also cites a statement attributed to the *History of Eastern Turkestan*, that says that "China had virtually no influence in central Asia from the time of its defeat at Talas in 750 until 1757 (a period of 1,000 years)." Was this really the case? Of course not! He heaps praise on the Kara Khanate. However, many of the khans of the Kara Khanate termed themselves "kings of the Orient and of China," but he truncates the term, cutting off the word "China," changing it to "kings of the Orient." Numerous khans affixed the designation "Khan of Taohuashi" [peach blossom stone] before their names. According to both Chinese and foreign historians, the "taohuashi" was China. He bends all efforts to deny this, insisting that "taohuashi" meant "deputy khan." The author of the *Great Dictionary of the Turkish Language* was Mohammed Kashgari, who was born into the Shijia Clan of the Kara Khanate in the 11th century. In this dictionary, his translation of the term "taohuashi" was as follows: "Taohuashi" is a term for Moqin. Qin is a four-month journey from Khitan. Qin is divided into three parts, namely Upper Qin in the east, which is taohuashi; central Qin, which is Khitan; and Lower Qin, which is Baerhan [phonetic], i.e., Kashgar. However, today taohuashi is called Moqin, and Khitan is called Qin. This shows that China was in a period of division during the time of the Kara Khan. The Liao Dynasty, which the Kara Kingdom and the Khitans founded, and the Song Dynasty which the Han's founded, were both a part of China. Turghun Almas highly praised the *Great Dictionary of the Turkish Language*, but he said not a word about this translation.

The talking down of historical personages very much explains the loves and the hates in Turghun Almas' heart. During the early years of the Western Han, the Xiongnu ruler, Maodun, attacked the Han Dynasty only to become friendly with the Han later on. Turghun condemned the "renegade behavior of a Xiongnu princess," the wife of the Xiongnu emperor. The Xiongnu chieftain at Neijiang, Huhanxie, who kowtowed in homage to the Han and relied on Western Han troops to restore his rule over the entire Xiongnu territory was condemned for "taking the renegade road." During the period of the Eastern Han, the Xiongnu split. The

southern Xiongnu moved southward and became a dependency of the Han. During the period of the Western Jin, they set up a regime and subsequently assimilated with the Han. He condemned the southern Xiongnu for "committing an unpardonable historical crime." He likewise damned the Huige and Turk nobility that had close relations with the Tang. He called the eastern Turk Ashinasunishi a "renegade baga," and he termed the Huige Julumojia Khan a "rebel." He condemned many people, including Wenmeisitele and Saerwuquier, who accepted an appointment from the Tang emperor and bestowal of the imperial family name Li as "these rebels who betrayed their own motherland and people." "The Turkish people who always lived independently did not recognize this puppet ruler who submitted to China, the Ashinasimowei [phonetic] khan."

Conversely, he did not mention at all numerous Turkish nobles who lived within the Tang palace. He simply selected one scoundrel from among them for great praise. This scoundrel was Zhonglangjiang Jieshelu [phonetic]. Because his brother condemned his behavior, he falsely accused him of plotting rebellion. The court did not believe the false charge, so he mustered more than 40 men to carry out a small armed rebellion. In *The Uygur*, the author takes three pages to vividly describes this incident, after which he uses the incident to say that although this "Eastern Turkish liberation movement" failed, "the desire of the Eastern Turks to gain independence began to surge like terrifying waves lashing at a cliff." "The name of the lofty principled and lion-hearted hero Jieshelu has lived and will continue to live forever in the hearts of those who struggle for, and who are struggling for the emancipation and independence of the people." Obviously, this is no longer the writing of history but incitement to divisive rebellion.

Nowhere in these two works does one find the human historical development process that goes from primitive society to slave society to feudal society, nor does one see

class struggle in the form of slave uprisings and peasant uprisings. All the class struggles have been slyly turned into national struggles, and the Xiongnu, Turks, and Uygurs battle the "Chinese" of the Han Dynasty and the Tang Dynasty for "emancipation and independence." The book also addresses the "independence" of other nationalities. "The working people of Mongolia long for the union of all Mongolian tribes into a unified nation" such as was "realized by the Genghis Khan." Later on in the book, "the Mongolians destroyed the Southern Song Dynasty and occupied all of China." "The Han people, who were filled with a spirit of founding an independent nation of their own people," expelled from China the last Mongolian emperor, "Tuokantiemuer" [phonetic] and "established a nation of their own nationality—the Ming Dynasty." In this book, the Mongolian unification of all of China is written as "occupied all of China." The peasant uprising at the end of the Yuan Dynasty was class struggle, but it is described as the Han people wanting "independence" and "founding a country of their own people." After such a transformation, Chinese history was turned into the following account: The Mongolians wanted to establish an independent country; the Han people wanted to establish a country of their own people; and "the 'Turks' battled, and are still battling for emancipation and independence." This is Turghun Almas' blueprint for destroying the unity of the motherland.

Since he wrote about the Yuan Dynasty, he should have written about the Mongolians' contribution to the historical process of creating a unified multiracial nation. Historically, numerous minority peoples entered China's central plain, but only the Mongols and the Manchus established central government dynasties. It is here that Turghun Almas put down his pen, not going beyond the 14th century, just as he announced at the beginning of *The Uygurs*. Thus, this becomes a history that tells only of break up, and not of unification. From this, it is not difficult to see that the writer's goal and intention was to use history to incite national division.

Taiwan Investment, Financial Policies in Fujian

91CE0680A Beijing JINRONG SHIBAO in Chinese
8 Jul 91 p 3

[Article by Wang Fengling and Wang Haiyan: "Features of Taiwanese Investment in Fujian and Financial Policy"]

[Text] With the continuous progress of China's strategy of opening to the outside world, Taiwanese capital, as another source of funds, is pouring into the mainland. In Fujian which has cultural and geographical advantages, Taiwanese business investment is unprecedented, thus taking the lead in assuming the role of a bridge for contacts between the mainland and Taiwan. Especially, the promulgation in recent years of a series of laws, regulations and policies encouraging Taiwan investment has made Fujian an even "hotter point" of Taiwanese investment. According to statistics, by the end of 1990, Fujian has cumulatively approved 877 contracts on Taiwanese-funded enterprises with \$1.184 billion of Taiwanese capital, representing, respectively, 23.38 percent and 35.35 percent of the total number of projects of and the total amount of foreign investment in Fujian. The pouring of a large amount of Taiwanese capital into Fujian has undoubtedly pushed development of the externally oriented economy of the province. At the same time, it also raises new problems for China's financial industry.

Features and Trends of Taiwanese Investment in Fujian

(1) Taiwanese business investment started first in scattered small and medium-sized projects, and gradually developed into concentrated large and medium-sized projects. Before late 1987, there were only 42 Taiwanese-funded enterprises, with an average investment of \$685,700, but now 3 percent of the total number of Taiwanese-funded projects is accounted for by projects with an average investment of around \$1 million and a total investment of over \$10 million, representing one-third of the total contracted amount of Taiwanese capital.

(2) The continuous expansion of the investment area has led to the gradual emergence of the situation of the secondary industry occupying the main position and primary and tertiary industries developing in a coordinated way. In the past, Taiwanese investment was mostly concentrated in labor-intensive industries, and processing industries with little investment and quick returns. Presently, Taiwanese-funded enterprises are involved in over 20 of the 33 main sectors of the national economy. According to statistical analysis of 497 Taiwanese-funded projects, the primary and tertiary industries' shares of Taiwanese investment are respectively 4.63 percent and 15.34 percent, while the secondary industry's share has reached 80.03 percent.

(3) Organizing industry-wide production series, group investment and bloc land development are becoming the trends. Now, in such economic development zones and Fujian-Taiwan economic cooperation zones as Xiamen's

Haicang and Xinglin, Fuzhou's Mawei, Kuaian and Fuqing, Quanzhou's Anping, and Zhangzhou's Longhai, increasing number of Taiwanese businessmen are coming to discuss investment projects. Such internationally well-known business conglomerates and corporations as Japan's Mitsubishi, Toyota and Maruko have also come repeatedly for investigation and negotiation.

(4) Solely funded enterprises are developing rapidly, and products are marketed mainly externally. Because solely funded enterprises are better than jointly funded or cooperative enterprises in protecting Taiwanese businessmen's control over enterprises across various phases of production and management, solely funded Taiwanese enterprises are developing rapidly in Fujian. For example in Xiamen, the share of solely funded enterprises was 57 percent in 1983-1988, but rose to over 85 percent in 1990. In Fuzhou, Quanzhou and Zhangzhou, the share of solely funded Taiwanese enterprises is also around 80 percent. Most Taiwanese business brought their own capital, technology, equipment, and prototypes, and the products are mainly sold externally. This is the typical "two-ends-outside" enterprise. Business management has a strong private capitalist character.

(5) Taiwanese investment is basically concentrated in fixed assets, and there is a large shortage of circulating funds.

(6) The transfer of Taiwanese industrial capital has promoted transfer of financial capital. Presently, the Taiwan branch of Banque de Lyon of France has established offices in Xiamen, and several other financial institutions are also applying for entry into Fujian. The "King of Taiwan Plastics" Wang Yongqing also intends to invest in the financial industry. Some Taiwanese businessmen are actively buying shares of the Xingye Bank of Fujian. The establishment of foreign financial institutions and infiltration of foreign capital will have great impact on the business development and management of several financial institutions in Fujian.

Thoughts on Financial Policy

(1) Supporting Taiwanese-funded enterprises is an important way of promoting development of the financial industry.

Supporting externally oriented Taiwanese-funded enterprises will rapidly expand the scope and influence of financial business, and enhance competitiveness and externally oriented functions. Supporting the development of Taiwanese-funded enterprises will objectively demand that we develop international business, and gradually take part in management activities of Taiwanese-funded enterprises, thereby participating, directly and indirectly, in international finance, and gradually perfecting the externally oriented functions of our country's financial industry.

Selectively supporting Taiwanese-funded enterprises is an important means of increasing returns on capital,

achieving credit's structural cost-effectiveness, and achieving the optimization of the credit structure. Because of the character of "private capital" of Taiwanese-funded enterprises, there is substantial risk to banks issuing loans. This demands that credit work must keep up with change, and formulate as soon as possible system and methods of regulation to suit the needs for credit regulation regarding Taiwanese-funded enterprises. With regard to projects to be given concrete support, it is necessary to carry out detailed feasibility study and supporting analysis, select enterprises and projects that meet the demands of our country's industrial policies, can bring us even higher economic efficiency, and also have international impact, thereby achieving the effect of "using the Taiwanese to attract the Taiwanese."

(2) How should the financial industry support the development of Taiwanese-funded enterprises?

Improve understanding, and renew thinking, thereby understanding the development of foreign-exchange business and the support for the externally oriented economy to be matters of such high-level importance as affecting the future and fate of our country's financial industry.

Give full play to the overall functional advantages of our country's financial industry, and unify thinking and action in the areas of externally targeted propaganda, policy study and the training of international business personnel, so as to give better play to the guiding role of finance.

Provide Taiwanese-funded enterprises with multi-functional and all-directional financial services, formulate as soon as possible credit regulation methods suiting the special features of the externally oriented economy and implementation details. And clarify the principles, criteria and loan priority sequence for selective support of externally oriented enterprises. Under existing conditions, develop international financial information and international market changes for Taiwanese-funded enterprises and other consultancy work.

Speed up office automation and modernization to improve work efficiency and service quality.

Train, as soon as possible, a group of high-quality experts of international finance to meet the needs of the continuous development of financial business.

Editorial on Tax Cut To Encourage Private Investment

91CE0655A Taipei CHING-CHI JIH-PAO in Chinese
26 Jun 91 p 2

[Editorial: "Discussion of Wang Chien-hsuan's Idea of Encouraging Private Investment for National Construction by Cutting Taxes"]

[Text] The other day Finance Minister Wang Chien-hsuan [3769 1696 3551] publicly told reporters that he proposes to encourage private investment in the Six-Year National Construction Plan by cuts and exemptions in taxes and surtaxes, including exempting income tax for a considerable period of time. The Ministry of Finance has never endorsed the idea of cutting and exempting taxes and surtaxes to encourage investment. This is a major breakthrough, and it is of extraordinary significance. We believe everybody hopes to see how Minister Wang will realize his new administrative idea.

The successful regulation that encouraged investment and contributed to Taiwan's economic development for 30 years was finally retired in 1979 amid fierce debates. The main reason that this regulation left the stage stemmed from the pressure of the following two opinions: The first opinion was that the development of Taiwan's industry had reached a point where the industry had to be "weaned," and the policy of encouraging investment by cutting and exempting taxes and surtaxes could no longer be sustained. The other opinion was that the cuts and exemptions in taxes and surtaxes should have been continued for a long time. A tax law should have been drawn up and applied universally to all enterprises, so that the unfair phenomenon of different rewards for different industries would no longer exist.

Unexpectedly, the "Regulation on Industrial Upgrading" and the "Regulation on the Development of Small- and Medium-Sized Enterprises," which replaced the old regulation was in effect for less than half a year. The finance minister, who bore responsibility for tax exemptions, was confronted by financial and tax senior officials, who had vigorously opposed regulations for encouraging investment for the past two years. They took the position that cuts and exemptions in taxes and surtaxes should be used to encourage private investment in the Six-Year National Construction Plan. Until a new policy that encourages investment is adopted, cuts and exemptions in taxes and surtaxes were still necessary, and other encouragements for industry were still of value. This fresh new position taken by the finance minister at the very least contains the following special meanings:

1. The purpose of the Finance Ministry's financial and tax policies is not just to meet the needs of the government's financial administration, nor should they be limited to collecting taxes for the state. The policies should be far-sighted and should try hard to develop tax

sources, so that there is the long-term expectation that tax revenues will rise and the national construction will constantly expand.

2. Cuts and exemptions in taxes and surtaxes are not just limited to the effect of "mother's milk," and even less suited to a baby's breast-feeding period; they are at the same time strong nutrients for support. Even in a country with a highly developed economy, in an environment of completely free competition there is still a need for cuts and exemptions in taxes and surtaxes. How much more is this true, in a country with a highly developed economy, and industries that are just getting started and need special support.

3. Financial and tax policies are not a self-designed structure limited to the collection of taxes for the state; they must be coordinated with industrial policy. This is equivalent to telling industries that, although the financial and tax policies take seriously the just principle of fairness with regard to taxes and revenues paid to the government, they do not blindly demand that all industries be treated equally without discrimination. Provided it is necessary under the industrial development policy, the financial and tax policies can, at discretion, treat specific industries differently.

4. The financial burden of the Six-Year National Construction Plan will put heavy pressure on the government's finances. However, given the domestic environment in recent years, besides the loss of the regulation for encouraging investment, the shadows cast by interests aroused by political disputes also caused a major withdrawal of private investment. Today if effective measures are not taken to encourage and attract private input, there will certainly be financial pressure in the future that will be extremely perplexing for the government.

At the end of the fifties, it was with the economic staff organization of the Executive Yuan that the government initiated and expedited the drafting of the regulation for encouraging investment; recently it was the Ministry of Economic Affairs that expedited and promoted legislation for regulations that promoted industrial upgrading and the development of small- and medium-sized enterprises. These actions comprised a plan for making cuts and exemptions in taxes and surtaxes the main measures for encouraging investment. The guide for this plan was not the Ministry of Finance. The Finance Ministry officials tended to oppose independent legislation, especially during the deliberative process for the latter two regulations. Now it is difficult to understand the finance minister's proposal to encourage investment by cutting and exempting taxes and surtaxes. He has indicated that he should enlist the relevant ministries and commissions to formulate a regulation that will encourage private and public construction. All of these ideas are like a "revival after death" of regulations encouraging investment. Besides sighing about the loss of regulations that encourage investment and standards of application, we are worried about the slow pace of the legislative process

in financial and economic affairs caused by the current political environment. To promote the realization at an early date of a new financial and tax administration we sincerely make the following suggestions:

1. We hope that the relevant financial and economic authorities, particularly the National Construction Commission of the Ministry of Economic Affairs, will form close ties with the Ministry of Finance and work ceaselessly and unremittingly for the completion of the relevant plans at an early date. Fortunately there are some good people in the Ministry of Finance. If the relevant ministries and commissions do not operate in unity, it will be absolutely impossible to accomplish this task.

2. Measures to encourage investment advocated by the Finance Ministry include low-interest capitalization, land acquisition, and tax and surtax cuts and exemptions. In this regard, if it is stipulated that the existing tax laws must be broken to effect tax and surtax cuts and exemptions, and legislation is required before this can be done, Minister Wang has said that there is a need for

specific legislation. The relevant ministries and commissions should coordinate in drafting such legislation at an early date, and the provisions in the legislation for encouraging investment must meet the actual requirements before the legislation can bring the expected results.

3. The new regulation for encouraging investment should include the abovementioned provisions, and there needs to be a widespread solicitation of opinions from experts and the investing public. For example, much public construction, besides investment and capital expansion, involves specialized knowledge like that of administration and management, which has a very great effect on the recovery of investment. The measures for encouraging investment agreed on, in themselves, require coordination, and they must not be impractical.

In brief, the Six-Year National Construction Plan will pass in a flash. Government legislation and private plans need time. If we do not act promptly, the masters of the Finance Ministry will no longer be assigned to do something useful.

Political Impact of Party Development

91CM0448A Hong Kong MING PAO in Chinese
10 Jun 91 p 27

[Article by Pi Hai-juo (3968 3189 5387): "Political Impact Brought on by the Development of Political Parties, New Arrangements of Hong Kong Government for Executive, Legislative Councils"]

[Text] The overwhelming positive success achieved by the democratic groups in the district assemblies and the two municipal elections will not only have a definite effect on the establishment and development of political parties, but will also be a factor that will inspire people to join the democratic group organizations. It will also have some degree of influence on how the government handles the matter of development of the political system from now on. After the two elections, Sun Ming-yang [1327 2494 2254] of the Constitutional Drafting General Affairs Department pointed out that those participating in political parties dominated in the elections. This was the first time that a high government official in charge of election affairs has given a positive appraisal of political party politics. Though this appraisal drew criticism from people who point to favored political groups which get assistance, in reality, this can be viewed as an utterly groundless discussion. The trend in the development of political party politics certainly will become a factor that must be considered in the development of a future representative political system.

Changes in the Way the Hong Kong Government Views Political Parties

In fact, for this reason the government has also taken steps to adjust and harmonize the political system. In the past, political party politics was only a newborn infant, and it required time and observation to see how it would grow. In addition there was the negative standpoint on political party development of the Chinese side, and the fact that the Hong Kong government all along adopted an attitude of neglect when handling political organizations. For example, consider the delegated seats in the new Legislative Council. The earliest government view was to avoid having too many connections with political parties to avoid giving people the impression that the government favored certain political organizations. But following the test of time, this approach has also been changed. For example, Legislative Council head Allen Lee Peng-fei, at a May 19 symposium stated that after the 1991 direct elections for the Legislative Council, when the Governor General of Hong Kong will consider candidates for the next Executive Council, he will certainly consider each political party and party chief within the Legislative Council. The goal will be to strengthen the relations between the Legislative and Executive Councils, to guarantee that the policies and legislation of the Hong Kong government gains the support of the Legislative Council.

Adjusting these tactics is no doubt positive and rational. Since they now have a considerable foundation among

the people, political parties cannot be ignored, and blocking the major figures in political organizations from joining the government policymaking core will have a deleterious effect on the rationalization of future political development. On the other hand, if political party leaders become Executive Council members, this will not only effect the coordination of the Legislative and Executive Councils, but will also have positive effects on the harmony between the government and the people, something past governments overlooked for a long time.

In addition, the government, through the Executive office, has completed a Legislative meeting conventional revision research report, which proposes the establishment of a Committee of Selection, which would be responsible for assigning members to different special committees.

Selection of Members is Political Retrogression

The details of this proposal are: A total of 16 people will be selected from among the 17 standing members of the Legislative Council, the 21 functional group members and the 18 directly elected members, and a Committee of Selection will be established. This committee will meet every week and determine whether or not each proposed bill requires the establishment of a committee with a specific responsibility to conduct deliberation, and if necessary, 5 to 11 members of the committee will be selected to establish the responsibilities of the special committee. Individual legislative members will not be able to propose revisions to proposed bills.

On the surface, the reason behind this is the desire to make the work load of members more even, but in reality, it may be seen that this is an effective mechanism for the government to control future members of the legislative branch. In fact, for the Legislative Council direct elections, the government has reduced the number of delegated and appointed members. Whether or not these changes will become an obstacle to the functioning of the Legislative Council is something that we must be wary of. The 18 directly elected seats and the functional seats with a comparatively broad base of popular support constitute a group which will be difficult to get a hold of and in any struggle to get a 41 vote majority support will be the most pressing question in terms of government proposed future bills and administrative tactics. If too many policies are voted down, where will the government's ability to generate public confidence be? If there are quite a few opposition voices in the Legislative Council, there will be no way to establish the government's authority. The effect of the establishment of the Committee of Selection, which will have comparatively large power of deliberation when it comes to the division of work among members of the legislature, will be to cancel out the opportunities of the directly elected members to freely participate in the specified topic committees and their ability to pressure the government over bills that generate a good deal of doubt.

In the wake of opening up and development of parliamentary politics, this Executive Council plan mechanism for producing various types of effective limits on members is undoubtedly a step back in the development of a democratic political system. At the 30 May Legislative Council routine special subcommittee meeting it was decided that due to the diverse and confused opinions of members, a conclusion on the Legislative Council study of the bill for using a Committee of Selection to choose elected members to be on special committees will be solved at the next Legislative Council meeting. This was a wise decision given the present stage.

Parliamentary Politics Should be Allowed to Progressively Develop

There is a general international tide flowing towards openness and democracy. Hong Kong has entered a transition period, where the political system is developing towards democracy, and this is in keeping with the international tide. In modern society, the method of colonial rule by power monopolization has definitely lost its market, it has been called into question, negated, and that a demand for reform is bound to follow is an undeniable fact. Over the last several years Hong Kong has seen a number of political storms, conflicts and shocks come and go, one after another. A requirement for a stable Hong Kong is that one highly effective administrative political regime cannot be lacking. We cannot hope that colonial politics with a the deep hue of power monopoly will be able to take concerted steps to develop the overall society. We can only place hope in the progressive development of a democratic system of government, absorb experience and open up the path of strengthened social development.

Development of parliamentary politics and the progressive opening of political power are by no means great upheavals, but they cannot be controlled. Originally, government administration needs wide support, and tactics involving passive suppression and trying to evade reality certainly should be discarded. Being close to the will of the people is perhaps the ideal outlet for political development. Political groups and directly elected seats are better able to come close to and reflect the popular will. The government should hasten this process along, and not avoid it, this is its proper meaning. With future political development, the government will be completely free of constitutional crises, with at the worst the revision of policies and even the voting down of policies, and there is no reason not to have courage, to endure the political birth pains of political development and initiation.

Joint Efforts With Mainland To Combat Crime

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[Article by Liu Jinhuai]

[Text] Recently, criminal activities involving guns, and stealing and smuggling cars are quite serious in Hong Kong. These crimes endanger Hong Kong residents'

safety, and residents from all social groups are paying a good deal of attention to these crimes. Some blame Mainland China for these public security problems. What is the real situation? Hong Kong residents concerned with this problem appealed to mainland police to cooperate with Hong Kong police. What was the response of mainland police to this appeal? Therefore, this reporter, Mr. Liu Jinhuai, paid a visit to Mr. Liu Weng, director of the Criminal Investigation Bureau of Public Security Ministry, Chairman of China Central Bureau of International Criminal Police Organization.

Central Government Concerned Greatly About Hong Kong Public Security Problems

Director Liu Weng was interviewed in his office by Liu Jinhuai right after he came back to Beijing. Director Liu Weng said frankly that the central government and mainland police have paid attention to current public security problems existing in Hong Kong. We also have noticed that some people blame China for the existing public security problems in Hong Kong. In fact, we understand the public security situation in Hong Kong. It is irresponsible to exaggerate the existing public security problems in Hong Kong. It is also incorrect and unfair to blame these problems on China. He emphasized that the central government pays great attention to the prosperity and stability of Hong Kong, and to its public security problems.

Director Liu Weng said that beginning with Deng Xiaoping's concept of "one country, two systems" and continuing with the Sino-British Joint Statement and the Hong Kong Special Administrative Region Basic Law, the central government has emphasized the principle of maintaining Hong Kong's prosperity and stability. In the Fourth Session of the Seventh National People's Congress this year, Jiang Zemin, secretary general of the Central Committee of the Communist Party, and Li Peng, Premier of the State Council, both highlighted again the importance of maintaining Hong Kong's prosperity and stability. Recently, in a meeting with the delegation of Hong Kong International Criminal Police headed by Mr. Li Junxia, chief of Hong Kong police, State Councilor Wang Fang pointed out that it is extremely important for China to have a prosperous and stable Hong Kong with good public security. The central government has always paid close attention to the Hong Kong public security situation.

Director Liu Weng emphasized that it has been the consistent stand of the central government that the mainland police cooperate closely with the Hong Kong police, jointly combat crimes, maintain social order, and protect the security and stability of people's lives on both sides of the border. Mr. Liu said that it has been the principle of the central government in the past several years, and will be the principle in the future.

Six Years Highly Effective Cooperation Between Mainland and Hong Kong Police

Director Liu Weng said, Hong Kong and mainland hang together as close to each other as flesh and blood, as lips and teeth. This relationship also affects public security. To maintain public security in Hong Kong and the mainland, and to protect life and property, mainland and Hong Kong police have been working together actively and effectively through the channel of International Criminal Police Organization during the past six years.

With the further development of China's reform and open policy, the relationship and cooperation between mainland and Hong Kong are growing closer day by day. This cooperation has brought about a great advance in the prosperity and development of both sides. However, cross boundary crimes are increasing gradually. Director Liu Weng stated that quite often Hong Kong criminals come to the mainland, and mainland criminals go to Hong Kong to commit crimes. Some Hong Kong criminals come to the mainland to defraud people, to smuggle and sell drugs, or to sell false currency and false certificates, etc.; some go to the southwest border of China to smuggle guns into Hong Kong, and some come to the mainland to avoid criminal charges. Some mainland criminals are hired by Hong Kong black societies to cross the border secretly to kill and rob, which endanger the safety of the Hong Kong people. Generally speaking, more Hong Kong criminals come to the mainland to commit crimes.

Director Liu Weng said, mainland police have been working closely with Hong Kong police during the past six years to combat these crimes. From 1985 to now, China Central Bureau of the International Criminal Police Organization and Hong Kong International Criminal Police Organization held meetings twice a year to discuss how to combat cross boundary crimes, and to exchange police working experience. In the first half of the year, the meeting is held in Beijing; in the second half of the year the meeting is held in Hong Kong. In daily work, both sides have had effective cooperation in exchanging criminal information and clues, assisting investigations, collecting evidence, handling cases, and exchanging police officers to assist each other in solving crimes. Since many crimes occur in coastal areas, especially the Guangdong area, Mainland China specially established the Guangdong Liaison Office of the China Central Bureau of the International Criminal Police Organization to strengthen the quick contact and cooperation between the Guangdong and Hong Kong police. During the past six years, both sides have solved hundreds of big crimes together; there were several dozens crimes each year, and more than one hundred a year at most.

Director Liu Weng said that cooperation between both sides' police was very effective in combating crimes, and

in maintaining public security. Mainland police and Hong Kong police have been quite satisfied with their effective cooperation.

Further Close Cooperation To Combat Crimes

Speaking of further close cooperation between mainland and Hong Kong police, director Liu Weng said that it is needed for protecting public security. It is the hope of the people of both sides and the necessity of further close cooperation is the common understanding of both mainland and Hong Kong police.

Director Liu Weng stated that from 22 to 24 April, the representatives of mainland and Hong Kong International Criminal Police Organization held their thirteenth meeting. This meeting emphasized how to combat crimes such as smuggling guns, stealing and smuggling cars, robbing and defrauding people, and selling false currency, etc.. Both sides will fully cooperate to combat the above crimes severely.

In regard to smuggling guns: Director Liu said: from information about guns smuggled into Hong Kong, we know that some guns are brought into Hong Kong privately by Vietnam refugees; some are shipped into Hong Kong privately by trading ships; and some are bought and resold by residents living along the border. Some guns are made in China, but were ones China used to support neighbors in the past. Among the illegal elements who sell guns, some are Vietnamese; some are Chinese living along the border; some are from Hong Kong and Macao. Among the people who sell guns, some work together in small groups; some are responsible for supplies; some are in charge of transportation; and some take care of business. China has been very strict in controlling guns and ammunition, and always cracks down on such crimes as smuggling guns. Last year, mainland police strengthened investigations of the above crimes in Guangdong, Guangxi and Yunnan. Mainland police also launched a successful movement against buying and selling guns and drugs in some border areas. Mainland police have seized a lot more guns than has been found in Hong Kong. Mainland police will keep up the struggle against crime, and will enhance cooperation with Hong Kong police in exchanging information, assisting handling cases, investigating, controlling and blocking crime channels etc., and severely combat the crime of smuggling guns.

In regard to stealing and smuggling cars: Some Hong Kong criminals smuggle stolen cars into the mainland. These illegal activities not only jeopardize Hong Kong's social order, but also harm the economic order of the mainland. Mainland police and customs have imposed a tight investigation and arrest in these cases. Recently, mainland police found some stolen cars which were smuggled into the mainland, the cars will be returned to Hong Kong soon. From now on, mainland police will act in close coordination with Hong Kong police, and take measures to block the front and the back of the smuggling channels. Mainland police will further reinforce

investigating and arresting criminals in border and coastal areas, control crime channels on land and sea, and cut off smuggling channels and outlets. Hong Kong police will also seriously investigate, arrest and combat smuggling groups that steal cars.

In regard to mainland people crossing the river border illegally into Hong Kong to commit crimes such as robbing and so on: Over the past two years, some Hong Kong black society organizations were involved in some crimes on the mainland. They employed mainland illegal elements to cross the river border into Hong Kong secretly to kill and rob people. Afterwards these black societies helped the criminals escape from Hong Kong immediately. These crimes have aroused the mainland police's close attention. Mainland and Hong Kong police will take practical measures to work together, to investigate, arrest and combat those criminals who are employed to cross the river border into Hong Kong for

committing crimes. Meanwhile, according to law, both sides' police will pursue illegal organizations that employ criminals, severely punish principal criminals and those who enter Hong Kong illegally to commit crimes.

Director Liu Weng said, in the past, Hong Kong police have played an extremely important role in protecting Hong Kong public security. With the coming of 1997 and Hong Kong returning to mainland, he believes that Hong Kong police will play even more important role in protecting Hong Kong's prosperity, stability and public security with loving the mainland and Hong Kong. Director Liu Weng emphasized that to protect the public security of mainland and Hong Kong, it is very important for the mainland and Hong Kong police to continue working together. On the basis of current effective cooperation, mainland authorities will further enlarge and enhance cooperation with Hong Kong police in jointly combating crime.

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