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FINANCE, BANKING

Analysis of National Income Distribution

93CE0450A Beijing CAIMAO JINGJI [FINANCE
AND TRADE ECONOMICS] in Chinese No 3,
11 Mar 93 pp 34-38

[Article by Liu Shangxi (0491 1424 15850): "Personal Bias in National Income Distribution Analyzed, Critiqued"]

[Text] Has personal income been increasing faster than national income? Or shall we say increasing excessively? What should be a reasonable increase? There are differences of opinion over these questions. What we think about the disproportionate shift of the national income toward individuals directly impacts the formulation of income policy, wage reform, and other related reforms and indirectly influences continuing economic restructuring as a whole, even the stability of society. Below are my own personal views on this issue.

1. Describing the Basic Situation

- 1) The shift of a disproportionate share of the national income toward individuals has been under way for some time. In other words, a steadily growing share of the national income now consists of personal income. In 1978, households accounted for 57.3 percent of personal income; in 1986, it was over 70 percent and in 1990, 72.1 percent. In a period of 13 years personal income share rose a total of 15.3 percentage points.
- 2) In terms of the process of income distribution, redistribution has enabled personal income to increase faster than the national income gradually over time. In 1978, household and personal income accounted for 49.6 percent of national income in preliminary distribution but rose to 57.3 percent after redistribution. In 1984, household and personal income accounted for 53.1 percent of national income in preliminary distribution but rose to 68.2 percent after redistribution. Corresponding figures for 1988 were 48.4 percent and 70.9 percent, respectively, and for 1990, 47.6 percent and 72.6 percent, respectively.
- 3) In terms of structure, while rural households' share of the national income grew faster in the 1978-1985 period, nonagricultural households came to account for a rising share of the national income after 1985. Rural households accounted for 34.8 percent of the national income in 1978, and continuing this steady upward trend, 37.9 percent in 1979, 38.0 percent in 1980, 40.3 percent in 1982, 37.7 percent in 1983, and 37.7 percent in 1984. Meanwhile, urban households accounted for 22.5 percent of the national income in 1978, 25.2 percent in 1979, 28.2 percent in 1980, 29.1 percent in 1981, 29.4 percent in 1982, 29.3 percent in 1983, and 30.5 percent in 1984. With the exception of 1980, when wage adjustments gave personal income a strong boost, the annual increase rate was minimal most of the time. Beginning in

1985, rural households saw their share of the national income decline year after year, dropping from 35.8 percent in 1985 and 36.6 percent in 1986 to 35.3 percent in 1987, 33.6 percent in 1988, 33.4 percent in 1989, and 32.6 percent in 1990. In contrast, urban households' share of the national income rose each year, from 30.3 percent in 1985 to 33.6 percent in 1986, 36.2 percent in 1987, 37.3 percent in 1988, 39.1 percent in 1989, and 40.0 percent in 1990.

2. Analyzing Causes of Increase in Personal Income Relative to National Income

There are many reasons why personal income has been growing faster than national income. They can be broadly divided into two [as published] groups. The first group consists of institutional factors, namely the array of policy changes, structural adjustments, and reforms that result in a growing share of the national income going to households and individuals. The second group consists of natural factors, namely the host of reasons that cause household income to rise relative to the national income even in the absence of structural adjustments because of the very operations of the economy itself. The third group consists of social factors, including history, conventions, cultural traditions, and illegal activities. The three groups of factors are discussed separately below.

- 1) Institutional factors consisting of the following:
 - a) Across-the-board wage adjustments. The impact of such wage adjustments was most striking in 1979-1980. Urban households' share of the national income rose 2.7 percentage points in 1979 over 1978 and another 3 percentage points in 1980 compared to 1979, mainly due to wage adjustments.
 - b) Wage reform and the bonus system. The structural wage system introduced by administrative and institutional units, the practice of linking wages to profits in state enterprises, and the subsequent decision to create a bonus system in those enterprises all have reinforced the bias in the distribution of the national income in favor of individuals.
 - c) The adjustment of the procurement prices of agricultural products. The several rounds of procurement price increases for agricultural products since 1979 have directly boosted the national income share of rural households and are the main reason why the national income share of rural households expanded faster than that of their urban counterparts in the 1979-1984 period.
 - d) Reform of the rural distribution system. Essentially this means the introduction of the household responsibility system linking remuneration to output, which has done much to boost the income of rural households relative to the national income.

- e) The price adjustment-related subsidy system. To ensure that the living standards of urban households would not decline at a time of price adjustments, the government offers price subsidies to workers, such as nonstaple food price subsidies and oil price subsidies.
- 2) Natural factors consisting mainly of changes inherent in the operations of the economy itself, notably the following: a) Increase in the size of the work force. In 1978, 401,520,000 people were employed. By 1990, the number had jumped 41.3 percent to reach 567,400,000. It is an important factor for the growth of personal income relative to national income.
- b) Changes in employment structure. In 1978, self-employed urban workers numbered a mere 150,000, equivalent to 0.16 percent of the total labor force. In 1990, there were 6,710,000 self-employed urban workers, equivalent to 4.78 percent of the labor force. In terms of industry, in 1978 the primary industry, secondary industry, and tertiary industry accounted for 70.5 percent, 17.4 percent, and 12.1 percent, respectively, of the labor force. In 1990, the primary industry accounted for 60.0 percent of the labor force, down 10.5 percentage points from 1978; the secondary industry, 21.4 percent, up 4 percentage points; and the tertiary industry, 18.6 percent, up 6.5 percentage points. To a large extent, the increase in the shares of the labor force of the secondary and tertiary industries can be attributed to the boom experienced by urban individual industry and commerce, by township and town enterprises, and by private enterprises. Changes in the employment structure led to corresponding changes in the structure of the national income. Because there have been no large-scale adjustment of the tax structure, the latter in turn has inevitably resulted in the increase of personal income relative to national income.
- c) Capital income derived from labor income. In 1978 the savings of urban and rural households generated an income of 452 million yuan in interest, 0.15 percent of the national income. The corresponding figures in 1990 were 26,231,000,000 yuan, 1.83 percent of the national income. The latter figure would be higher still if we include interest on loans, dividends, and rents.
- d) Changes in the industrial structure. Going hand in hand with an industrial structure based on heavy industry are low incomes and low consumption. As the industrial structure changes, the share of personal income rises correspondingly. The rapid expansion of the consumer goods industry since reform went under way objectively requires the distribution of the national income to continue to favor individuals. A particular kind of industrial structure requires a particular pattern of national income distribution. To put it differently, there is a cause-and-effect relationship between the two. When the industrial structure changes, it naturally requires an increase in the share of personal income.
- 3) Social factors: a) The herd instinct, as demonstrated by enterprises that dole out bonuses and payments in kind indiscriminately. An enterprise may be losing money, but when it observes other units raising wages and giving out more bonuses, it would do likewise even if that means taking out a loan or disguising the payments as labor insurance or welfare so that they can be issued to workers legally. This has happened many times.
- b) A weak tax-paying consciousness among citizens. Tax evasion and cheating occur in every nation at any time. In China, a weak tax-paying consciousness among members of the public has made tax evasion a widespread phenomenon. Some do it consciously, some unconsciously. According to studies, over 80 percent of the self-employed individuals in industry and commerce evade tax payment. Among high-income groups such as singers, actors, and star athletes, it is a very rare individual who pays taxes on his own initiative. By underpaying or failing to pay taxes, these people also contribute to the disproportionate shift of national income toward households. This is a factor that cannot be ignored.
- c) Moonlighting: It is now very common for someone to take a second job in his off hours or surreptitiously while on the job to make extra money. This is another important reason why personal income has risen relative to national income.
- d) Trading money for power. Mixing political activities with economic operations necessarily leads to the commercialization of power. It is estimated that each year over 100 billion yuan in national income finds its way into the pockets of individuals as a result of trading power for money. To a certain extent this explains why household savings rate has been increasing at a rate several times that of household income growth. This is a factor that must not be overlooked.
3. Assessing Reasonableness of Bias in National Income Distribution in Favor of Individuals
- 1) Assessment Criteria Used in Other Nations: a) Accumulation rate as criterion. China's accumulation rate reached 31.3 percent during the Sixth Five-Year Plan and 34.3 percent in the Seventh Five-Year Plan. This shows that the shift of national income toward individuals is justified since the increase in the share of personal income has not hampered economic development as demonstrated by the fact that the accumulation rate has actually risen instead of falling. By this criterion, and without considering

the "savings—investment" conversion progress and its costs, the personal bias in national income distribution is appropriate.

- b) Consumption as criterion. The level of public consumption has climbed significantly overall compared to the pre-reform days. To a considerable degree, however, the rise in consumption level results from the drop in the number of dependents supported by the average citizen. In 1978, the average dependency rate for urban residents was 1:2.06. By 1990 the rate had dropped to 1:1.77. The level of consumption had been rising at a slower rate year after year: 8.6 percent in the Sixth Five-Year Plan and only 3.4 percent in the Seventh Five-Year Plan. The slowdown was particularly striking among peasants: 10.1 percent in the Sixth Five-Year Plan but a mere 2.3 percent in the Seventh Five-Year Plan. Furthermore, there remain many hardship households in China today. In urban areas, households with a per capita monthly income below 100 yuan make up 37.4 percent of all urban households. In this respect, the contention that personal income is taking up an excessive share of the national income does not hold water. As housing reform and health care reform gradually deepen, the share of personal income will necessarily keep going up. In a certain sense, it is right to use the consumption criterion to determine the reasonableness of the bias in favor of individuals in national income distribution. But when we consider that China remains in the stage of preliminary industrialization, a stage of extensive operations, it would be somewhat one-sided to use the consumption yardstick alone.
- c) Savings as criterion. Savings by urban and rural households currently exceed 1,000 billion yuan, climbing by over 30 percent just about every year. Household incomes either go toward consumption or end up as savings. The sharp rise in the latter shows that the shift toward individuals in national income distribution has gone too far. Leaving aside the question of what motivates people to save and without considering the mix of savings holders, this judgment is basically correct.
- d) Fiscal criterion: Government revenues have been falling steadily as a share of the national income, creating budgetary difficulties for the state. Meanwhile, however, personal income has been rising as a share of national income to the extent of triggering an explosion of consumption demand for a time. Enterprises have their own problems. With meager self-accumulation, many enterprises survive on loans and have little resources in reserve to ensure long-term development. We can therefore conclude that the personal bias in national income distribution is a major factor behind government budgetary woes. Assuming a sound pattern of spending and a right

mix of revenues, it goes without saying that this total volume evaluation is also correct.

2) Choosing Appropriate Angle of Analysis and Assessment Criteria

It is a generally recognized fact that there is a growing personal bias in the distribution of the national income. To assess this situation properly, however, we must consider the following points:

- a) In the course of changing from one economic system and one economic development model to another, it is inevitable and irreversible for personal income to make up a rising share of the national income at a specific point in history. The thrust of economic restructuring in China in fact is directed precisely at distribution. To end the traditional highly-planned economic system and make enterprises and individuals the key players in economic life, using material interests to stimulate their initiative and creativity, we must necessarily boost personal income as a share of the national income. Moreover, China is in the midst of a transition from command economy to commodity economy. Since a commodity economy is characterized by individualization, diversification, and monetarization, it follows that the principal recipients, methods, and forms of income distribution must concomitantly be diversified and monetarized, with markets playing a progressively more important role. During this transition, it is inevitable for personal income growth to exceed national income growth. The disproportionate increase in personal income relative to the national income is a prerequisite for the transition from a command economy to a commodity economy. A failure to recognize that suggests a denial of the need for reform and its historical continuity.
- b) Considering the historical stage that the Chinese economy is in at present, the personal bias in national income distribution appears excessive and premature. Personal income has grown too much too fast relative to the current stage of economic development.

Compared to post-industrial nations in the West, China is still in the stage of preliminary industrialization. We can say that in China the first round of industrialization has just been completed and the second round has barely begun. Economic development in the nation continues to rely mainly on massive inputs of resources. It is a typical resource-dependent economy, with a relatively low level of technology and poor productivity. Particularly weak are the primary industry and social infrastructural facilities. To end such distortions, we still need a substantial input of capital, something that cannot materialize on the

market. To drive the second round of industrialization in China and increase the economy's technological content, it would be unrealistic to rely on the individuals as the source of accumulation at a time when neither the capital goods market nor the financial market is fully mature. Since the conversion of citizens' savings into fund accumulation for the government and enterprises involves the issue of fund-raising costs, one cannot just look at the accumulation rate alone after the fact. This is why these days enterprises find the burden of paying interest onerous and even feel that they are working their guts out just to pay off the banks. There is no doubt that when capital-raising costs become too high, they will hamper the second round of industrialization in China as well as the adjustment of the industrial structure. To lower capital-raising costs to a level affordable to enterprises today, the main thing is not to lower interest rates but to adjust the structure of national savings, that is, increase government and enterprise savings. At the current stage, it is unwise for to allow personal income to continue to take up a rising share of the national income.

- c) In terms of striking a balance between efficiency and equity, a disproportionate share of the national income seems to have gone to households and individuals. This is the principal problem in the distribution of national income. For one thing, egalitarianism seems to be a growing problem in wage increases. Take a look at the mix of total wages of workers in units owned by the whole people. In 1978, 85.8 percent of those wages were piece rate wages and time wages, which embody the principle of differentiation. By 1990, such wages made up only 57.8 percent of total wages, while miscellaneous bonuses and subsidies, which are given out to everybody, climbed from 8.8 percent to 38.8 percent in the same period. Wage increases of a piecemeal nature have allowed egalitarianism to worsen over time, diluting the principle of distribution according to work as an incentive.

Second, nonwage income have grown more rapidly than wage incomes as part of a citizen's incomes. Nonwage incomes refer to earnings from a part-time job, income derived from the possession of properties, payments in kind, and illegal earnings (assorted commissions and kickbacks). In 1978, nonwage income constituted 3.41 percent of workers' wages. By 1990 the figure had risen to 44.45 percent. Among urban workers, the split between wage incomes and nonwage incomes is about even, with the latter showing signs of accelerating. To a certain extent this shows that the growth in wage income has fallen behind that of nonwage income. The principle of distribution according to work is being eroded by distribution according to property ownership and distribution according to power.

Third, of the increase in household income, earnings derived from primary distribution have been growing at a slower pace than earnings derived from redistribution. In 1990, household incomes derived from primary distribution accounted for 47.6 percent of national income, down from 49.6 percent in 1978, after hitting a peak in 1986. Even then such income made up just 56.1 percent of the national income. On the other hand, household incomes derived from redistribution rose from 57.3 percent of national income in 1978 to 72.6 percent in 1990, the highest ever. This shows that the shift of the national income toward households has occurred mainly in the redistribution stage.

Fourth, urban household income growth has outpaced rural household income growth. In 1978, urban and rural households accounted for 22.5 percent and 34.8 percent, respectively, of the national income. The corresponding figures for 1987 were 36.2 percent and 35.3 percent, respectively, and for 1990, 40.0 percent and 32.6 percent, the latter 2.2 percentage points lower than the 1978 number of 34.8 percent.

4. Conclusions and Responses

At a minimum we can draw the following conclusions from the analysis above:

Since reform got under way, there has indeed been a personal shift in the distribution of the national income in most years.

Historically speaking, it is inevitable for a growing share of the national income to consist of personal income in a period of reform. This is a prerequisite for the transition from a command economy to a commodity economy. It can be said with certainty that as the commodity economy develops, an even larger chunk of national income will go toward households. Relative to the nation's economic growth, however, the personal shift in the distribution of the national income has been one-sided and has gone too fast and too far, intensifying egalitarianism even as it breeds distribution inequity.

Since it is inevitable and irreversible for a growing share of the national income to accrue to households, we cannot expect to totally reject the bias in favor of individuals in national income distribution in our guiding philosophy. Be that as it may, the extent and direction of the bias can and should be controlled. This must be the starting point of our income policy.

The thinking behind our responses:

We can take a two-pronged approach. One, at the source of income. Regulate more stringently the extent and direction of the shift of national income toward households so as to slow down the trend and correct the direction. Two, at the side of income going into households. Step up tax regulation. Broaden the sources of revenue. Ameliorate distribution inequities. Specifically we need to do the following:

- 1) In conjunction with enterprise reform, we should gradually let the market set wages for enterprises and

units. As enterprises adopt new operating mechanisms, they should be given full authority to set wages. Enterprises should be empowered to choose a wage and distribution method suited to their own characteristics and determine whether wages should go up or down depending on their business circumstances. According to our experience in reform, government control over the wages of enterprises should take the form of legislation and not be effected through administrative regulation that varies from one unit to the next. In other words, assuming they comply with the laws of the land pertaining to wages and distribution, all enterprises, whether they are state enterprises or nonstate enterprises, should have the power to decide wages and distribution on their own. This is the direction wage reform in enterprises should take.

- 2) Wage distribution in administrative and institutional units must first be severed from enterprises. Then it would be up to the government to work out a simple and uniform wage distribution method. One, cut redundant personnel drastically and streamline government organs to ease budgetary pressures on the treasury. Two, make all wage payments open and above board and stop under-the-table or back-door payments. Monetize all wages. Reduce and ultimately eliminate all grey incomes under a variety of names. Three, simplify wage categories. Put an end to the piecemeal variety of wage increases. Truly realize the principle of distribution according to work. Wages paid by administrative and institutional units should be linked to commodity prices to create an indexing system. Avoid the kind of egalitarianism that may arise in the course of raising wages piecemeal.
- 3) Gradually perfect a system of filing personal income tax returns. This is a basic task that must be done sooner or later, so we better get to it sooner. Judging from what is happening in pilot projects, the situation is not good; people resist paying taxes. To turn the situation around, the filing of income tax returns must start with government officials setting an example. Not only will this move encourage ordinary citizens to file personal income tax returns, but it will also help promote integrity in government. In the long run, as the pattern of national income distribution changes, a system of filing income tax returns will become indispensable.
- 4) Further improve the personal income tax system to pave the way for the transition from a tax system where enterprises are the principal payers to one where individuals are the main payers. History tells us that as the commodity economy keeps on developing, the tax structure will change correspondingly, with circulation taxes giving way to income taxes as the main taxes, with legal person taxes yielding to natural person taxes. This is an objective historical process. The trend of personal income taking up a growing share of the national income (leaving aside

its excessive and one-sided aspects) actually conforms with this historical process. It also contains a historical opportunity for overhauling China's tax structure, which also is a historic demand. In a certain sense, the shift of a disproportionate share of the national income toward households and individuals has been excessive and one-sided precisely because the present tax structure is out of step.

- 5) Adjust the price system and reform the price-formation mechanism to provide the preliminary conditions for the rationalization of national income distribution. Price distortions are the primary cause of an irrational pattern of national income distribution. For instance, the loss of national income, the emergence of renting activities, and the formation of grey incomes and black incomes are all related to price distortions. Over time the prices of industrial goods, particularly those of capital goods, must be set by the market. The dual-track pricing system must be thoroughly eradicated, with market prices replacing planned prices. The prices of agricultural products, including the procurement prices and selling prices, must be raised further. On the one hand, this is the requirement of the principle of decreasing land returns. In other words, the production costs of agricultural products go up steadily so that if we are to maintain and increase the supply of agricultural products, prices must be raised. On the other hand, this is a basic condition for maintaining a proper balance between urban and rural income. China today is still a large agricultural nation after all, with 70 percent of the population still living on the land. This being the case, the prices of agricultural products must be increased. History has proved that the shift of an excessive share of the national income toward urban residents is unfavorable to economic development. As it stands on the threshold on the second round of industrialization today, China still cannot get around the limitations of agriculture. This is a basic fact about the nation.

Tianjin Strives To Establish Third Stock Market

93CE0543A Beijing ZHONGGUO MAOCU RIBAO
in Chinese 5 Apr 93 p 4

[Article by Yang Daming (2799 1129 2494): "China's Stock Market Is Maturing; Tianjin Strives To Establish Nation's Third Stock Market With Hope of Success"]

[Text] NANHUA ZAOBAO recently reported that as a result of successful launchings of stock markets in Shanghai and Shenzhen, other cities in China are eagerly seeking permission to establish the nation's third stock market, and Tianjin is the strongest competitor most likely to be granted the permission.

As responsible persons in the China Securities Supervision and Administration Commission explained, from the end of 1990 to the beginning of 1991, after stock exchanges were established in Shanghai and Shenzhen, an automatic stock price quotation system was established in Beijing. By

the end of 1992, up to 70 publicly traded stocks were listed at the Shanghai and Shenzhen Stock Exchanges, of which 52 were category A stocks and 18 were category B stocks. Last year, nearly 400 enterprises launched stock ownership pilot projects, bringing the total number of such enterprises to 3,700, a 12.42 percent increase over the year before; the total value of stocks issued reached 11.4 billion yuan, an increase of 27.5 percent over the year before.

Looking ahead to China stock market's future, with the expectation that the supply and demand contradictions will be mitigated and a system of law and regulations considerably strengthened, the stock market should become more mature. It is said that the stock ownership experiment will be expanded nationally, and that all provinces, autonomous regions, directly administered cities as well as other cities listed in the plan, and concerned departments of the State Council will be able to designate one or two joint stock companies to issue stocks for public trading. It is anticipated that this year, 50 to 100 companies will go public with stock offerings, and stock owners will number several million persons; the scope of the market will be twice the size of last year, with the total value of new category A stocks reaching 5 billion yuan. At the same time, the legal regulations will be greatly strengthened. Last year, the basic reason for the 10 August stock riot in Shenzhen was the lack of legal regulations and standards. It is our understanding that, at present, the China Securities Supervision and Administration Commission is rushing to formulate over 20 regulations such as "Management Regulations for Issuing and Trading Securities," "Management Procedures for Stock Issuing Organizations," "Rules of Conduct for Personnel Engaged in Securities Exchanges," "Procedures for Management and Inspection of Stocks Issuance Qualifications," etc. After these regulations are put into effect, China's stock market will be operated under these laws and regulations and it will gradually become a highly efficient, open, equitable and regulated market.

China's stock market is growing into maturity, and competition to establish the nation's third stock market has become fierce. In the views of many major securities brokerage firms in Hong Kong (such as the Pai-lin, Nanhua Companies, the Standard Charter Company, etc.), Tianjin is a logical place for establishing China's third stock market. To begin with, establishing a stock market is on top of the Tianjin government's agenda. An important responsible person in the municipal government said: "Last August, we established a trading center for trading stocks and bonds, and through such a facility, Tianjin people could learn how to handle securities in a stock exchange." He also said: "We already have over 10 publicly traded stocks. This year, there will be more public offerings. Once the permission is granted to establish a stock market, we will immediately develop the whole business."

Tianjin has fine infrastructure facilities, its harbor is China's largest port for container ships today, with 47 berths and a total handling capacity of 30 million ton of container cargo. Seven of the berths can handle 700,000

container [tons] yearly. By 1995, it is anticipated that the Tianjin harbor will handle 50 million tons of cargo and 1 million passengers. As the financial center of north China, Tianjin has the necessary conditions to be permitted to establish the nation's third stock market. As a Tianjin vice mayor said: "The main criterion for establishing a stock market is the extent of its relationship to the world market. We have the largest world class harbor in north China, and the nation's third stock market should therefore be established here."

ECONOMIC ZONES

Influence of Foreign Media on SEZ High-Level Cadre

93CE0504A Hong Kong CHENG MING

[CONTENDING] in Chinese No 187, 1 May 93 p 19

[Article: "Investigation of Hainan and Shenzhen Senior Cadres Spiritual Life"]

[Text] An investigation by the Propaganda Department of the CPC Central Committee found that Hainan's high- and mid-level cadres favored reading foreign romantic novels and memoirs of Western political figures; 100 percent of the people in Shenzhen watch Hong Kong television broadcasts....

As windows of reform and opening up, the development of coastal special economic zones is truly eye-catching. Walk in the heart of Shenzhen, and apart from a slight difference in environmental sanitation, the appearance is not much different than that of Hong Kong. People make hurried preparations for travel, "accumulating money" reigns supreme, and no one seems to mention political terminology like "ideology" anymore....

However, Beijing's Central Propaganda Department is not at all forgetful of its function. During the first 10 days of March, the department made an extensive investigation and self-criticism of the cultural, entertainment and study life of mid- and high-level cadres in Hainan and Shenzhen, as well as these aspects of "custom" among the general populace.

This time, the Central Propaganda Department's investigation was "realistic," not of the questionnaire or street corner interview type, because people, particularly mid- and high-level cadres, are very adept at "taking a cue," so the most ingratiating answer is the natural choice. The Central Propaganda Department carried out the investigation at provincial cadres internal libraries, thereby interpreting the high- and mid-level genuine interests in aspects of cultural, entertainment and study life.

According to regulations, cadres at higher than the CPC teaching unit level are authorized access to provincial level cadres internal library cards, and in Hainan Province, the library office approved the release of 350 of these reading privilege cards, among which some were categorized as being of a "preferential nature."

The results of the investigation show that, within all the categories of books loaned out, i.e., literature, biography,

politics, economics, etc., foreign romantic novels are the most well-received, followed by memoirs of Western political figures—56 percent of loaned books are translations of Western fiction, 18 percent are memoirs of European and American political figures, 12 percent are domestic and Taiwanese novels, and only 9 percent are books dealing with political and economic subjects.

Provincial cadres internal libraries still import more than 130 newspapers and magazines from Hong Kong, Macao, Taiwan and foreign countries. Magazines from Hong Kong and Macao account for 70 percent of those borrowed, 14 percent are Taiwanese magazines, and 12 percent are European and American. There are eight daily newspapers and more than 10 current affairs magazines imported from Hong Kong. In addition, there are still more than 20 foreign language newspapers, including the WASHINGTON POST, NEW YORK TIMES, CHRISTIAN SCIENCE MONITOR, WALL STREET JOURNAL, FIGARO, etc., among which the NEW YORK TIMES accounts for 20 percent of periodical reading, and the others only 5 percent to 10 percent.

The investigation of Shenzhen society also found that Hong Kong's influence occupies a "leading position." Using television programs as an example, 100 percent of the population watches Hong Kong television. In terms of broadcasting rates, Hong Kong radio reaches 80 percent of the population, and the Central Television Station only reaches 40 percent, or precisely one-half the rate of radio.

Party cadres subscription "habits" can also shed much light on the problem; 2.5 percent subscribe to RENMIN RIBAO, 12 percent subscribe to provincial newspapers and YANGCHENG WANBAO, 15 percent subscribe to SHENZHEN TEQU BAO, and 22 percent subscribe to CANKAO XIAOXI and WENZHAI BAO.

As for time spent by Shenzhen workers, staff members and residents on cultural life, it was discovered that more than 65 percent is spent watching Hong Kong television and video-tapes of Hong Kong television, and more than 30 percent is spent playing mahjong, chudadi, sandcrab and other disguised gambling.

Moreover, regarding the investigation situation, the Central Propaganda Department, in an editorial published on 22 March said: "We hope, based on the current actual situation, propaganda branches will lead people in the healthy development of cultural, entertainment and recreational study life. As for some unhealthy activities or reactionary publications, do good political ideological work, solely relying on prohibitions was unable to solve the problem, so party political cadres will consciously do good work." Nevertheless, what if party political cadres "consciously" bide their time? The Central Propaganda Department did not answer this question.

AGRICULTURE

Ways To Remedy Grain Losses

93CE0509A Changsha JINGJI DILI [ECONOMIC GEOGRAPHY] in Chinese No 1, Mar 93 pp 92-96

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[Text] After advancing a step in 1984, China's grain production has been in limbo for the past five years. Despite a bumper harvest in 1991, because of the overly rapid population increase, the per capita amount of grain has yet to reach the 388 kilograms of 1984. During 1992, some areas experienced natural disasters in the form of floods and waterlogging, windstorms and hail, and drought causing very great production and livelihood hardships for the people in the disaster areas. Grain consumption increases by 1.65 billion kg per year, some areas experiencing a shortage of supplies on hand. Large scale importation of grain began in 1987, grain imports reaching 13,720 billion kg in 1990; however, no marked easing of the sharp conflict between population increase and cultivated land decrease has occurred. Forecasts call for a population totaling 1.2 billion and 1.5 billion in China for 1995, 2000, and 2020 respectively by which time the people's livelihood will have made the transition from that of an undeveloped nation to a moderately developed nation. Figured in terms of a respective consumption demand of 370, 400 and 450 kilograms per capita, total grain demand will run 440 million, 512 million and 645 million tons respectively. Meanwhile, China's cultivated land will decrease 600,000 hectares per year, the amount of cultivated land decreasing from the present 0.087 hectares per capita to 0.076 hectares per capita by 2000, and to 0.057 hectares by 2020. Because of the astounding waste of grain following production, the gap between output and demand will widen even further for an intensification of the conflict between supply and demand. The change in the people's standard of living from the subsistence level to the comfortable well-off level will greatly increase demand for grain. The tight supply and demand situation in China will not change fundamentally for a fairly long time, but some people have but little understanding of the need to conserve grain. They overlook the value of grain. Therefore, how to control man-made grain losses, doing a good job of "stanching the flow" of grain, holds extremely important strategic significance. This article presents some views about post grain production losses and losses in the consumption process for the reference of the decision making authorities concerned. These views are based on the writers' many years of research as well as pertinent references.

1. Man-Made Losses in the Grain Circulation and Consumption Processes

The UN Food and Agriculture Organization (FAO) defines grain loss as "any change in the usefulness or edibility of grain, or impairment of its healthfulness or quality that reduces its value to people." Grain losses are of two kinds: One is the loss before the grain enters the consumption realm, i.e., the difference between the

amount of grain that can be obtained from the consumption of a certain amount of land, labor, and financial resources at a possible level of technology and the amount actually obtained. The other kind is losses in the consumption field, i.e., the portion of waste in the consumption realm in excess of normal demand at the existing level of socio-economic development, including the amount of leftover cooked rice that is thrown away or used as swill for hogs, as well as the excess grain used in industry. Both forms of loss can worsen the conflict between grain supply and demand. Losses from mishandling that cause a skewed flow after production amount to between 30 and 40 percent of the crop in developing countries and 50 percent in developed countries. In China, the loss runs to more than 120 million tons, which is probably about 30 percent of total output. Reduction of China's post production grain loss to 5 percent would be equivalent to an output increase of 100 million tons. Therefore, better development of post-production technology has become an important measure for solving China's grain difficulties.

1.1 Losses Before Grain Enters the Consumption Realm

Losses before the grain enters the consumption include those incurred in harvesting, transportation, storage, processing, and sowing, or as a result of disease, insect pests, weeds, rodents, and natural disasters. Such losses amount to approximately 75.5 billion kilograms. Now let us break down these losses as follows:

- 1.1.1 Harvest. Agricultural productivity in China is still fairly backward, the peasants farming in an extremely careless way. Most of the harvesting is done manually. Not only is farming labor intensive and work efficiency low, but losses are serious (about 15 percent of the crop being lost each year). The grain loss for the nation as a whole runs to 6 billion kilograms each year. About 7 percent of the paddy crop is lost during harvesting, another 1.5 percent is lost in threshing, 0.5 percent more is lost during drying, and another 0.5 percent is lost during winnowing. The total loss of paddy during all phases of harvesting comes to 1,140 kilogram per hectare. Such a large amount of waste amounts to an enormous loss in the country's grain production system in which paddy predominates.
- 1.1.2 Transportation. Each year, 150 billion kilograms of grain are transported nationwide. During the transportation process, 2 percent of the crop is lost as a result of soaking rain, mildewing, or spillage. In 1990, 507 million kilograms was lost this way nationwide. In some poverty stricken mountain regions where grain is transported on shoulder poles, on people's backs, and in wheelbarrows, the loss rate is 2.5 percent.
- 1.1.3 Storage. Currently 3 billion kilograms of grain are stored in the open air nationwide. In rural villages, in particular, where grain is stored in individual households, and where grain storage facilities and techniques are extremely backward, losses run to between 5 and 12.5 percent annually, or as much as 25 percent or more in serious instances. Figuring annual grain production at 400 billion kilograms per year, after deducting 20 percent that the state procures, 80 percent remains to be stored in peasants' homes. At 320 billion kilograms, a 10 percent loss rate means the loss of 32 billion kilograms of grain each year. This is enough to feed the population of the whole country for two months.
- 1.1.4 Processing. At the current scale of production, the peasants do mostly preliminary processing, and since the processing machinery is old and the outturn rate is low, a large amount of the grain is wasted. In Hunan Province today, most of the processing of unhusked rice is done using a yellow grain rice machine from which the outturn rate ranges between 60 and 66 percent, 4 percent lower than the national standard. Even though technical conditions for processing at the national level are better than for peasant households, because of not very adept administration and haphazard management, processing is still a long way from that of developed countries. Processing losses run to approximately 2 billion kilograms of grain annually.
- 1.1.5 Sowing. Somewhat more than 20 billion kilograms of grain is used for seed nationwide. This is about 6 percent of total grain output, a higher percentage than in most developed countries. According to a survey conducted in Gansu Province, sowing methods differ and the amount wasted differs too. Hand sowing takes between 4 and 8 kilograms more seed than machine sowing. If intensive sowing technology were to be extended to large areas, between one-third and one-half of the seed used per hectare could be saved. Use of fine grade seed, which would improve the sprouting rate, would produce a saving nationwide of between 3 billion and 4 billion kilograms of grain for an output of 400 billion kilograms.
- 1.1.6 Disease, insect pests, weeds, and rodents seriously impair farm crop output and quality, causing a loss of as much as 37 percent of the crop. More than 1,350 different kinds of diseases, insects, weeds, and rodents damage grain crops. The winter of 1985-1986 in Guizhou Province was unusually warm causing a major outbreak of diseases and insect pests in the spring. The disease and insect pest infested

area covered 320,000 hectares, or 20 percent of the disaster area for that year. If effective prevention and control measures are taken, the grain loss attributable to the "four pests" can be cut by 20 million kilograms.

1.1.7 Natural disasters. In most years, China suffers natural disasters in varying degrees. On average, the calamity stricken area amounts to

more than 500 million mu, and the hard hit area covers about 200 million mu each year. In 1978, drought alone caused grain losses running to tens of billion kilograms. Although natural disasters occur suddenly with irresistible force, the adoption of appropriate technical measures could cut grain losses by 10 billion kilograms.

Table 1. Grain Losses Unit: 100 million kg

Item	Losses Prior to Consumption				Losses During Consumption			Total
	Planting Loss	Losses to Disease, Insect Pests, Weeds, and Rodents	Natural Disaster Losses	Losses During Harvesting, Transportation, and Processing	Losses in Industrial Use	Losses in Livestock Feed Use	Losses in Residents' Consumption	
Amount	50	200	100405	100	360	230		
Subtotal						690		1450

1.2 Losses in the consumption realm.

After entering the consumption realm, grain may be classified according to ultimate use as follows: Residents' grain consumption (including peasant consumption), grain used for industrial purposes, and grain used for livestock feed. Losses amounting to as much as 69 billion kilograms (see table 1) also occur here. These losses are broken down as follows:

1.2.1 City and town grain ration loss. The standards for city and town grain consumption were set during the 1950s, and they have played a positive role in ensuring the people's livelihood and social stability in China. Today, however, with the increase in income of city and country people, and the increasing availability of nonstaple food, the people's diet has changed greatly. As purchasing power has increased, the percentage of staples consumption has declined, and the percentage of nonstaple consumption has increased. For most people, the grain ration is more than they need. Despite several revisions since institution of a fixed grain ration, it is still higher than actual needs. As economic construction has improved across the board, the grain and grain products consumption of city and town residents has declined. The former grain ration no longer reflects this objective reality and it should be revised to conform to the actual state of affairs to solve the problem of city and town residents having much more grain than they need. For most families today, 12 kilograms of grain per month per capita (adults) meets basic needs. This means a saving of about 3 kilograms per month per capita. Were the city and town grain ration to be set at 12 kilograms per

capita, 14.4 billion kilograms of grain could be saved annually nationwide.

1.2.2 Losses during residents' consumption. The waste of refined grain and grain products in the urban consumption process is heart-breaking. In some places, in both the city and the countryside, waste is common and severe. City and town residents annually waste more than 30 kilograms of grain per capita. This means the annual waste of more than 1.05 billion kilograms of refined grain. The waste of grain in government institution, factory, school, and kindergarten messhalls, and in the dining rooms of guesthouses, restaurants, hotels, and hostels is known to all. If eaten at all, the rice, steamed buns, steamed twisted rolls, and stuffed buns that are served at the end of a meal are only tasted. Tens of kilograms of refined grain ends up in the swill barrel. When the banquet is finished, the fluffy white rice, the steamed buns, and the leftover soup are all dumped together or left on the table. In Tongshan County in Jiangsu Province, for example, one peasant collected 5,000 kilograms of steamed buns from the Zhengji Middle School to feed his hogs, which he sold for 2,500 yuan. In Fuping County, Shaanxi Province, a peasant who was unable to obtain chemical fertilizer used grain instead. After pulverizing 200 kilograms of corn, he soaked it for seven days, then added 75 kilograms of rape seed to it, cooked it, and put it on his fields. What is really intolerable is that some people leave ripened wheat in the fields because the cost of harvesting it is high. Some people even set grain on fire, then wait for the insurance company to pay their claim. Nowadays when

everyone is trying to keep up with the Joneses, as much as 1,000 jin of grain may be used at a township or town marriage, to celebrate an old person's birthday, or to put on a big display. Figured at five kilograms per capita, the total amount of grain wasted nationwide comes to 5.8 billion kilograms each year. If the waste of meat and eggs is added in, the grain waste comes to 20 billion kilograms.

- 1.2.3 Loss of grain in making alcoholic beverages. In 1990, China's output of white spirits (mostly from grain and sorghum) totaled 6.63 million tons, and 7.7 million tons of beer, and 1 million tons of yellow rice or millet wine were produced at a cost of more than 30 billion kilograms of grain, or five kilograms per person for the production of white spirits. In terms of both total output and per capita consumption of alcoholic beverages, China holds first place in the world.

Virtually every country in the world very strictly controls both production and consumption of regularly produced alcoholic beverages, and China also limits the production of white spirits. However, the actual state of affairs in China is that output of white spirits, which was 215,000 tons in 1980, reached 300,000 tons in 1985, i.e., 1.4 times the 1980 amount. In 1990, it reached 540,000 tons, 2.5 times the 1980 amount and far higher than the speed of increase in wine production, which consumes little or no grain at all. If grain alcohol production were to be cut 50 percent, bringing the loss of grain to alcoholic beverage production to 9 billion kilograms, and if the efficiency of the 70 percent of small breweries and distilleries were increased 10 percent, at least 10 billion kilograms less grain would be lost.

- 1.2.4 Losses through conspicuous consumption. In recent years, an unscientific trend in consumption has developed among China's residents in which people eat and drink the finest of anything regardless of its nutritional value. In 1990, the country's refined grain and edible oil sector processed 60 billion kilograms of rice and wheat flour at an 80 and 45 percent respective outturn rate for flour and rice. The "second quality" rice than many urban residents bring home from country fair markets and grain shops also has to be processed, between 7 and 10 percent of it becoming chaff or broken rice. Nationwide, 3.5 billion kilograms of grain are lost in the processing of premium quality rice, premium quality alcoholic beverages, and premium quality wheat. Such unscientific consumption creates enormous waste. Nutritionally speaking, the more finely rice is processed, the more vitamins and minerals are lost.

- 1.2.5 Losses through improper use as livestock feed. China annually feeds 81.4 billion kilograms of grain directly to livestock. Were blended livestock feed phased in, a saving of 36 billion kilograms per year could be realized. Each year 9 billion kilograms of grain is fed to hogs nationwide, mostly by individual peasant households. Because production methods are backward, in addition to which rice husks are sold at too low a price, rice husks are fed directly to hogs in rural villages in south China. The peasants figure a return of 114 yuan for every 100 kilograms of rice husks fed to their hogs, but if they sold the same 100 kilograms of rice husks to the grain procurement sector, they would realize only 84 yuan. Such haphazard hog feeding means a large input for a small output. The pork outturn rate nationwide is fairly low, averaging only 50 kilograms per year for every hog in inventory. This is 24 kilograms lower than the world average. Thus, 8 billion kilograms less pork is produced each year than might otherwise be produced.

- 1.2.6 Losses resulting from social abuses in the grain circulation process. Grain markets have taken a new lease on life in recent years as a result of the opening up of channels for grain circulation. Nevertheless, adulteration by some illegal grain merchants and processing units has accompanied the market rise. This seriously interferes with the work of regular grain markets and grain processing and marketing units. Grain ration coupons followed in the wake of state institution of centralized procurement and marketing of grain in 1953. They were used to implement planned control of grain, were a convenience for city and countryside residents, and provided evidence of floating population purchases of grain products. Because of the special role of grain ration coupons, the number of cases involving counterfeiting of national and local grain ration coupons has steadily increased in recent years. This has created market confusion, and annoyed the public.

Remedies To Reduce Man-Made Grain Losses

In recent years, varying degrees of loss and waste have occurred all along the line in grain production, movement, and consumption in the industrial, agricultural, grain, and transportation sectors. In view of the reasons for such man-made losses, the following remedies should be applied:

- 2.1 Leaders at All Levels To Exercise More Leadership in "Cherish Grain and Save Grain" Campaigns. Need for All Around Planning, Comprehensive Arrangements, and Firm Grip on Grain Losses

From top to bottom, widespread publicity should be given to the importance of saving grain, the fine tradition of thrift in managing a household and cherishing grain exercised, attention given to saving every kernel of grain in daily life, and national grain policy conscientiously observed. People's understanding and attention should be improved, the concern of the entire society aroused, and the masses guided to a correct understanding of China's national situation and the grain situation. This effort should begin small and begin with oneself. Careful calculations should be made for using grain scientifically. Advanced experiences in conserving grain should be promptly publicized to inculcate a nationwide atmosphere of "saving grain is glorious; wasting grain is shameful."

2.2 Perfection of the Fixed Procurement System for Purchasing Grain on Contract

All possible should be done to make grain prices fair, a unified grain market established. One thing to be done is make the price ratio between industrial and agricultural products more equitable to promote peasant post-production investment. Another thing to be done is reduce the state's burdens by instituting market regulation policies, and using economic means to hold down senseless grain consumption. Sales at parity prices should be reduced, and sales at negotiated prices gradually expanded. Grain used for industrial purposes should be market regulated. This would produce more self-control in markets and cut down on the amount of consumption. Concessionary prices could replace subsidies, the "three link-up" policy of linking state grain procurement to the sale of grain, edible oil, and money continuing. Special support and policy tilts should be employed for some large grain growers to increase their interest in growing grain.

2.3 Revision of Grain Supply Standards, Cutting Back on Sales Made for No Good Reason

Better examination and approval should be exercised over households changing from an agricultural to a nonagricultural status as a means of strictly controlling the overly rapid growth of the commodity grain-consuming population. Greater control must be exercised over the state's resale to rural villages of grain it procures from them. The problem of an overly high grain ration that provides the populace more grain than it needs should be gradually solved, advantage taken of the fairly good grain harvests of the past two years, the slack market demand for grain, and ample grain supplies in marketing areas to make the decision to recover surplus grain. Residents should make a transition to the market mechanism area by area and stage by stage. Close attention must also be given to the careless processing and use of grain, a good job done of apportioning excess grain, improving processing quality, and increasing varieties.

2.4 Gradual Abolition of Grain Ration Coupons Nationwide

No announcement need be made that the ration coupons in the hands of residents for 20 billion kilograms of grain are to become invalid; instead, they may be allowed to expire naturally. In reducing centralized marketing and shifting to marketing at negotiated prices, the number of locally issued grain ration coupons must be strictly controlled, all possible done to reduce the total volume of grain ration coupons in circulation in cities and provinces, for a cutback in the scale at which grain ration coupons are used. Grain must be supplied at the negotiated price to hotels, hostels, and the pastry industry, no grain coupons accepted, national and local grain ration coupons thereby losing their role. Urban residents may be permitted to buy grain upon presentation of household grain purchase certificate. If necessary, a small number of grain ration coupons may be issued in large and medium size cities for breakfast use, and vouchers may be issued for use in collective messhalls.

2.5 Reliance on Scientific and Technical Progress To Accelerate the Spread of Advanced Livestock Feeding Techniques, To Change the Livestock Diet, and To Develop a Grain Conserving Livestock Industry

Limited livestock food must be used scientifically, new methods of raising livestock promoted, and the peasants guided in the use of new ideas to change traditional livestock raising methods. A change should be made in the farming industry from today's two crop system of one grain crop and one cash crop to a three crop system of one grain crop, one livestock fodder crop, and one cash crop. Active efforts must be made to build a scientific research corps to conduct experiments and research on raw materials, blending feeds, and livestock raising, and to apply research results to practical applications.

2.6 Light Industrial Sector To Rely on Advances in Science and Technology and Better Management To Reduce Grain Consumption for Industrial Use

Certain actions should be taken to close, halt production in, merge, or shift into other lines of business those breweries and distilleries that consume large amounts of grain and produce poor quality products. Strict examination and approval procedures should be applied to new breweries and distilleries to bring to a halt at its source the vicious cycle in alcoholic beverage production. More should be done to produce alcoholic beverages that do not require grain—drinks such as wine and cordials, a good job done in conserving grain, substituting other raw materials, and using grain in multiple ways, thereby limiting the production of white spirits. The collection of excise taxes on white

spirits should be returned to the central government, drastic measures used to halt the headlong local development of white spirits production.

2.7 Spread of New Farming Systems and Various Applied Techniques for Increasing Yields

Sensible crop rotation, making the land self-sustaining, maintaining soil fertility, selective breeding of superior varieties and breeds, better plant protection work, the development of liti [4539 7555] farming, and increase in multiple cropping are all means of increasing yields. Emphasis should be given to more research on rodent damage to grain, and research on the amount of seed to be sown in different areas. Major efforts should be made to spread intensive sowing techniques, seed conservation, and selection of the optimum amount of seeds to be sown. In developed areas, the economies of farming scale should be gradually expanded. More should also be done to train science and technology households, lectures being given to different groups at different times and various materials published to create a number of "permanent" scientific and technical corps.

2.8 Gradual Reform of the Existing Grain Work Leadership and Control System, Bringing Grain Control and Use Under the Legal System

It is suggested that the departments concerned study the formulation of grain production, consumption, and control regulations. The state should also increase investment in the grain sector, improve grain storage facilities, promote advanced grain protection techniques, conduct a widespread campaign for grain storage without the four undesirables [insect pests, mice, poisons, and accidents], reduce grain storage losses, improve grain processing techniques and equipment, and raise the product outturn rate. In places where township and town enterprises are well developed, some funds should be obligated to accelerate the building of infrastructure in the grain sector.

2.9 Further Improvement in the Position of Post-Production System Building

More research on post-production technology to expand socialized technical services is needed. Another matter is greater control of the technology investment process to guard against entry into the production process of inferior technology. Units concerned may also be helped provide services for payment, and research units and institutions of higher education should set up post grain production technology research organizations as quickly as possible to accelerate the pace of research on post-production technology.

2.10 Need for Better Political Training and Vocational Training of Personnel Working in the Grain System To Raise Their Awareness of Diligent Government and Honesty

In the operation of enterprise, this entails contracting of individual tracts, and making individuals responsible, making distributions according to labor on the basis of the degree of complexity of skills and the degree of complexity of the work required, and eliminating egalitarianism, thereby inculcating an awareness of competition in staff members and workers. Responsibilities must be clearly defined, and staff members and workers must be encouraged to study on their own to make the most of themselves. Conditions must also be provided for them to do so. Criminal cases and other violations of the law are to be diligently punished. Leading cadres should make strict demands, and serve as models themselves.

Survey Team Reports on Sichuan Peasant Burdens

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[PROBLEMS OF AGRICULTURAL ECONOMY]
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[Article by Chen Bosong (7115 2672 2646) and Zhang Bin (1728 2430), Sichuan Province Rural Socio-Economic Survey Team: "Peasant Burdens: Status, Causes, and Remedies"]

[Text] Increasing peasant income and reducing peasant burdens is an important policy that shows the concern of the party and the people's government for the peasants' production and standard of living. Because of the not very effective implementation of applicable policies, the burdens (particularly the unreasonable burdens) of Sichuan's peasants continue to increase without let up, the peasant burdens issue becoming one of the problems about which the peasants have the most intense reaction. Lightening the peasants overly heavy burdens is not only an economic matter, but also a political matter affecting consolidation of the worker-peasant alliance. Unless this problem is conscientiously solved, it will seriously damage relations between the party and the masses and between the cadres and the masses, and it will hurt social stability and the smooth development of the rural economy.

It was in this connection that the Sichuan Provincial Rural Survey Team selected at random 1,000 peasant households in 20 counties throughout the province for investigation and analysis of current peasant burdens, the harm that the heavy burdens cause, the reasons for the burdens, and how to lighten them for the benefit of government and party leaders and decision making units at all levels in studying how to lighten peasant burdens.

1. Peasant Burden Tolerance Limit in Sichuan Province in Recent Years

Table 1 shows the peasant burden tolerance limit in Sichuan Province.

Table 1. Peasant Burden Tolerance Limit in Sichuan 1985-1991 (Unit: yuan/person)

Year	Amount of Surplus Value	Per Capita Productive Accumulation	Standard of Living Improvement Expense Figured at a 5 Percent Standard of Living Improvement Rate	Production Expense Increase Figured at a 4 Percent Rate of Increase in Production Expenses	Maximum Limit of Peasant Burdens
1985	32.96	6.93	12.59	4.41	9.03
1986	21.61	7.61	13.81	5.00	-4.81
1987	17.44	10.43	15.55	5.64	-14.18
1988	18.44	22.03	17.42	6.93	-27.40
1989	18.15	15.65	21.32	8.18	-27.00
1990	26.59	5.91	23.67	9.32	-12.31
1991	37.11	12.41	25.40	9.93	-10.63

The 5 percent standard of living improvement rate and the 4 percent rate of increase in production expenses are figured on the basis of the increase in the rural labor productivity rate in Sichuan during more than a decade of reform and opening to the outside world. Table 1 shows that actual peasant ability to bear burdens is already stretched beyond the maximum limit. Collective withholdings and overall financing funds called for in contracts that peasants actually pay, have averaged 5 percent of per capita net income in recent years. This, plus tax payments and other unreasonable burdens, means that the peasants' total burden comes to more than 10 percent of per capita net income, an amount much more than what the peasants can tolerate. Therefore, while strictly controlling rational burdens, a halt to irrational burdens has become a priority matter.

2. Current Status of Peasant Burdens

Promulgation and implementation of "Sichuan Peasant Burden Control Regulations," (hereinafter abbreviated to the Regulations) has been effective to a certain extent. The overly rapid increase in peasant burdens has been brought under control, and in some jurisdictions peasant burdens have declined. However, overall, the problem of too heavy peasant burdens in Sichuan has not been fundamentally solved, particularly in some jurisdictions in which the Regulations have not been diligently enforced where peasant burdens (particularly unreasonable burdens) remain high and show a trend toward continued increase. Data on current peasant burdens obtained from the Provincial Rural Survey Team survey of 1,000 peasant households in 20 counties throughout the province (100 households in two counties on the plain, 600 households in 12 counties in hill regions, and 300 households in six mountain region households) show a peasant burden of 60.11 yuan per capita in 1991, up 11.17 yuan from the previous year in a 22.8 percent increase, including a 10.42 yuan or 28.7 percent increase in burdens other than taxation. During the first half of 1992, the total burden reached 35.12 yuan per capita, up another 10.74 yuan over the same period in 1991 in a 44.1 percent increase. This included an 8.99 yuan, or 47.1 percent increase in burdens from other than taxation.

Peasant reaction to the burden increase is intense everywhere. To use their words: the legal burdens are getting heavier and heavier; meanwhile, unexpectedly there are more and more pretexts for withholdings and assessments; and more burdens are being shifted. Another saying goes: "The main tax is light (the agricultural tax); the second tax is heavy (the withholdings paid to the collective), but assessments not called for in contracts are a bottomless pit." The basic characteristics of peasant burdens today are: the speed of increase in burdens, the arbitrariness with which burdens are set, and the forcible ways in which payments are collected.

The high speed increase in burdens is manifested in two regards as follows: One is that the speed of increase in peasant per capita burdens is higher than the speed of increase in peasant per capita income. In the 1,000 peasant households surveyed, net per capita income increased 10.5 percent in 1991, but the per capita burden increased 22.8 percent or 12.3 percentage points more than the increase in income. The increase in burdens contrasted sharply with the increase in income. Second is the high percentage of net income that peasant burdens consume. In 1991, the total burden of the 1,000 peasant households took 12.7 percent of the previous year's income, burdens other than taxes taking 9.9 percent of previous year net income, and unreasonable burdens accounting for more than one-half of the burden from other than taxes.

The arbitrariness with which burdens are set shows up largely at the time when the burdens to be carried are being planned. At that time, frequently the emphasis is on the completion of various goals and tasks, little attention paid to peasant ability to carry the burden. This leads to burdens being set at the whim of the leaders, arbitrary increase in the burden ratio, and an increase in the number of burdens. The number of burdens of the 1,000 peasant households increased from 68 in 1985 to 94 in 1990, and to 107 in 1991. The increases were largely for the education fund, greening expenses, the land resources fund, the farm construction fund, live hog assigned procurement funds, requisition procurement grain price differential funds, railroad expenses, public order expenses, countryside

police wages, old cadre retirement funds, the pension fund, "three households" paikuan [3654 2949], "san-jiao" [0005 0074] bonus funds, newspaper and magazine subscription expenses, electric power bonds, social welfare subscriptions, assistance funds, and various registration fees and cash deposits. The number of burdens in various guises, and the serious loss of control over temporary assessments and raising of funds the masses term a bottomless pit.

The compulsory nature of burden collections is manifested in the lumping together of taxes and fees, fees being collected with the same insistence as taxes. The most important measure is the way in which the state makes final settlement for the agricultural and sideline products that the peasants sell to the state. Instead of the state settling with the seller, it settles with a seller organization, which makes compulsory deductions for the various burdens which peasants owe. It is manifested secondly in forced collections. Insufficient receipts from peasant sales of agricultural and sideline products sales to the state, as well as other funds to be collected, assessments, and fines are forcibly collected by village cadres. In addition, payments must be made on time. The masses say graphically: "This money and that money. What is called for in the morning has to be paid in the afternoon. If it is not, you are fined, and you will have to give up your property."

In addition to the foregoing basic characteristics of peasant burdens, the following new trends and characteristics are appearing:

- (1) **Taxation Is Basically Fair.** Taxation means the legal collection from the peasants in currency or in kind in accordance with state policies and applicable laws and regulations. The 1,000 peasant household surveyed in 1991 paid 13.3 yuan per capita in taxes, 0.75 yuan or 6.0 percent more than in the previous year. This included a 9.40 yuan per capita agricultural tax, up 0.04 yuan in a 0.4 percent increase. The increase in taxes per capita lagged behind both agricultural gross output value and the labor productivity rate for the same period, and stabilized at between 12 and 13 yuan. Even though the peasants said that unfairness existed in actual tax enforcement in that the agricultural tax payable in grain is a little heavy, and the rates and amount of tax paid for the special farm and forestry products tax, the product tax, and the market trading tax have risen while the value of farm and sideline products has declined; nevertheless, the peasants all agreed that the agricultural tax is basically fair.
- (2) **Increasingly Heavy Overall Withholdings and Labor Service Burdens.** In recent years, distributions of returns within the township and village collective economy have become more and more distorted as collective withholdings and labor service burdens increase with each passing year and frequently exceed limits. Per capita collective withholdings and overall fees more than doubled from 6.58 percent [as published, yuan probably intended] in 1985 to 20.96 yuan in 1991 for an average annual 21.3 percent increase. The overall, withholdings, and labor services burden was 26.81 yuan per capita in 1991, up 5.62 yuan over the previous year in a 26.5 percent increase. For the first half of 1992, it was 14.93 percent, up 3.87 percent or 35.0 percent over the same period in the previous year.
- (3) **Startling Increase in Hidden Burdens.** Hidden burdens include losses incurred during the circulation of commodities in markets (meaning from prices, short measurement and weighing, forcing down grades in order to force down prices, and fake or shoddy commodities in the trading process), entertainment expenses, presents given to get things done, losses from overdue collection of funds (meaning losses on IOUs), and losses on risk indemnification. During the first half of 1991, the hidden losses burden amounted to 6.70 yuan per capita, up 1.67 yuan from the previous year in a 33.2 percent increase. During the first half of 1992, it was 5.05 yuan per capita, up 2.43 yuan over the same period in the previous year for a 92.7 percent increase. This included a 0.38 yuan loss on risk indemnification in 1991 for a 1.19 fold increase. Losses from overdue collections increased 1.5 fold during the first half of 1992. Gifts given to get things done rose 28.3 percent in 1994, and increased 2.5 fold during the first half of 1992. During the same period, losses incurred in the circulation of commodities in markets increased 0.75 yuan and 1.47 yuan respectively during 1991 and 1992 in a 28.08 and 82.6 percent respective increase. This included a 0.57 yuan and 0.91 yuan increase in price losses for a 31.0 and 70.5 percent increase.
- (4) **"Three Unjustified" Burdens [unjustified assessments, unjustified fee collections, and unjustified raising of money] Continue High.** The nongovernment fund raising and assessments, and the administrative fees and fines of recent years have put the peasants in a predicament that they do not know how to handle. In 1991, the peasants' "three unjustified" burdens averaged 13.33 yuan per capita, up 3.27 percent from the previous year in a 32.5 percent increase. During the first half of 1992, this same burden averaged 8.07 yuan per capita, up 2.67 yuan over the same period in the previous year for a 49.4 percent increase (See Table 2 for details).

Table 2. Comparative Analysis of Sichuan Peasants' "Three Unjustified" Burdens (Unit: yuan/per capita)

Items	1991	First Half of 1992	1991 Increase or Decrease From 1990		First Half 1992 Increase or Decrease Over Same Period in 1991	
			Absolute Figure	Percent Plus or Minus	Absolute Figure	Percent Plus or Minus
Total	13.33	8.07	3.27	32.5	2.67	49.4
1. Various Fees	6.64	3.25	1.68	33.9	0.62	23.6
Including: Administrative Operational Fees	2.03	0.93	0.94	86.2	0.33	55.0
Productive and Public Welfare Services Management Fees	4.61	2.32	0.74	19.1	0.29	14.3
2. Various Deposits	0.53	0.21	0.46	6.57 fold	0.11	1.10 fold
Various Money Raised	2.01	3.75	0.32	18.9	2.84	3.12 fold
Including: Social Welfare Subscriptions	0.17	0.15	0.06	54.5	0.10	2.00 fold
Money Raised for Road and Bridge Construction	0.10	0.28	0.05	1.00 fold	0.23	4.60 fold
Money Raised to Build Streets	0.28	0.40	0.12	75.0	0.27	2.08 fold
Other Money Raising	0.35	0.22	0.19	1.19 fold	0.10	83.3
4. Various Fines	4.15	0.86	0.81	24.3		
Including: Fines for Excess Births	3.55	0.79	0.56	19.2		
Fines for Failure To Observe Farming Regulations	0.32	0.03	0.14	77.8		
Other Fines	0.15	0.05	0.05	50.0		

In recent years, rural fines have truly been numerous. In addition to fines based on state polices, laws, and regulations, very many fines have been related to failure to do work properly. In some jurisdictions, fines are levied at every turn. The "three unjustified" burdens have become a lucrative means for rural grassroots level cadres to line their own pockets, and the peasants are very upset about this.

The survey showed a year by year increase in all kinds of rural "inspection, goal attainment, and grade promotion" events at which people gorge themselves on food and drink, thereby greatly adding to rural organization's unnecessary expenses. In 1991, Jingu Village in Shizi Township, Langzhong City accrued 1,040 for living expenses, of which the village accrued 200 yuan and seven cooperatives accrued a total of 840 yuan. However, actual expenditures on living expenses for the year came to 4,189 yuan, more than four times the amount accrued. This averaged 3.80 yuan per capita for everyone in the village. A village cadre from the central district of Mianyang City said that half of the villages withholdings were spent on entertainment, and all of the money was taken from the peasants.

(5) **Serious Problem With Public Finance Shifting of Its Responsibilities and Departments Jumping on the Bandwagon.** Some of the peasants burdens should properly be paid for out of public funds. These includes items such as the building of transportation, maintenance of social order, cultural propaganda, and compulsory education, the cost of which

are now shifted to the backs of the peasants, and all can be supported with "documents." There are many different government authorities, each of them saying that the work they do is most important and putting out their hands from every direction for money from the peasants. In 1991, one county went in big for rural radio broadcasting. Many small speakers replaced a few large speakers, and low volume speakers replaced high volume speakers. The county approved 78,500 yuan for broadcasting, but 462,100 yuan was actually spent, 5.9 times the approved expenditure. A village organization authorized 292,800 yuan for newspapers and magazines, but 640,000 yuan was actually withheld from the peasants, 1.2 times the approved amount. A total of 52,200 yuan was authorized to be withheld to cover immunization expenses, but 151,700 yuan was actually withheld. After the county Culture and Education Bureau allocated work-study program norms to all middle and primary schools in the county, schools at the grassroots level collected a five to nine yuan work-study fee from each student. On 10 January 1992, acting without approval of higher authority, the county People's Armed Police issued a document that prescribed the withholding of 1 percent of per capita net earnings for the previous year to meet militia training expenses in 1992, the training expenses increasing from 0.25 yuan per capita in 1991 to 0.49 yuan in 1992 for a 94 percent increase. More and more units are getting on the bandwagon in the collection of fees, and complaints from the broad masses of peasants are heard everywhere.

(6) **Burdens From Other Than Taxes Increasing Fastest in Mountain Regions; Burdens Greatest in Plains Areas.** A breakdown of data from the survey of 1,000 peasant households in 20 counties shows a peasant per capita burden of 39.62 yuan per capita in mountain regions in 1991, up 10.10 yuan from the previous year for a 38.8 percent increase. This includes a tax burden of 29.24 yuan per capita, up 8.66 yuan for a 42.1 percent increase. This speed of increase was 13.4, 18.2, and 8.6 percentage points faster than for the province average, for hill regions, and for plain regions respectively. In 1991, the burden of peasants living in plains areas was 87.51 yuan, 17.92 yuan more than in the previous year for a 25.8 percent increase. This included 67.25 yuan per capita from other than taxes, up 16.89 yuan in a 33.5 percent increase. This tax burden was 46.78 yuan higher per capita than for the province as a whole, 53.56 yuan higher than for hill regions, and 29.24 yuan higher than for mountain regions or 43.8 percent, 25.6 percent, and 1.30 fold higher.

(7) **Sichuan Peasant Burdens Higher Than in Western Part of Country.** In 1991, Sichuan peasants paid 34.14 yuan per capita in taxes and to the collective for contracted tasks. This was 9.49 yuan, or 38.5 percent, more than the 24.65 yuan per capita that the peasants in western parts of the country paid. It included 5.72 yuan, or 37.5 percent, more in payments to the collective for contracted tasks. The total was respectively 19.24 and 21.97 yuan more, i.e., 1.29 fold and 1.81 fold more, than for Yunnan and Guizhou provinces. It included 14.86 yuan and 18.51 yuan more, i.e., 2.44 and 7.56 fold more in payments to the collective for collectively contracted tasks.

(8) **Difference in Burdens Substantial for Different Categories of Peasant Households.** Currently, an overwhelming majority of peasant burdens are assessed on the basis of the amount of land that each household contracts for farming or the number of family members. Since returns from farming are relatively low, most low income households are large family households; thus, the peasant burden in farming households and low income households come to more than 10 percent of their net income. For these households, this is adding insult to injury. A look at the burdens of peasant households having different net incomes shows a more than 50 yuan per capita burden for low income households, which account for 27.1 percent of all peasant households, and for needy households, which account for 11 percent of all peasant households. However, for middle income households having an income of between 400 and 600 yuan per year, i.e. for 36.7 percent of all peasant households, the burden is about 55 yuan per capita, while the burden for fairly high income households making between 600 to 1,500 yuan per year, or 24.9 percent of all peasant households, the burden is only between 67 to 70

yuan. It is noteworthy that for high income households making more than 1,500 yuan a year, the burden is only slightly more than 10 yuan per capita. This shows the inequity of the burdens.

A breakdown of burdens from high to low for 1991 showed 30.8 percent of households had a burden of less than 40 yuan, 35.3 percent had a burden ranging between 40 and 70 yuan, and 33.9 percent had a burden of more than 70 yuan.

Broken down by percentage of net income, the burden took less than 5 percent of net income in 17.2 percent of households amounting to 22.48 yuan per capita. It took between 5 and 8 percent of net income in 22.9 percent of households, coming to 33.33 yuan per capita. In 13.3 percent of households, it took between 8 and 10 percent of net income, amounting to 47.75 yuan per capita. The burden took between 10 and 20 percent of net income in 33.3 percent of households, amounting to 64.02 yuan per capita; and in 13.3 percent of households, it took more than 20 percent of net income, amounting to 115.17 yuan per capita. The above tendency shows fully the excessiveness and inequity of the peasants burden.

Continued increase in peasant burdens has produced serious social consequences. The rapid increase in peasant burdens is, in fact, a direct expression of the disadvantageous position of rural villages and the peasants in the distribution of national income. The direct consequences are: It hurts growth of peasant income, thereby leading to a decline in their standard of living and a weakening of their reproduction capability. It widens the differences between cities and the countryside. Third, it restricts the benign cycling of the national economy; and fourth, it gives rise to multiple social conflicts. Its greatest harm is the creation of serious antagonisms between cadres and the peasants. In pursuit of their own interests, some sectors pit grassroots level cadres against the peasants, thereby worsening relations between cadres and the masses and seriously impeding rural reform and development. Increased burdens not only hurt the prestige of the party and government and damages the full implementation of policies and the vitality of peasant households, but also contribute to the spread of unhealthy tendencies. The time has come when these problems must be conscientiously solved.

3. Reasons for the Steadily Increasing Peasant Burdens and Remedies

Many reasons account for the steady increase in peasant burdens, principal of which are the following: insufficient publicizing, insufficient study, and no vigorous enforcement of regulations for the control of peasant burdens; overestimation of the economic burdens that peasants can bear; eagerness for quick success and instant benefit, and overanxiousness for quick results; a

proliferation of government agencies and overstaffing; and different agencies vying with each other, each with their hands out for money. Unhealthy tendencies in industries is also a factor increasing peasant burdens that cannot be ignored. The situation in rural villages is a factor. Production develops closely and the collective economy is weak in rural villages, on top of which management of public finances is haphazard resulting in a serious waste and loss of limited funds. Macroeconomically speaking, the state's financial resources are limited and Sichuan's economic development is relatively backward. The "price scissors" between industrial and agricultural goods also adds to peasant hidden burdens. In addition, building of the legal system lags seriously, and the supervision and control system is not well developed. This is a fundamental reason why the problem of the peasants' overly serious burdens drags on and on without solution.

The most important key in reducing the peasants overly heavy burdens is real action to implement applicable CPC Central Committee and State Council policies.

(1) "Treating Both the Root Causes and Symptoms," and an Overall Plan

1. Close Attention to Propaganda To Unify Understanding. First, more must be done to publicize the law in order to increase peasants' realization that the law may be used as a weapon to protect their own just rights and interests. This is a priority task. Second is the need to improve ideological and political work. Beginning at once, cadres at all levels must be made to understand fully the serious consequences of the peasants' overly heavy burdens today. They must make reduction of peasant burdens an important component of the improvement of their ideological work style and improvement of their relations with the masses. More must be done to promote the realization that agriculture is the foundation of the nation, and the concept of support for agriculture and love of agriculture must be inculcated to shape an atmosphere of support for the legal rights and interests of peasants and a lightening of peasant burdens. The principles of fairness, moderation, and acting within capabilities must be maintained, the circumstances of the province, one's county, one's township, and the citizenry kept in mind to protect the interest of peasants in production.
2. Correction of the Three Tendencies. First is an inclination to make career achievements, which is divorced from reality. Acting in accordance with local social and economic development needs and the desires of the public, a leading cadre in one prefecture went ahead with construction in an active and planned way, and put his stamp of approval on public welfare activities during his term of office. However, the local situation and the strength of the nongovernment sector must be taken into account. One must

proceed from the realities of peasant life, doing only what capabilities permit. If one proceeds solely on the basis of subjective desires, is anxious for instant results and quick success, and goes beyond what the peasants can bear economically to do things on a large scale without due consideration, one will find that the more hurry the less speed. Second is the tendency toward huge organizations. Nowadays numerous departments that emphasize the importance of their own work extend themselves downward level after level, thereby producing a proliferation of government agencies and overstaffing in rural villages. Under the system of responsibility for one's own finances, an overwhelming majority of their operating expenses depend on further widening of sources of revenues, which means the burden is shifted to the peasants. No matter how it is looked at, whether from the angle of rectifying party and government work style, improving efficiency, or lightening peasant burdens, government administration should be simplified, and superfluous personnel reduced. Third is the tendency to provide services for payment. The collection of a reasonable fee for services to agriculture by departments concerned on the principle of payment for services rendered is perfectly all right. However, some departments use "payment for services" as a pretext for collecting fees, and some only collect fees; they do not provide services. Some arbitrarily widen the scope of their fee collections, inflate their fees, change from no payment to payment, or change from low fees to high fees. Lightening of the peasants' burdens requires firm inculcation of a sense of mission and a sense of responsibility, putting an end to the unhealthy tendency of arbitrarily increasing peasants' burdens.

3. Active Development of the Collective Economy. The most basic way to reduce peasant burdens lies in vigorous development of commodity production to strengthen the collective economy and increase peasants' income. Doing this requires an approach in which the building of the economy is the centerpiece, concentrating energies on accelerating development of the rural economy—particularly vigorous development of village and cooperative-run enterprises—steadily increasing the strength of the collective economy for a fundamental lightening of the peasants' burdens.
4. Need for a Keen Sense of Pain About the Peasants' Excessive Burdens. Firm cutting away of irrational burdens requires maintenance of the following five principles: the principle of better supervision and strict control; the principle of democratic supervision and open ledgers; the principle of seeking truth in facts and acting

within capabilities; the principle of overall planning that takes all factors into account, emphasizing key matters; and the principle of voluntary payment for services.

(2) Specific Remedies

1. Correct estimation of the current state of the rural economy and peasant income, and being reasonable about levies. First, the amount taken should be based on production; it positively may not be based on what is required, which is imprudent and excessive. Second peasant burdens should increase only as the economy develops; they should not increase at a rate faster than the increase in peasant income. Third, the relationship between what the state gives and takes from the peasants must be coordinated; it may not become too greatly imbalanced. Fourth is the need for clean government and arduous struggle.
2. Maintenance of limits on individual items, strictly controlling the total burden. Peasant burdens should be set according to the provisions of the Regulations. Uniform withholdings for overall projects should be set on the basis of the economic circumstances of rural villages in each county and the ability of peasants to bear burdens. The total limit should not exceed 5 percent of peasant net annual income. All townships (and towns) must publish the approved withholdings, the overall projects, and the amount of money involved at the beginning of each year for the information of all households. When peasant burden fees are collected, a uniform special purpose receipt should be issued, and an entry made in the peasant burdens handbook. If the handbook contains no project for which payment is to be made or if the amount requested is too much, the peasants have the right to refuse payment. All townships (and towns) should regularly publish information about withholdings and how critical project expenses are used.
3. Cut and eliminate superfluous personnel, reducing the number of grassroots cadres.
4. Set equitable burden assessment methods. At the present time, the main ways used to assess burdens on the peasants are the amount of land that a household farms, the number of people in a family, and the number of able-bodied workers in a family. Rarely are assessments made on the basis of net per capita peasant income, meaning that no distinction is made between the "poor" and the "rich." Henceforth, a distinction should be made, a gradual change made to different burdens for peasants, workers, and people working in sideline occupations. Different tax and fee collection standards should be set for developed areas and needy areas. In cases where peasant burdens are fairly great relative to income, assessments must be based on per capita net income in expression of the principle of the rich contributing more and the poor giving less. A concessionary policy must be applied to needy households, regulations permitting exemption from all burdens for households whose income is below a certain level (such as the poverty line).
5. Equitable planning of the use of labor on public projects. The amount of obligatory labor that each member of the work force contributes to state construction projects, farmland capital construction, and public welfare projects in normal harvest years should be limited to 20 man days. Mostly, peasants should fulfill their obligation with labor. In general, payment instead of labor at a predetermined scale that makes it an assessment is not to be allowed.
6. Straighten out price ratios to reduce the "price scissors."
7. Establishment an perfection of various specific systems to include: (1) adoption of "village ledgers and township accounts, both levels taking charge of their finances." This entails figuring the amount of each peasant household's burden at the beginning of each year, villages and cooperatives then signing an agreement with each peasant household, each peasant household making payment at the proper times as the contract provides, the township issuing a formal receipt for payment and recording payment in the "Handbook of Peasant Economic Transactions." Township and village accounts are to centrally control and maintain accounts for collective funds, and sub-villages and cooperatives are to set up special ledgers. Funds not being used for the time being may be put into shares in the Township Cooperative Foundation, (2) better public supervision, an open reporting system instituted, and (3) better control of the functional role of departments. Fleshing out of county agencies responsible for controlling peasant burdens so they can do a good job of supervising and checking. Better control of the rural economy and peasants burdens. (4) Make reduction of peasants' economic burdens a part of the township (and town) manager responsibility system. (5) Make a deputy county magistrate responsible for peasant burdens work, putting a written examination and approval system into practice. (6) Institution of a uniform control system for critical project funds. All township and town critical project funds are to be controlled by townships, and all county department critical project funds to be county control, their use to be approved in accordance with plans. (7) Promotion of a system for dividing up peasant tax burdens. Henceforth peasant tax burdens should be borne by the rural nonagricultural population, individual industrial and commercial households, and the collective

economy for a widening of overall channels. (8) Watching the "four passes." The first pass to be watched is supervision. The second is the budget. Examination and approval plans should be required for the withholding of funds to raise money. After township (or town) examination and approval, such plans should be either forwarded for CPC committee or government approval, or presented to a people's congress for approval. The third is expenditures. The fourth is compensation, strictly controlling cadres' wages. (9) Reform of methods for controlling receipts and expenditures of peasant burden funds. First is changing the three tier township, village, and collective budget withholdings to each jurisdiction presenting its own budget. Second is a change from the former system whereby either township, village, and collective cadres or special teams from a central organization collected money, substituting a system whereby peasant households tender payments directly to the township or to a township committee-designated accountant. Third is change of the past practice of collecting IOUs and not issuing receipts to the uniform use of "county rural collective withholdings and overall expenses receipts" when collecting money. Fourth is a change in the practice of recording only the total sum in the peasants payment handbook to filling in item-by-item amounts to be examined and certified through the affixing of the seal of the Township Agricultural Contracts Control Committee. Unless payments are recorded in the handbook, peasants have the right to refuse payment.

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[Article: "An Analysis of China's Agriculture Protection Situation"]

[Text] As China faces joining the GATT, under what type of trade environment and production environment is the country's agriculture developing? This is a basic and key question if we are to understand and analyze the effect that entering GATT will have on China's agriculture. Considering the problem from a production environment angle, at present in China the production of agricultural products still has few supports. These supports primarily include the following five aspects: 1) finance for agriculture through investment to support the agricultural base through construction of facilities; 2) financial allocation to support agricultural production and various types of agricultural facility expenditures; 3) investment for research to support agricultural scientific and technological progress; 4) low-priced supply of agricultural means of production, finance for price differences involving subsidies; and 5) extending low-interest or interest free credits to agriculture, providing an interest deduction. Looking at the problem from

trade considerations, China's agricultural policy is reflected in the following several aspects: 1) China for a long period has implemented a low price purchasing policy for agricultural products, which has led to a situation within the country where the prices of the majority of agricultural products are lower than the international market price.

2) China has set up comparatively high customs tariffs. At present, the import customs tariffs for China's agricultural products and its manufactured products, with the exception of products for which tariffs are low such as grain, logs, and cotton, are all comparatively high. For the majority of products, the import duty rate is 50-70 percent, including some cases where for a sizeable number of products the rate is higher than 150 percent, and even reaches 180 percent. With such high import duties, they in fact serve to limit the effect of international market agricultural goods entering China's domestic market. In addition, in terms of foreign trade in agricultural products and manufactured goods, China also takes a number of nontariff customs measures such as planned quotas, import licenses, technical hygienic standard examinations, etc.

Analyzing the situation described above, in general it is difficult to reach a definitive conclusion as to whether or not agriculture in China is or is not protected. To go a step further in explaining the issue, we conducted a quantitative analysis of China's protection of agriculture using internationally used judging criteria. First, we used the size of the differentials between domestic and foreign market prices to determine the degree of protection of China's agriculture. Here, in the original report we choose to use the NPR (Nominal Rate of Protection) as the calculation index.

When using NPR to do calculations, first we selected 40 types of agricultural product examples, and these example agricultural products, in accordance with a mixed average purchase price calculated overall monetary value, amounted to over 80 percent of the total output value of agriculture, and hence it is possible to say that these agricultural products are fully representative and can be used to explain changes in agriculture. Second, when it comes to domestic prices, with the exception of pork, beef, and mutton which are retail prices, for all other agricultural products a mixed purchase price was used. Once again, in selecting international prices, in order to as far as possible be able to comprehensively explicate the problem, the original report chose to use five specified world prices to separately calculate NPR. In addition, because at present it is very difficult to collect ready made calendar year adjusted exchange rate indices, for foreign currency exchange rates it is only possible to select officially specified exchange rates, and this no doubt has had an underestimating effect on our calculations of the protection coefficient. Nevertheless, this has not influenced our analysis, as we only need to increase the official exchange rate percentage (on average 20-23 percent) in accordance with adjusted exchange rates for several years in order to adjust upwards international prices, and then we can obtain an

agriculture protection coefficient based on adjusted exchange rates. Now let us look at our calculation results.

1. China's agriculture and sideline product nominal protection rate calculated using the world agricultural product import export average price (see Table 1). From Table 1 it can be seen that for the agricultural and sideline products nominal rate of protection calculated using this method, for an overwhelming portion of agricultural products, the

number has a negative value for most of the years in question. This means that these agricultural products are all negatively protected. In the majority of the years in question, the nominal rate of protection appears as positive for edible vegetable oils, jute, and nonedible vegetable oils. In each year period, there is a small number of grain products that also have a positive protection rate. Nevertheless, these protection rate values are all very small.

Table 1. China's Major Agricultural and Sideline Products Nominal Protection Rate (calculated according to world agricultural product import export average price) Unit %

Farm Product	1990	1989	1988	1987	1990	1989	1988	1987
	NPR							
Grain	26.42	38.10	-4.80	-15.32	-7.23	22.20	5.02	15.39
Rice	-43.07	-41.16	-47.86	-53.11	-57.32	49.99	-41.00	-37.46
Wheat	13.08	28.25	-4.16	-22.30	-20.31	5.40	5.16	10.26
Corn	-5.28	1.19	-26.14	27.69	-27.46	-2.15	-18.25	-5.58
Soybeans	11.59	9.46	-15.77	-3.50	-3.06	11.93	-8.13	11.09
Edible vegetable oil	143.32	145.40	96.76	61.21	80.33	135.46	111.37	117.52
Peanut oil	94.34	143.96	39.82	-29.52	9.28	109.27	49.06	25.34
Soybean oil	166.97	169.87			99.71	176.39		
Rapeseed oil	155.08	157.87	59.75	32.84	89.41	146.60	67.68	78.90
Pork	-51.31	-28.47	-43.84	-65.30	-59.15	-34.79	-39.95	-58.65
Beef	-48.13	-34.33	-51.67	-60.33	-56.55	-32.85	-47.36	-52.64
Mutton	-18.08	4.36	-30.88	-46.84	-39.23	-1.36	-16.98	-28.34
Fresh eggs	-25.13	-2.15	-18.16	-35.42	-28.07	0.58	-13.11	-32.78
Tea	-31.39	-9.34	-7.90	-35.83	-41.74	-12.02	10.76	-24.43
Honey	-38.91	-22.14	-35.94	R				
Apples	-27.33	-17.29	-40.35	-58.48	-44.82	-12.33	-22.59	-45.31
Oranges	-35.48	-28.42	1.80	-37.04	-40.83	-28.81	19.09	-31.31
Cotton	10.04	-16.24	-33.58	-41.97	-19.65	-8.87	-31.54	-20.53
Jute	45.51	36.63	-12.86	-14.00	3.86	35.53	12.28	20.49
Wool	-48.00	-43.60	-47.66	-59.82	-66.98	-53.39	-32.15	-36.72
Goat hair	-67.05	-71.58	-72.58	-70.50	-74.72	-73.33	-69.86	-61.58
Nonedible vegetable oil	15.12	32.43	18.57	-5.34	-14.77	22.31	30.32	27.68

2. China's nominal protection rate using border prices for calculation (see Table 2). The calculated results of table 2 are basically consistent with table 1. The differences lie in

the fact that the NPR for jute here consistently appears as a negative value. This means that it and the majority of agricultural products have negative protection.

Table 2: China's Major Agricultural and Sideline Products Nominal Protection Rate (international prices calculated according to border prices) Unit: %

Farm Product Name	1990 NPR	1989 NPR	1988 NPR	1987 NPR	1986 NPR	1985 NPR
Grains	-12.73	10.41	22.48	26.80	-3.64	-14.74
Rice	-43.02	6.36	-25.08	-13.03	6.04	
Wheat	-24.26	3.76	24.05	23.15	-2.30	
Corn	-40.94	-28.51	-5.80	0.83	-8.04	
Sorghum	-8.82	33.70	23.14	91.61	55.41	
Millet	-30.81	16.46	-7.30	-5.56	-21.86	
Soybeans	-36.87	-16.00	-6.25	3.17	5.10	
Mung beans	5.86	11.09	-100.00	-100.00	-100.00	
Red beans	-42.62	-27.82	-100.00	-100.00	-100.00	
Edible oils	97.72	143.01	122.59	127.10	95.43	45.73
Peanut oil	28.42	67.96	53.00	33.08	30.50	
Soybean oil	97.50	239.72	-100.00	-100.00	-100.00	
Rapeseed oil	56.57	86.69	54.80	51.89	60.19	
Sesame oil	20.15	52.32	29.64	49.95	39.98	
Pork	-36.14	-11.96	-27.02	-45.36	-47.66	-35.01
Beef	-18.86	-1.12	-25.69	-26.07	-27.82	-23.77
Mutton	-17.30	27.90	4.71	-25.72	-24.02	-11.69
Fresh eggs	-1.04	37.61	20.85	7.44	-4.76	15.47
Aquatic products	-75.55	-63.36	-64.73	-74.59	-77.09	-69.67
Tea	-36.99	-16.36	3.67	-29.55	-47.94	-34.41
Sugarcane	-66.82	-59.77	-53.81	-55.13	-57.33	-64.96
Honey	-18.21	6.02	-13.70	-28.38	-22.71	-9.91
Apples	-24.50	-5.46	-21.89	-48.08	-45.66	-27.94
Oranges	-40.60	-34.85	3.87	-36.40	-31.05	-12.86
Cotton	-22.28	-3.66	-36.47	-55.27	16.12	37.39
Tobacco	-67.85	-70.49	-62.74	-29.35	-21.53	-64.12
Jute	-5.81	-6.03	-17.20	-12.18	-27.95	-55.00
Hemp	-19.23	-0.88	-38.46	-50.50	-23.07	-32.28
Ramie	-68.17	-22.10	-52.13	-43.32	114.61	91.24
Silkworm cocoons	-82.91	-86.37	-79.99	-87.15	-88.25	-82.92
Fresh vegetables	-85.57	-76.51	-70.71	-72.78	-71.50	-84.71
Cattlehide			-68.82	-69.11	-68.97	-46.55
Sheep skins	9.47	79.73	83.44	78.79	47.55	11.85
Goat hides	-18.15	12.50	-99.99	-99.99	35.71	25.67
Wool	-62.42	-21.06	-46.01	-59.80	-25.55	-9.23
Goat hair	-32.24	-41.07	-49.27	-63.06	-24.66	-29.65
Cashmere	-73.00	-49.21	-50.75	-58.10	-66.47	-75.67
Raw lacquer	-72.38	-73.88	-71.09	-74.87	-75.55	-74.30
Nonedible oils	129.90	176.21	149.30	131.14	112.36	65.80

Through the analysis of agricultural and sideline product nominal protection ratios using four types of differently specified international price calculations, it is possible to

draw a comparatively consistent conclusion, which is that taking only price as a measure, China's agriculture basically has no protection.

Second, in order to even more clearly calculate China's degree of protection when it comes to agriculture, a basic set of issues also takes account of China's production subsidy measures for agriculture (including agricultural fixed capital investment, expenditures in support of agriculture and various types of agricultural operating expenses, subsidies for materials used in agricultural production and other production subsidies) will be considered, using the PSE (Producer Subsidy Equivalent) to calculate the effect protection rate of agriculture.

In calculating China's agricultural producer subsidy equivalent, the key is how to determine the content scope of the value of S. Under the available statistical system, China's relevant S value statistical data includes: 1) agricultural fixed capital investment, 2) expenditures in support of agriculture and various types of agricultural operating expenses, 3) subsidies for materials used in agricultural production and other production subsidies, including price

subsidies for imported fertilizer and insecticides, 4) agricultural credit fund subsidies, and 5) agricultural taxes. In view of the difficulties involved in gathering data and calculating the scope of favorable term credit interest rates, here the calculation for the time being we will not consider item 4. In addition, in the case of the price subsidies for materials used in agricultural production, we calculated for two sets of materials: one is the national direct price subsidy for the materials used in agricultural production. The other is the difference between the national supply price for materials used in agricultural production and the market price. In this way, we calculated two sets of PSEs, called PSE1 and PSE2.

The total agricultural producer subsidy equivalent is shown in table 3. From the calculated data in table 3 it may be seen that whether we are talking about PSE1 or PSE2, their values since 1985 appear as negative values. This means that in this six year period, the effective degree of protection for China's agriculture overall was consistently a negative number.

Table 3: China's Agricultural Producer Subsidy Equivalent

Item	1990	1989	1988	1987	1986	1985
Domestic price (yuan/ton)	1108.64	1160.34	935.37	780.86	651.41	580.41
Subsidy total share 1 (100 million yuan)	413.14	436.33	329.26	281.02	230.69	181.74
Subsidy total share 2 (100 million yuan)	250.22	247.69	202.67	178.39	151.53	126.22
Farm products total output (10,000 tons)	57252.16	51985.40	237.59	50618.53	49217.81	48046.91
Unit farm product subsidy 1 (yuan/ton)	72.16	83.93	65.54	55.52	46.87	37.83
Unit farm product subsidy 2 (yuan/ton)	43.70	47.65	40.34	35.24	30.79	26.27
Border price (\$/ton)	373.58	331.50	300.90	236.00	284.22	307.84
Exchange rate (yen/\$)	4.78	3.77	3.72	3.72	3.45	2.94
PSE1 (%)	-33.93	-0.33	-10.63	-4.78	-28.48	-31.61
PSE2 (%)	-40.41	-10.87	-20.08	-15.12	36.76	-38.70

By calculating individual agricultural producer subsidy equivalents, we discovered that, with the exception of the PSE value for edible oils, sheep skin, and fresh eggs, which were positive numbers, other farm produce had PSE values that were all negative over several years. This indicates that a large portion of China's agricultural products lack effective protection. At the same time, we also discovered that the positive negative change situation for the calculated values of agricultural product PSEs did not differ much from that earlier described for the calculated agricultural product nominal protection rate, with negative values predominating for the great majority of agricultural products, and positive values seen only for a small number of such products.

This issue, through a thorough consideration of China's agricultural product nominal and effective protection rates, has allowed us to draw the initial conclusion that

China's agriculture, no matter what angle one looks at it, can be said to have literally no protection.

Civil Affairs Official on Peasant Self-Government

*93CE0512A Beijing NONGMIN RIBAO in Chinese
25 Apr 93 p 3*

[Article by Li Xueju (2621 1331 5282), Director of the Ministry of Civil Affairs Grassroots Village Political Power Office: "The Monumental Undertaking of the Chinese Peasant Masses—Thoughts on Peasant Self-Government"]

[Text] China's initial body of organic law dealing with grassroot villages, "The Village Committee Organic Law," was passed during the 23d session of the Sixth National People's Congress on 24 November 1987, on 1 June 1988 it was formally implemented as a pilot project, and to date, it has been in effect for five years. In those five years, consciousness has steadily grown in all areas where the village committee organic law has been in effect, while

valuable experience has continuously been gained. The current task is to set out from the foundation of practice and earnestly sum up the experience, launch models of peasant self-government, and study methods of peasant self-government. With this in mind, the author will attempt to discuss a few of his own views on appropriate methods of peasant self-government.

1. Democratic elections, democratic decision-making, and democratic administration are core concepts in peasant self-government. The reasons for this are three-fold. First of all, democratic elections are the foundation of peasant self-government. The "Village Committee Organic Law" provides that the chairman, the vice-chairman, and the members of the village committee shall all be directly chosen by the peasants. This objective is of prime importance for peasant self-government. If this is not accomplished, then it is pointless to talk about peasant self-government. The reason is that direct election of the village committee cadres by the peasants is a part of peasant self-government and a part of peasant democratic power. Put simply, this is inherent in the organization of mass self-government.

Second, democratic decision-making lies at the crux of peasant self-government. The "Village Committee Organic Law" provides that peasant committee decisions shall be approved by a majority vote of those peasants 18 years of age and older or by a majority vote of the household representatives. Major affairs affecting the village shall be decided directly by the peasants. This is a significant feature that distinguishes mass self-government organization from organs of political power. In carrying out the village committee organic law, Zhaoyuan County, Shandong Province practiced the peasant representative committee system whereby major village affairs, and in particular those matters directly related to the peasants' interests, were all decided by the peasant representative committee. The results of their practice reveal that by establishing a peasant representative committee system, the problems of how to develop democracy and reach decisions in the villages were solved. The development of strong collective procedures for handling matters helped the villages resolve difficult issues. The wisdom of the masses was consolidated and fewer mistakes were made in work and decision-making. Affairs were handled with greater openness and mass supervision. A corps of village work activists was formed around the village representatives.

Third, democratic administration lies at the root of peasant self-government. The "Village Committee Organic Law" provides that the peasant committee is a grassroots, mass self-government organization designed for peasant self-education, self-administration, and self-service. Of these three "self" attributes, the fundamental one is self-administration. Several years ago, the relations between the cadres and the masses in Zhangqiu County, Shandong Province were tense, societal order was in tatters, the cadres were worried, and the masses were unhappy. Using the village committee

organic law, and following current party policies and state regulations, they pulled together actual village conditions and stimulated the masses. The peasants themselves created administrative methods that pleased cadres and the masses alike and led to extremely favorable results. Both the cadres and the masses refer to this as the village's "little constitution."

2. The way to achieve peasant self-government in any given village can be summarized as follows—establish lawful rules, and achieve democratic elections, decision-making, and administration. That is, the establishment of methods whereby the peasants directly elect cadres to the village committee will solve the problem of democratic elections. Implementation of a system whereby peasant representatives sit in conference will resolve the problem of democratic decision-making. The formulation of rules for peasant self-government will solve the problem of democratic administration. That is to say, peasant self-government must be guaranteed by virtue of the system and measures in place.

a. Establish methods whereby the peasants can directly take part in elections. For there to be direct peasant election of the chairman, the vice chairman, and the members of the village committee, specific measures must be established and formulated. Not only will the formulation of these methods provide rules to be followed in direct peasant elections, but it will guarantee full development of the peasants' democratic powers.

Specifically, (i) election work organizations must be created and they must be directly responsible for election organization work; (ii) voting registration must be carried out to ensure voter participation; (iii) there must be talks on candidate nomination, the conditions and numbers of vacancies for the posts of village committee chairman, vice chairman, and members must be clearly established, and methods for candidate nomination must be created; (iv) an election conference must be held, methods for direct voting must be formulated, and methods must be established to create the ballots, cast the votes, count the votes, and supervise the balloting.

b. Implement the peasant representative conference system. The peasant representative conference is a group empowered to make decisions regarding village matters. It is an organizational form that embodies democratic decision-making by the peasants.

There are three critical conditions for the implementation of the peasant representative conference system: first, successful democratic election of peasant representatives (generally, every 10 households should elect one representative); second, stipulate as to the jurisdiction and scope of decision-making by the peasant representative conference; third, establish a system for the conference (generally, the conference should convene once every two or three months).

- c. Formulate rules for peasant self-government. Rules for peasant self-government delineate behavioral standards for village cadres and peasant self-administration, they are an expansion and distillation of village rules and personal agreements, and they reflect the specific execution of the "Village Committee Organic Law" in village life. The existence and lawful execution of these rules can provide a basic level of assurance of peasant self-administration and self-restraint. There are three critical points in the formulation of rules for peasant self-government. First, the formulation of the rules must emerge from peasant discussion and decision, and the contents of the rules must be comprehensive. Clauses must cover all policies that the peasants are required to execute, laws that the peasants must abide by, missions that the peasants must accomplish, and village affairs that must be standardized. Second, the rules must clearly establish that the village committee is the executive body for the rules. Third, the rules must clearly establish that the village representative conference is the executive organ for supervising compliance with the rules. The organic combination of these three points can guarantee that the rules are effectively given full play.
3. The implementation of peasant self-government requires stronger party leadership which in turn provides basic guarantees for peasant self-government. It must be noted that achievement of peasant self-government in China's agricultural villages is a gradual process. Cadres and the masses alike will have to go through a learning process. The practice of peasant self-government will require that cadres and the masses alike experience tempering and training in democracy, and they will have to study and grasp methods of peasant self-government. Thus, strengthened party leadership will require that, while the "Village Committee Organic Law" is being thoroughly implemented, measures be adopted, conditions be created, and organization and guidance occur for peasant self-government. At present, the following three relationships have to be attended to:
- a. The relationship between party leadership and the establishment of grassroot democratic government. Party leadership and grassroot democratic government are two extremely important issues at the grassroot agricultural village level. Party leadership cannot be divorced from or distance itself from the masses or it will lose its base. The establishment of democratic government at the grassroots level cannot be divorced from party leadership or else self-government will lose direction and get sidetracked on unfortunate paths. In leading the efforts of peasant self-government, the village committees in Zhaoyuan and Zhangqiu Counties in Shandong Province deeply learned the following lessons from experience: leading peasant self-government and advancing the establishment of grassroots democratic government did not weaken the party's leadership. Rather, it improved and strengthened it.
- b. The relationship between administrative work and democratic administration. It is important to make clear that administration is not equivalent to coercive commands, and that democratic administration is not equivalent to having no administration. In fact, there are two features to democratic administration in the villages: First, party policies and state laws are carried out using top to bottom administrative methods. The peasants should implement and execute them using specific methods arrived at through discussion, and should ensure that they take effect at the grassroots level. Second, village affairs, including such matters as the economy, village business, and customs, should be administered using methods that the peasants themselves have decided upon after discussion. Time and again, the experiences of various regions have shown that, when village affairs are administered using methods that the peasants themselves have decided upon, even if the methods have been quite primitive in some cases, the peasants have more readily abided by the administrative process than when the cadres have unilaterally exercised their power to decide.
- c. The relationship between respect for state laws and the practice of peasant self-government. State laws and rules lie at the root of state government. They are the standard by which the actions of all citizens are judged. The practice of peasant self-government does not supercede existing party policies and grants, nor does it supercede state laws and rules. Those who believe that peasant self-government will lead to disregard of existing party policies and rules, that it will lead to disregard of state laws, rules, and grants, and that it will cause peasants to be cast adrift, are mistaken. In reality, none of the areas that have done a decent job of implementing and executing the village committee organic law have found that their village committees have failed to accept the work guidance of the town government, that the peasants have refused to complete state missions, or that village administration has become chaotic.

Law Professor Advocates Drastic Criminal Law Reform

93CM0309A Beijing FAZHI RIBAO in Chinese
23 Apr 93 p 2

[Interview with Law Professor Cui Qingsen (1508 1987 2773) by reporters Wang Ganrong (3769 0051 2837) and Yang Yuexin (2799 1878 2450); date and place not given: "Criminal Law Reform Imperative"]

[Text] [Reporter] You are an active proponent of criminal law reform, and this is a rather bold and fresh proposition. Please explain a bit about your so-called concept of "criminal law reform."

[Cui Qingsen] So-called "criminal law reform" simply stated is the need to engage in a major overhaul of the existing criminal law system, and engage in activity designed to modify existing legislation. China's criminal law system was promulgated in 1979, implemented in 1980, and since then, in the wake of the daily continuing reform and opening up, major changes have occurred in the sociopolitical, economic, scientific, and cultural situation, which objectively requires that the existing criminal law system, which is not suitable to the developing and changing society, be partially readjusted, and modified. But this does not mean slight modifications and slight reforms, but rather a systematic, comprehensive change, hence we might as well call it "reform."

[Reporter] "Reform" is a good word, and at present everybody likes to use it, but please please discuss the concrete aspects of reform of the criminal law system.

[Cui Qingsen] The term "reform of criminal law" is not something I made up or use to try to be in step with the fashion, but as I described previously, it is an objective requirement. "Reform" is not only a noun, but is also a verb. We should do our work with the following in mind.

First, criminal law must coincide with constitutional principles. In accordance with the requirements of reform and opening up and the establishment of a socialist market economy, criminal law was originally formulated in the 1978 Constitution which was replaced by the Constitution of 1982, and the 1982 Constitution has also had two major revisions, in 1988 and this year, though the principle of constitutional amendments, such as those guaranteeing the development of a market economy, protecting privately owned economic interests, allowing the transfer of land use rights, etc., have no way to gain expression in criminal law. Moreover, stipulations in criminal law concerning "the four bigs: speaking out freely, airing views fully, holding great debates, and writing big-character posters" and on "private plots," and formulations on "the dictatorship of the proletariat", are not in keeping with constitutional stipulations, and must be revised.

[Reporter] This is related to systematizing the original law with subsequent laws, otherwise one not only will make stupid mistakes, but will also run into difficulties applying and implementing laws.

[Cui Qingsen] Second, criminal law must supply a vigorous criminal law safeguards for the socialist market economy. China's current ownership system, market system, enterprise management and production methods, are all very different from those that existed prior to 1979. In the wake of opening and development of various types of markets and the complex development of the socioeconomic structure and economic relations, in the economic sphere, the principal portion of criminal activity, in which there is infringement on a particular object, also takes on more complex characteristics. The existing criminal law in the face of these new types of criminal activity not seen before then appears powerless, because there are no relevant stipulations.

[Reporter] The "new type of criminal activity" that you referred to indeed has made many people feel puzzled and worried as to whether or not we can say that this is related to one of the main issues of the success or failure of reform? How to strengthen the function of criminal law, to the greatest extent to contain this type of criminal activity, is a major issue facing legal scholars and people working in the fields of politics and law. Please discuss your opinions on this.

[Cui Qingsen] Among the new types of criminal activity the most devastating is the number of corporate crimes. When talking about "corporate crime," there has been a long running controversy, but I feel that at the present stage this is a fact, and it is very serious. For example, some state run collective enterprise corporate institutions, using at the least several schemes, in the name of "invigorating the economy" engage in criminal activity such as smuggling, selling prohibited goods, and manufacturing counterfeit and low-quality products. This type of criminal activity often has a certain backing from authority, with great capabilities, hence the damage is quite severe. Other activity such as forging and selling at a profit negotiable securities, illegally changing foreign currency, plagiarizing technological achievements and infringing on intellectual property rights, indiscriminately using child labor in private enterprises and extending the working time of hired laborers, etc., is all activity that did not exist before or was seldom seem. When it comes to meting out punishment for these crimes, some criminal law remains to be stipulated, and some, though there are regulations, in terms of scope of applicability or punishment, have not in any way been brought into line with the real degree of damage to the society caused by the crime. Hence criminal law does not have a deterrent force, and therefore it is very necessary that work be aimed at readjustment and revision of the nature of this law.

[Reporter] It seems that criminal law also has yet to strengthen the function of guaranteeing the socialist democratic system and the peoples' democratic rights, and personal rights.

[Cui Qingsen] This in fact is the third aspect I will talk about. In the new era, such phenomena as dishonesty, corruption, and dereliction of duty among party and government cadre has attracted the dissatisfaction of the

masses, and in some places the phenomenon of infringement on citizens' democratic rights and personal rights is also quite serious. In accordance with this, criminal law should add charges for the abuse of authority, interference in the administration of justice, squandering and extravagance, and kidnapping, and for currently in force criminal law concerning crimes such as murder, injuring, and rape, with excessive regulations, we must engage in concretized readjustment, so that they will have even more power, even more effectiveness in combatting these types of criminal activity.

[Reporter] Over the last several years China has promulgated numerous laws and regulations. Please discuss their relation to reform of criminal law.

[Cui Qingsen] This is a very important point which you have raised. Criminal law reform really also should include systematizing and bringing into line the relations between criminal law and other laws and regulations. This is a very complex task. Since the criminal law code was promulgated and implemented, the Standing Committee of the National People's Congress has on a number of occasions done additional revisions, with approved "resolutions," "supplementary stipulations," etc., numbering more than 17, touching on nearly a dozen statutes. These stipulations have added some new criminal charges, such as misappropriating public funds, illegal possession of narcotics, etc., and expanded somewhat the scope of punishment of criminal behavior and increased the extent of measurement of penalty. However, there are some inconsistencies between these regulations and existing criminal law, such as the fact that some regulations say that the "crime of production and distribution of narcotics" must be punished in accordance with "the crime for trafficking in counterfeit medicines." There are regulations which designate medical personnel who in private provide birth control as "bribes takers," and hijackers are designated as "persons disrupting transportation," which is clearly far-fetched. There are also some newly promulgated laws and regulation that stipulate violation of basic laws and basic ordinances that call for "investigation and affixing of responsibility for a crime in accordance with the law," but within the criminal law system there is simply no charge for the crimes (for example, the crime of polluting water resources, the crime of going bankrupt), with the result that there is no possible judicial application, and those legal provisions also appear to exist in name only. Criminal law system must be revised.

[Reporter] No matter whether or not this formulation "criminal law reform" is accepted by legal scholars and the legislative and judicial departments, overall, it is imperative that revision of the criminal law system be carried out at this time. As a criminal law expert your opinions on advancing this work certainly are of great benefit. Thank you for putting up with our interview in spite of your illness.

[Cui Qingsen] I would like to see in my lifetime the appearance of a wholly new criminal law system.

Newly Emerging Profession: Private Detective

93CM0309B Beijing FAZHI RIBAO in Chinese
22 Apr 93 p 3

[Article by Yang Yitai (2799 1473 3141): "I See the Emergence of 'Detectives' in China"]

[Text] Following the establishment in Shanghai of the first Western style "private detective agency" type social safety consulting and investigating service, such agencies have also been set up in Zhengzhou and Beijing. This not only is good news that will come as relief to some people, but also has a deeper significance. First, it makes up for the deficiencies of the current public security organs, whose funds are scarce, and solves some public safety problems that public security organs are too busy to attend to and problems associated with the scope of the duties of public security organs. Second, it reduces factors of instability and hidden dangers in society, and is a useful attempt to push public security toward the market. Concerned parties hand over a commission and service charge to the "office," and the "office" carries out the service as stipulated. This no doubt is very beneficial to the stability of public order. Third, it safeguards the legal rights of the concerned party, solving real and concrete problems of the concerned party, and avoids the situation where the concerned party makes a written appeal but runs up against a brick wall. Fourth, for individual or household businesses, when the corporation representative is very busy, it is difficult to find time to ensure operation when contending with complex economic disputes, and they pay money to buy time, letting the "detective agency" provide its service in order to have time to make more money. This is beneficial to both sides, and is also beneficial to the development of a socialist market economy.

Detective agencies have a long history in the West, but have just come on the scene in China. At present, they still have no clear legal foundation. Therefore, people do not have the same understanding of the new things that have emerged in the process of reform and opening up. Some believe, that the public security consulting and investigative organizations that have been established in Shanghai, Zhengzhou and elsewhere are attempts with inspirational significance; some believe that it is still too early for private detective organizations to be established in China, and that things should not be done with undue haste. There are also those who say that the establishment of private detective agencies in China has no foundation in law, and should be banned. Even more people have adopted a supportive but wait-and-see attitude. Some comrades battling on the front line of tracking down and arresting criminals both endorse and actively support such agencies, but worry that the mainstay of tracking down and arresting criminals by public security organs will interfere with private detectives, and impact law enforcement capabilities.

Clearly, the opinions mentioned above make sense, but there are still some problems. We believe that the public security investigative and consulting agency established in Shanghai does not possess the characteristics of a detective

agency, and is not a serious "private detective agency." As the name detective agency implies, it should have investigative authority and corresponding rights to bear arms and security equipment. For example, when Singapore private detective agencies were legally established, they naturally had investigative authority. After 1989, private detective agencies that emerged in Russia were allowed, in accordance with legal regulations, to be equipped with tear gas guns, and on 1 September 1992, private detectives were given the right to carry and use weapons. The Shanghai nongovernmental investigative and consultative service does not have investigative authority, and does not have the right to be equipped with firearms and ammunition, hence, it is not a "detective agency," but is a special type of Chinese investigative and consultative organization.

Though this type of organization has been established in China, because they do not have investigative authority, how their work develops, and whether they will have great vitality are open to doubt. For example, "detectives" must go to a certain department to learn the facts of an investigation, and the investigative accounts. How will a dispute be mediated if the relevant departments and personnel do not admit them? Should national organs or departments admit and cooperate with them? This is a real problem, and because of this type of reality, often this compels old cadres turned detective to use their personal connections, and old organizational ties to obtain clues or gain support. This type of arrangement will create public and private cleavages, and create suspicions that old authority is being used for private gain.

Reform and opening up are a type of revolution. Looking at the norm, it is necessary to boldly experiment, make mistakes, then correct them. It is also not necessary to label things "capitalist" or "socialist," as long as they are beneficial to the overall administration of the public order, and if they are favorable to the development of a socialist economy, then they should be boldly carried out. The type of public security consultative and investigative organizations that has emerged in Shanghai is a product of the process of reform, and is a type of approach, which through the accumulation of practical experience, must be scrutinized and questions asked as to how to make it better, make it perfect. At the same time, at the recommendation of relevant departments, after the conduct of thorough investigation and research, they should be appropriately granted investigative authority, and when the

national legislature bestows it, it will be possible to establish real "private detective agencies" with Chinese characteristics.

Illicit Collection of Various Fees From Students

*93CM0282C Beijing GUANGMING RIBAO in Chinese
15 Apr 93 p 1*

[Article by Chen Tiehua (7115 6993 5478), member of the District Party Committee of the Tangshan City New District: "Why So Many Fee Collections?"]

[Excerpts] On my recent return home to rest and visit my family, I heard and saw many new things in rural areas, one that was particularly painful to me was the ever-increasing collection of fees from rural grade and high school students in the last two or three years. [passage omitted]

While the State Education Commission has repeatedly ordered that grade and high schools in all areas must conscientiously implement the "Nine-Year Compulsory Education Law," which prohibits arbitrary collection of fees and material objects from students by grade and high schools on a variety of pretexts, such collections by rural grade and high schools in all areas not only have not stopped, but even have doubled and redoubled in number. It is understood that current collections by rural grade and high schools of fees, such as entrance fees, test fees, continuation fees, test book fees, newspaper and library fees, health fees, heating fees, instrument fees, personal insurance fees, desk and chair fees, work-study fees, standard fines, and all sorts of fundraising donations, can add up to as many as 20 or 30. I have a peasant friend with a child in first grade, who was notified by his school prior to the 1992 winter vacation of a one-time payment of 65 yuan on the first day of school in 1993, without which he would not be allowed to attend school, with the amount of following payments unknown. This friend told me with much emotion that: "If the school is going to collect so much money for a child who has just started first grade, how much are we likely to have to pay when he gets to junior high? If school fees continue to go up like this, I see the day when 'peasants who earn food from the land' will be unable to provide for their children." My friend's words leave me concerned about how today's peasants, most of whom have just begun to meet their food and clothing needs, a problem still not resolved in some areas, will be able to sustain such escalating school fee collections with their already low incomes.

Overview of International Airborne Forces

Role Increases Worldwide

93CM0328A Beijing JIEFANGJUN BAO in Chinese
15 Apr 93 p 4

[Article by Guo Yuanxian (6753 0337 0341): "Airborne Troops Find Increasing Favor in All Countries, Character of Airborne Unit Building During the 1990s To Be Increased Mobility, Application of High and New Technologies, and Exploration of New Combat Methods"]

[Text] Airborne troops appeared for the first time during the early 1930s. The appearance of these "invincible forces" made military experts sit up and take notice. The might that airborne troops displayed in being able to "travel through the sky and fight on the ground" found increasing favor in all countries. Now, 99 countries and territories have established airborne units. Airborne troops as a percentage of the army have increased from the 1 percent of late World War II to approximately 8 percent, and the trend is toward increase.

Military experts concerned believe that improvement of strategic maneuverability, optimization of the force structure, application of high and new technology, and exploration of new combat methods will be the main emphasis in building of airborne forces during the 1990s.

Development of Large Transport Planes To Increase the Strategic and Operational Capabilities of Paratroops. Airborne combat is a joint operation involving airborne troops and transport troops. In the development of airborne units, all countries have vigorously developed their military transportation capabilities at the same time as new strategies warrant. Today, the United States Air Force has more than 1,200 C-5A/B, C-141, and C-130 transport aircraft. They are able to fly as much as 30.13 million ton kilometers of air cargo daily, and they also possess a round-the-clock, low altitude, high speed, and great in-depth tactical support airborne landing and air-drop capability. Since the Gulf war, development of American military transport aircraft has accelerated. Not only does procurement of C-5A/B, and C-130 aircraft continue, but at the end of 1993, the American armed forces will begin to be equipped with new C-17A transports capable of carrying a 78 ton load. Plans call for 120 of them during the 1990s. The United States is also working with France and the United Kingdom on the research and development of FIMA transports to replace the C-130s that are to be removed from service over the next 10 years. At that time, the American armed forces' strategic and operational air transport capabilities will be more than 35 percent greater than they are today. France, the United Kingdom, Italy, and India are also working on plans to develop large and medium size transport aircraft.

Optimization of Force Structure To Enhance Airborne Strike Capabilities. Nearly 20 nations have quick reaction forces today in which airborne troops are the backbone. Since the Gulf war, all major military powers have been looking for the best form of organization of their airborne forces to respond to regional armed clashes of medium and

low intensity, and to the needs of limited wars. Military experts concerned believe that the grouping of America's paratroop units, and the fineness of their equipment are unmatched by any other units. Its 82d Airborne Division is equipped with 54 tanks, 105 howitzers, and 150 helicopters of various kinds. It also has a large quantity of anti-tank missiles and anti-aircraft missiles. This composite grouping enables independent completion of tactical and operational deployment and strike capabilities. France, Germany, and Japan have adopted a common deployment and unified command method for their airborne troops, air transport troops, and air support troops in the "integration" of their airborne combat operations. Furthermore, the degree to which airborne units themselves will be grouped will become greater and greater. There will be both airborne assault troops and support units such as airmen, light armored forces, and artillery troops, as well as support troops including reconnaissance, communications, and logistics for a marked improvement in airborne strike capabilities.

High Technology To Find Widespread Application to Airborne Combat. With the development of science and technology, increasingly, high, precision, and new technology will be applied to the airborne combat realm. This is an important characteristic and the trend of development of airborne combat today. More flexible control of personnel parachutes will be possible, and cargo parachutes capable of carrying heavier loads are in the offing. Containerized cargo airdrop systems, low altitude towed airdrop systems, and airdropped equipment-finding systems will be integrated and coordinated for faster, more accurate and safer airborne and air drop operations. Individual paratrooper equipment is also becoming lighter, and multi-functional. The multi-function oxygen-supplying, communications, and night vision paratroop helmet that the British forces have developed will be issued to units in 1995. The protective paratrooper clothing that the United States forces have begun to research and develop can protect against bullets, chemicals, heat, and lasers. It has microclimate regulation, communications, and monitoring capabilities. In addition, new breakthroughs will be made in battlefield reconnaissance, monitoring, and communications equipment. The general application of high technology will enable new advances in airborne troops' combat capabilities.

Joint Airborne Troop and Army and Air Force Operations Will Permit Full In-Depth Airborne Strikes in Future Wars. The development of modern combat theory enables an increasing number of countries to emphasize the use of helicopters. Today, more than 30,000 helicopters of all types are in use throughout the world, and more than 50 countries and territories have built army air forces, which enable joint airborne troop and army air force operations. This includes things such as the use of airborne troops to seize shallow-depth objectives for the building of a "forward base," then using helicopters to transport more personnel and equipment to the base to continue in-depth development; the use of armed helicopters to provide fire support for airborne troops to make up for insufficient air

force firepower support; making airborne troops responsible for areas or targets beyond helicopter range, and making air-mobile forces and detachments responsible for close-in targets. Foreseeably, future airborne combat will no longer be limited to separate campaigns, but will be employed widely to offensive and defensive campaigns.

U.S. Troops Enhance Training

93CM0328B Beijing JIEFANGJUN BAO in Chinese
15 Apr 93 p 4

[Article by Guo Yuanxian (6753 0337 0341): "American Paratroops Emphasize Better Training"]

[Text] American paratroops have always regarded training as the most important means of improving combat capabilities and combat readiness. Mindful of the needs of limited warfare during the 1990s, they have revised the training curriculum and improved training.

First, they stress training to produce "expertness in one thing and competence in many." In 1992, the 18th Airborne Army instituted a "well rounded" training plan that requires all officers and men at the company level and below to be expert in one thing and competent in many so that one man is the equal of 10 in combat. This plan provides that each soldier not only be thoroughly versed in the skills of his specialty, but also learns the several skills that are frequently used in his squad or detachment. He must learn how to use four or more different weapons, be able to operate company radio sending and receiving gear, and be versed in camouflage and concealment. It requires that an artillery squad occupy a firing position within seven minutes after an airborne landing and provide eight different kinds of firepower support as needed.

Second, they stress flexibility training. In addition to the basic feasibility training that units receive in their garrison area, units are assembled every year to travel to an "Arctic training center" in Alaska 280 kilometers from the Arctic Circle to conduct airborne tactical training, and to a "tropical jungle combat training center" to conduct combat skills training. All detachments must organize "counter cycle" training, meaning that during two weeks of unit field training, they sleep during the day and train, eat, and perform repairs and maintenance at night as a means of toughening their night combat capabilities. In addition, each year they go through 20 days of field warfare survival training.

Third is emphasis on quick reaction training. Every paratroop battalion holds one or two quick response exercises each year. Divisions and brigades conduct an "urgent alert exercise" once each month for which no prior notice is given. At the present time, every American airborne battalion is to be ready within 24 hours, every brigade is to be ready within 48 hours, and the 82d Airborne Division is to be ready within six days to perform a combat mission anywhere in the world.

Japan Reequips Airborne Troops

93CM0328C Beijing JIEFANGJUN BAO in Chinese
15 Apr 93 p 4

[Article by Zheng Yun (6774 0061): "Japanese Paratroops To Improve Weapons and Equipment"]

[Text] According to foreign press reports, the three year development plan for re-equipping airborne troops that the Japanese Self-Defense Force drew up in 1992 has begun to be put into effect.

According to that plan, ground combat weapons are to be vigorously developed first. Before October 1993, airborne troops will be completely re-equipped with new model rifles and vehicles. In 1994, they are to be equipped with new model 81 mm mortars, 120 mm self-propelled mortars, and portable anti-tank missiles and individual soldier anti-aircraft missiles. In 1995, they are to be equipped with a new generation of airborne troop combat vehicles. At that time, the airborne troops' ground maneuverability and fire suppression capabilities will be more than 24 percent better than they are today. Next is stepped up development and introduction of new model airborne and air-drop equipment. Efforts are now underway to develop new model parachutes to improve the safety of low altitude parachute jumps from 80 to 150 meters up, and to narrow the natural dispersal area of parachutes so as to shorten the time when combat can begin following an airborne landing. Plans call for the importation from the United States in 1994 of a new generation of heavy equipment series air-drop systems. Third is improvement of the equipment that individual soldiers carry. In order to lighten individual soldiers' loads, work is now being done on the development of a paratrooper operations back pack and a bullet-resistant undershirt, which are to issued to units in 1994 according to plans. New model operations clothing, first aid packs, and convenience foods are to be issued to paratroops at the end of 1993. At that time, the equipment that troops carry will be more than 10 kilograms lighter than it is today.

German Airborne School Outlined

93CM0329D Beijing JIEFANGJUN BAO in Chinese
15 Apr 93 p 4

[Article by Kong Xunguo (1313 6064 0948): "German Airborne and Air Transport School"]

[Text] The Federal Republic of Germany National Defense Airborne and Air Transport School is located at Altenburg in Bavaria. The school employs more than 500 people, including 180 teachers and instructors. It trains more than 3,400 people students annually.

The school provides three kinds of instruction. Vocational training: This includes the completion of five parachute jumps by all airborne troops and new troops. Specialized Training. This includes "four know-how" training for noncommissioned officers who are about to be promoted and reserve officers. This entails knowing how to organize jump training, knowing how to use the airborne training simulation equipment, knowing how to use all unit

weapons, and knowing how to organize the air-dropping and hoisting of heavy equipment. Special training: Training in navigation and the use of new equipment for company-grade officers taking refresher courses, and training of flying personnel in air rescue. This year the school has begun new training methods designed to improve training quality.

Heuristic Theoretical Education. During four hours of theoretical classroom work in the course of airborne training, the instructors lecture for only 50 minutes. Then they ask all sorts of questions that require the trainees to read materials, make-on-the-ground inspections, and engage in debate to gain a deep understanding in order to attain training goals.

Close Attention to History and Study of Foreign Armed Forces. The first course new soldiers and trainees take after entering the school is historical education. Analysis and study of classic examples of airborne operations during World War II enable trainees to understand how they should study and train. The school also collects and collates information about the organization, equipment, and tactics of airborne units worldwide, and it emphasizes exchanges with foreign military forces to increase consciousness about "not falling behind the times." Fifty percent of the school's instructors have gone abroad on inspection tours.

Emphasis on Field Survival Training. Virtually all of the month-long jump training of new soldiers is in the field. Noncommissioned officers and reserve officers spend half their time in field training. Before completion of their studies, students must do a week of field training at a training base to test their survival skills. Only after getting through this test can they obtain a diploma.

Close Attention To Advance Education and Training. Before airborne units are equipped with new model equipment, the equipment must be tried out and certified. Changes in airborne techniques and tactics, such as parachute jumps from below 200 meters, helicopter lifting of heavy equipment over long distances, and the use of new model parachutes are all tested at this school first, used in airborne divisions and brigades only after experience with it has been gained.

Indian Army's New Support Plan

*93CM0328E Beijing JIEFANGJUN BAO in Chinese
15 Apr 93 p 4*

[Article by Gao Shan (7559 1472): "Indian Armed Forces Institute New Plan for Airborne Combat Firepower Support"]

[Text] In response to future airborne combat needs, in 1992 Indian armed forces' airborne troops and war zone armed helicopters, tactical airmen, long-range artillerymen, and ground-to-air missile units drew up a "four-in-one" airborne combat firepower support plan.

This plan calls for not only coordinated development of transport aircraft, fighter planes, bombers and electronic jamming aircraft to improve airborne troop cover and

support capabilities during the 1990s, but the adoption of a serious of new measures in tactical coordination as well. For example, to ensure the safe arrival at designated airborne sites of groups of aircraft transporting airborne troops, the tactic of opening a single "air corridor" in support of airmen was studied; when transport planes are in flight, firepower is to be provided largely by fighter aircraft, the ratio of transport planes to covering planes being 2 to 1. Airborne, counter-artillery fire is to be provided mostly by tactical airmen and armed helicopters, concentrating firepower attacks against artillery troops, and tactical operational missile sites in support of the rapid dropping of airborne troops.

In a recent airborne exercise, the Indian armed forces emphasized the feasibility of the foregoing plan. Commanders of all branches of service generally agreed that this exercise not only revealed some problems, but also provided experience for the future organization of coordinated warfare.

Indonesian Forces Focus on Training

*93CM0328F Beijing JIEFANGJUN BAO in Chinese
15 Apr 93 p 4*

[Article by Yue Xiaoxuan (1471 1420 3872): "Indonesian Airborne Troops Pay Close Attention to Recruit Training"]

[Text] Each year Indonesia's airborne troop units receive more than 2,500 recruits. After entering the armed forces, the recruits are assembled at the Madiun Paratroop School for 11 months training. Each class consists of between 40 and 70 men, and following graduation, the recruits from each class are assigned to the same unit for service.

Recruit training is given in three stages. The first stage is basic training lasting four months. This includes 40 hours of education in policies, 170 hours of education in regulations, 175 hours of arms training, and 152 hours of tactical training. In addition, battlefield information education, and training in engineering, communications, and plant identification are given.

The second stage is one month of jump training. First is education in the history of parachute jumping, plus parachute packing, training in aircraft exit given in a simulator, parachute operation, landing maneuvers, and methods of carrying equipment during parachute jumps. Only after qualifying does aircraft parachute jump training begin during which each person makes seven jumps.

The third stage is six months of general training in ground combat. First comes individual soldier field training including mountain climbing, tree climbing, swimming, plant identification and combat firing under various conditions. This is followed by field survival training lasting 30 days. Finally comes infiltration and landing training. Successful infiltrators are issued a certification of satisfactory completion of training.

New, Old National Assembly Compared

93CM0287A Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese No 318, 17 Apr 93 p 31

[Article by Chi Yen-ling: "Good Heavens, Another National Assembly Session!"]

[Text] Another National Assembly session will be held. To many people, each National Assembly session is the beginning of a nightmare.

The power of "senior National Assembly delegates" was not so great in the past. They attended a session at Yangmingshan as usual every six years. Regarding themselves as rubber stamps, they put their stamps on their votes for the president and the vice president, and that was it. As for the annual meeting at the Chungshan Hall every year to mark Constitution Day, they just listened to the president's speech and met their old friends.

Even those "senior National Assembly delegates" who performed their duty as a mere formality also made ear-piercing political noises for 40 odd years to fight for money and power, making people feel repugnant and try their best to "terminate" these delegates.

Originally many people pinned their hope on Li Teng-hui to become a "terminator of the senior National Assembly delegates." However, they do not realize that instead of tearing down the temple and seeing off the Gods, Li has built an ever larger temple and invited more Gods to stay there. This temple of "new National Assembly delegates" inspire more worshippers. The scenes with many Gods dancing pass through the stage from time to time just like dull soap operas.

What makes people most repugnant about the "new National Assembly delegates" is that every delegate's pocket is packed with colorful New Taiwan dollars while the ink of the clause in interpreting the provision on the unsalaried status is still wet. If we estimate on the basis that each delegate receives over NT\$10,000 remuneration for each day of meeting, the government spends over NT\$3 million of taxpayers' money each day for 318 delegates attending the meeting.

Taxpayers perhaps will not complain, if something worthwhile is being discussed at the meeting. However, some delegates do not want to attend meetings, nor do they know how to convene meetings. Some of them stir up quarrels, while others want to make known their positions. Some of them want to show off, while others try to spoil others' pleasure. Also, there are delegates who are counting the time of the day. The whole Chungshan Building is bustling with noise and excitement everyday. Television stations and newspapers also covered their activities everyday. The foul atmosphere and the strange remarks and unusual activities at Yangmingshan have polluted everyone's ears, eyes and head.

This original task of this forthcoming National Assembly session is to exercise the right of endorsement only. However, the delegates who have had nothing to do for several months will not resign themselves to doing just that. They

are busy collecting signatures for their motions. They try to not only compete with the Legislative Yuan to set up a committee for handling the affairs across the strait, but also emulate the Democratic Progressive Party group in the legislature in organizing an observation team for the Koo-Wang banquet. They are also preparing a full-course Mandarin banquet in honor of Chiu Chuang-huan. Some of them also plan to deflate Li Teng-hui's arrogant air and take their revenge on him for their comrades. One can imagine that there will be lots of fun for the next 20 odd days in the Chungshan Building.

However, people are getting bored by these "new operas" played by these "new National Assembly delegates." The "senior National Assembly delegates" suffered from inferiority complex for power. They always felt that they were inferior to those in the Legislative Yuan and the Control Yuan. They had to fight for power and money for nearly 40 years, and finally ended in getting the boot with no more opera to play.

"New National Assembly delegates" not only inherit the inferiority complex from the old ones, but also show the trend of becoming deranged. At each meeting, the Kuomintang delegates squabble over various issues, but at the end, they need to act on the Kuomintang Central Committee's decision to move even a single punctuation in any provision for constitutional amendment. The Democratic Progressive Party delegates smash this and crush that, but in the end, they just abstain like Ah Q, walk out and become an "observation group" who only know how to vent disapproval outside the conference room.

As compared with "senior National Assembly delegates", the new ones have more power and money. They also have more meetings to attend. However, if those meetings are filled with fake characters who think in one way and behave in another, "fake topics for discussion" with which they try to conform to the conventional pattern and resort to trickery to serve themselves and "fake extremists" who try to show off at all times, it is conceivable that many poor ordinary people will have one nightmare after another. It can be said with certainty that the fate of the "new National Assembly delegates" will be even more deplorable than the "senior delegates." Is Li Teng-hui who starts all this not guilty?

Government Manipulates Television News Broadcasts

93CM0288A Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese No 316, 3 Apr 93 pp 22-30, 33

[Article by Hsieh Chin-jung (6200 6855 5554): "Li Yen-ti (2621 5333 3695), Li Ssu-tuan (2621 0934 4551), and Shen Ch'un-hua (3088 2504 5478) Talk About Behind-the-Scene Government Interference in Television News"]

[Excerpts] Ever since China Television evening news anchor woman Li Yen-ti astounded people when she received the Golden Bell Award for being the finest television news anchor and said: "This should be the prize for being the finest puppet," public opinion has been in an

uproar. This marked the first time since the beginning of television news broadcasting, and the first time since the establishment of the Golden Bell Award for the finest anchor that anyone from inside the system has walked out on a stage to acknowledge that he or she is a puppet, or has told the public and those in charge in the inner circle and the outer circle at the awards ceremony that she has been manipulated for a long time behind the scenes. [passage omitted]

To understand the roles played in this puppet show, the limits of his (or her) authority and his (or her) plight, as well as the atmospherics surrounding the news, a correspondent from this magazine interviewed the current evening news anchors on three television station to find out the latitude each of them has under three separate anchor systems today.

China Television's Li Yen-ti waited three years before finally having the opportunity to admit with great chagrin that she did not put up a fight against those who are still manipulating. Taiwan Television's evening news anchor, Li Ssu-tuan, who received this same prize last year, laughed and asked whether this meant that she had become a puppet a year earlier. Li Ssu-tuan does not want to consider herself a puppet. China Television's evening news anchor Shen Ch'un-hua said modestly and with professional caution that in a climate of "dissatisfaction," he would "continue to work hard" at being an anchor.

[Question] As television news anchors, what kind of news do you provide the public on their televisions?

[Li Yen-ti] The public has the right to see true news, and not news that has been purposely slanted, watered down, or even forced on them. I feel very sorry for the viewers who are often hemmed in by such a limited format. Whatever we put into that format is what you see.

I have never tried to find the source of pressure and meddling with the news. For example, on the news about Bush's visit to the mainland, we were told to give it only 30 seconds coverage. Anything just 30 seconds long can provide no atmospherics or statements. All that can be done is to report that Bush went to the mainland. We were required to handle it this way.

Most instructions that come down from above require us to "water down." "Water down" means: Don't broadcast it if you do not want to; at least don't make a mistake. That is what it means.

If the instruction is for "watered down handling," we ourselves may water it down a lot, adding another 500 cubic centimeters of water to it! Really watering it down.

When this instruction is given one level after another, the news becomes distorted beyond recognition. Who knows who makes the professional judgment? Who knows for what purpose we have to accept the professional instruction? [passage omitted]

[Question] In the news production process, what division of labor is there in the roles that the three stations' anchors play?

[Li Yen-ti] Before the evening news every day, we hold a half hour meeting in which the director, the editor, the assistance editor, and myself take part. At this meeting, we talk about the news items. We decide which news will be the lead items and the secondary items. We use a team system. Everyone takes part in the discussion to reach a decision.

The draft is written by the line correspondent, of course, and the final changes, polishing, and checking is my responsibility. I am in charge of continuity for the whole news program, and for advance reporting on bulletins that come in. [passage omitted]

[Question] At your editor's desk, have you ever been pressured or interfered with by any unit inside or outside the company?

[Li Yen-ti] Actually, I do not really know whether all the pressures that come to my editor's desk come from inside or outside. I only know that there are pressures.

Take, for example, the Legislative Yuan's preparations to ask questions that followed the nomination of Lien Chan whom everyone criticized very much. All of the time was set aside and all of the machinery was in place, but I don't know where the pressure came from for me not to put it on.

Another example was before Wu Po-hsiung [0709 0130 7160] was elected governor—at the time when only rumors were flying when he stood up and said that he had the qualifications to run for governor as well as enthusiasm to serve.

Basically, we did not feel that he was not newsworthy. Whenever a leader stands up and speaks, anyone who has studied journalism will not deny that this is news.

But I felt his announcement was also stifled.

Actually, all you have to do is look at each news item to find out at just what level his stifling probably came from. Someone had to issue this order, but I did not look into it. I did not try to find out what unit did it, or whose instructions it was. All I know is that I was stifled at my editor's desk.

The Democratic Progressive Party [DPP] gnashes its teeth and has an extreme reaction to the television news. Actually, this is a reflex action. Was the DPP "stifled" by television news? Am I using the term "stifled" correctly? I think maybe not. They had positively no voice on the television news.

Those of us who stand before the television cameras have become their targets for attack. They do not know who stands behind us! How can they know the manager or the deputy manager of the news department?

All they know is me; therefore, I am a puppet. I help everyone run interference. When my heart is pierced with 10,000 arrows, who stands behind me? [passage omitted]

[Question] About the way you choose the lead new story... is the lead news story probably the news related to Li Teng-hui's activities? Is there something wrong with the way that the three stations decide what is news?

[Li Yen-ti] Sometimes I watch satellite television. I find that the order in which the three television stations present the news is no different from that of the [Chinese Communist] Central Television Station. The Central Television Station shows endless coverage of Deng Xiaoping, Jiang Zemin, Li Peng, and we show endless coverage of the president, the prime minister, and the government meeting all sorts of people. I am really dumbfounded that they should be so similar.

The president is the nation's leader, so when he says something important or gives an oath, naturally that is broadcast as the lead item, and it must be reported. But day-to-day statements and actions? Maybe, only a single item is issued about the president meeting a certain group. But this is followed by what the president told them about progress in Taiwan today, which is followed with a wide-ranging exchange of opinions of everyone about people in all walks of life in Taiwan today.

When such news appears as our lead story, I can't help but ask: "Who is deciding what our news is?"

Some people may say: "The order in which the news is presented makes no difference; all that is needed is to broadcast one item after another."

But I feel this is not a question of the order, but a matter of viewpoint. Is the news being distorted in the process?

The television viewing public frequently curses us for getting a high salary for doing nothing, and enjoying high name recognition, but that we are just the cat's paw of others. I want to let others know that not every television report is a cat's paw. On the television news, no matter whether one is KMT, DPP, mainstream, or nonmainstream, everyone has the right to speak his piece. This is an extremely simple news concept. Some things you know are news without applying professional knowledge. If you purposely suppress it or fail to report it, how can you explain that? Or if you purposely conceal it or give greater coverage to something else, isn't this distortion? [passage omitted]

[Question] No matter whether from within or from outside, how does the behind the scenes manipulation of the news differ today from the former period when people were compelled to do things?

[Li Yen-ti] The method is not the same, of course, but the results are just about the same. An amusing situation occurred before if some unit telephoned to say: "This news is not to be broadcast. The three stations have talked it over and they all agree that it should not be broadcast..."

Later on, it was most common for the person in charge to stare at the television set and say: "See. Taiwan Television used it!" Consequently, the officer in charge might object to the unit issuing. He would complain: "See. What use is it for us to behave. When others do not behave, what happens to them? Do you punish them? Next time we won't behave either."

Formerly, those who issued rules and orders said in a commanding tone: "Don't say this," or "don't say that," or

"don't use that portion of questioning of the prime minister." Nowadays they may put it in the form of a request, saying in a low voice: "Let me ask you a favor to help out. We all work here together, after all."

The formula is not the same, but the effect is the same. You still pay attention! Formerly, we never reported news about the DPP, or we did not let the DPP speak. When a legislator was questioned, we had to use a long shot. Just present a vague picture instead of letting the public see who the person was. We could only use officials' replies; we could not use the dialogue back and forth between them.

At that time, as soon as the news was broadcast, all sorts of people telephoned in to curse us. Most spoke with a Taiwanese accent. Nowadays, different orders may come down. "Old soldiers were at the central party headquarters, but everything was cleared up in a jiffy. What demonstration? Forget it? Killed!" Now a lot of people speaking with mainland accents telephone in to curse the television station.

What are we doing! They are all groups that have a voice. Just what is our television news doing? Is it becoming more and more out of touch with the public? During the elections, naturally, there were some key bi-elections. On the eve of the balloting, in particular, we had to be careful about who was caught in our lens.

I laughed to myself as I watched the television. Eighty percent of those caught in our lens were elected with a high vote. As expected.

Compared with the period of compulsion more than a decade ago, the pressure continues to exist. There is no improvement in control over the television news. But more than a decade has passed. How can the television news continue to mark time in place? We cannot report social conditions, but we are always allowed to follow along behind. [passage omitted]

[Question] Most people's definition and expectations of a main television news announcer come from the English word anchor (ship's anchor), which also means a television news anchor. Do your own expectations of your role also derive from this word anchor? Do you feel that you are an anchor that can influence?

[Li Yen-ti] What is an anchor? An anchor! A ship's anchor that seeks direction and indicates. But every time someone introduces me as an anchor lady, I feel very embarrassed. When foreigners come and say, "Oh, anchor lady. You are so young!" I really feel embarrassed. I want to correct them by saying that I am only an announcer; I am not an anchor. I have never exercised the power than an anchor has.

I just do what I am expected to do; that is why I say that I am only a puppet, or that the prize I received for being a television anchor should be renamed the "prize for making the finest sounds."

In today's tempestuous times, no one should regard the television news as a guide. The public does not pay attention to the slant or the position that television takes; scholars do not pay attention to it, nor do intellectuals pay

attention to it. This is because they long ago realized that "television news is just this way!"

As for influence, I have never felt I had any influence. What can I influence? Clothing? Hair styles? Can I influence fashion? What does the content of what I broadcast influence? If I were to say today that the DPP is a bad party, would anyone believe me? [passage omitted]

Hsu Shui-te Saving KMT 'Doomed To Fail'

93CE0258A Taipei HSIN HSIN WEN [THE JOURNALIST] in Chinese No 314, 20 Mar 93 pp 25-27

[Article by Ssu-ma Wen-wu (0674 7456 2429 2976): "Hsu Shui-te (6079 3055 1795) Is Likewise Unable To Rid Himself of the Suit of Heavy Leninist Armor"]

[Text] The Kuomintang [KMT] that Hsu Shui-te has taken over is a party in power that is frequently in disarray, and that shows evidence of collapsing. The leadership style and the makeup of the party, which have not kept up with the trend of the times, and the conservative faction's blocking of the trend toward Taiwanization are all reasons that the KMT is coming apart at the seams. Hsu Shui-te's desire to save the KMT appears "doomed to fail."

Many years ago, articles constantly appeared about where the KMT is headed, diagnoses of the KMT, and theories about the hopelessness of the KMT. At that time, activities outside the party were surging ahead full force, and the KMT regarded these articles as exaggerations made for their shock effect and incitements to disintegration, which it hastened to prohibit. A rereading of these articles today shows the correctness of the portrayal of those years. Today, the ferocity with which the party itself has turned the muzzle of the gun to criticize itself and to attack its own person is also comparable to the views from outside the party during those years.

However, the internal worries and the external perils that the KMT faces today, and the difficult times it is facing are unprecedented in the nearly 100 years since the founding of the party.

In a meeting of the KMT Standing Committee on 9 March, five of the party elders, namely Li Huan [2651 3562], Li Kuo-ting [2621 0948 7844], Hao Po-ts'un, Shen Ch'ang-huan [3088 2490 3562], and Hsu Li-nung [6079 2980 6593] excoriated the party's personnel and policies. Although these five elders also represent the core of the KMT's conservative faction, to a certain extent their criticisms reflect party cadres' feelings of dissatisfaction toward the KMT Central Committee. Meanwhile, the behavior of the KMT bloc in the Legislative Yuan, and the very big mistake made in the selection of the party whip have incurred reproach from all sides, virtually paralyzing the Legislative Yuan's conduct of official business. The new KMT has continuously issued challenges to the KMT Central Committee, and has requested Ministry of Interior permission to found a political group. It has also threatened to consider convening a second 14th KMT Party Congress, to apply the Hsiao-k'ang revival spirit to save the KMT. When the KMT failed in the P'enghu County

bi-election, local party headquarters morale disintegrated. Overseas party headquarters and overseas Chinese associations universally oppose Li Teng-hui openly. KMT party headquarters is in disarray, with no one in charge at the hub. The elders in the party even support the admission to the party of Chu Kao-cheng [2612 7559 2973] to oppose Li Teng-hui in running for party chairman. Such disarray and signs of failure have made many people begin to doubt how long the KMT can continue to hold power.

Actually, the KMT's problems today have been accumulating for a long time. They did not just suddenly occur. For example, in the election, they depended on money interests and political factions. They used flunkies not talent. The post-election critique was a farce consisting mostly of criticism of others. The illusions and discord that the state condones, the monopoly and control over the electronic media it enjoys, the lack of a central ideology, the lack of democratic procedures within the party are all things that people outside the KMT have long criticized till they were blue in the face.

Some differences are the martial law system, the blacklists, the political criminals, military meddling in politics, and espionage controls of former years. Virtually all exist no longer. What has risen to replace them is increasingly pernicious money politics. The government's past sanction of Great China illusions has given way to concern about today's Taiwan independence movement. Provincial origins consciousness has become an important tool of political rivalries. The Democratic Progressive Party's [DPP] power is expanding by leaps and bounds, and the KMT's prestige has slipped tremendously.

How did the KMT decline to its present state? An analysis can be made from three regards: man-made factors, the nature of the party, and the overall environment.

First, the man-made factors are the current focus of criticism, the objects of which are, of course, Li Teng-hui and Sung Ch'u-yu [1345 2806 3842]. Sung Ch'u-yu is particularly vilified. Beat about the ears, he seems like a stray cur. Some people do not dare criticize Li Teng-hui directly, so Sung Ch'u-yu serves as their target, and countless arrows pierce his heart. Nevertheless, in his position as KMT secretary, Sung Ch'u-yu wields great authority, but his improper handling of people is also where part of the problem lies. Other problems include nomination policy mistakes, a crushing election defeat, and no self-examination afterward. The last election of Legislative Yuan and Control Yuan vice presidents, and the present election of the Legislative Yuan party whip severely damaged the party's image. It is difficult not to blame him.

Li Teng-hui's running of the country may have some underlying rationale, but the outside world does not necessarily understand this rationale, so much so that he should try some self-criticism to examine the inner reaches of his mind. Clearly his manner and his ability to forge links are very clumsy. Politics is a public matter. If a political leader does not enjoy the confidence of his comrades and is not understood by the public, the rationale underlying his running of the country, no matter how

good, is of no use. An example is the distortion of constitutional government about which he is naturally embarrassed. Nevertheless, he has not made good use of the popular will to make vigorous reforms. As a result, he has lost the support of both ends of the spectrum. The liberals criticism him for compromising too much and not being sincere about reform, while the conservatives believe he painstakingly expanded his authority to strengthen his dictatorship.

In addition, the people on whom Li Teng-hui relies most are all loyal to a fault but lack ability and experience. The image of some is poor. The people around him talk too carelessly, causing trouble at every turn. Various evidence suggest that he has many blind spots when it comes to knowing people's capabilities, appreciating people, and using people. He really deserves to be criticized for this.

Second, the character of the party is out of tune with the times. It must be changed. Everyone agrees with this view. But as soon as specific changes are mentioned, extremely great obstacles are encountered at once. The KMT is like a political party wearing heavy body armor. To this day it has a Leninist political party framework. Many of its members are still stuck in the martial law era of tranquility and unity in their ideological values and outlook. They do not have the slightest idea what democracy is all about. At meetings of the KMT Central Committee Standing Committee, they still talk a lot about revolutionary morality and justice. Some people call for democracy within the party while simultaneously calling loudly for everyone to uphold fidelity. They have no idea that such an underworld gang style ideology runs fundamentally counter to the spirit of democracy.

The existence of all sorts of special party headquarters is a trait of a Leninist political party. The embroilment in political controversies of Huang Fuxing's party headquarters is the very kind of thing that is taboo in democratic countries, and the existence of huge party-owned business enterprises that conceal privilege and corruption cannot exist in normal countries.

The foregoing are real obstacles to KMT reform, but persons in the party who shout for reform avoid these matters for the most part. Instead they point their spears at others, attending to trifles to the neglect of important matters.

Third, with regard to the overall environment, the Taiwanization of the KMT and the Taiwanization of democratic government is the main trend. This goes without saying. This is because of historical factors, and it is also caused by the real living environment. Large numbers of political criminals managing to get into the National assembly hall, and the ever increasing strength of the DPP are also the inevitable aftermath of the lifting of martial law. Nevertheless, many conservatives cannot accept these facts, nor are they willing to acknowledge this trend of the times. Instead, they suspect that Li Teng-hui has purposely fostered these events surreptitiously. Actually, from the time of the T'ung Meng Hui to the Hsing Chung Hui, the KMT

has never become acclimatized to Taiwan society in ideology, government organization, or the structure of the constitution. It has been like a square peg in a round hole. But for the protracted high voltage rule and reliance on biological laws, it would have been eliminated long since. Today, everyone seems on the surface to know that the overall environment has changed, but further understanding shows that in their feelings or subconscious, many people still oppose this reality with might and main. Many, many misgivings and actions result from this. Simply asking the old constituted authority to retire restored vigor to the nation's society, but it left very many complications in its wake from which a pernicious influence still endures that is a nightmare.

Since politics is man-made, the human factor is naturally very important. However, of all the problems that the KMT faces today, the most serious one is the lack of internal consensus, meaning differences in perception of the whole overall environment. Introspection about the nature of the KMT is not enough. Thus, there is no way to generate mutual confidence.

This situation shows now signs of improving today. Hsu Shui-te is foredoomed to becoming cannon fodder in his assumption of the position of secretary generalship.

Actually, when the KMT was on the mainland, the KMT secretary, like the head of the Secretariat, had no real power. This was also the case after the KMT moved to Taiwan. It was not until Chang Pao-shu [1728 1405 2885] began to visit rural areas that his position began to become important. However, when Chiang Ching-kuo also began going to the countryside, Chang Pao-shu stopped going in order to avoid upstaging him. The power of Chiang Yen-shi [5572 1750 1102] and Ma Shu-li [7456 2885 3810], who succeeded him, increased, mostly because of the need to coordinate relations between the Legislative Yuan and the Executive Yuan. In particular, after Mao Shu-li brought back from Japan the coordination system that the Liberal Democratic Party uses in the Diet, the party whip system began to be built. Thereafter, from Li Huan to Sung Ch'u-yu, because Teng-hui had not experience and no interest in party affairs, Sung Ch'u-yu, in whom he had confidence, gradually became acting party chairman.

However, Sung Chu-yu's main task seemingly is to use his great skills to deal with the palace brawls of the senior statesmen in the party. He has both put out political fires to consolidate the leadership center, and he has obtained a peaceful resolution of the legally constituted authority issue. In the process, he performed meritorious service, but he has not had much success in furthering his party career. He cannot move ahead with his reform plan; he failed in the last election; and everyone heaps blame on him. Were it not for Li Teng-hui having managed to get him appointed provincial chairman, he would be virtually a walking corpse.

Hsu Shui-te faces a new situation. The party he has taken over is plagued with many illnesses. Fortunately for him, he has strong legs and a lot of intestinal fortitude. Possibly these are the parts of his body he will use most. He has a

warm personality, and he is honest, sincere, and hardworking. He is patient and enduring, and he bears frictions and condemnation well. He may be just the right person for the times. Yet no one dares expect that he will be able to rescue the KMT, which is coming apart at the seams.

The KMT will not fall apart in the near future, but it will certainly continue to deteriorate. Over the long run, if the KMT steps down to let another party see what it can do, possibly democratic government in which political parties take turns in power may come about. This will not necessarily be a bad thing. However, in the short run, a weak and incompetent party in power certainly hurts the quality of government administration. As a result, legislative bills and policies are controlled by a small number of politicians. It also blurs political party responsibilities. This is not a good situation for the national economy and the people's livelihood or for political parties and politics. A weak party means no forceful government; that is all there is to it.

Russia and all the countries of eastern Europe have encountered a serious counteroffensive from conservative forces. Old forces are wearing new masks, and the new governments have temporarily lost popular support because they are weak. Beset simultaneously from without and from within, the fate of new governments hangs by a thread. The KMT is in a similar predicament. However, to push off the blame on the old forces is of no use, because the ordinary people do not care anything about forces. All they care about is whether the quality of the political product is good or not.

The KMT's mansion will topple; obviously there is no way to raise it from the dead, to bring it back to life, or to set it to rights. It is to be hoped that it will not topple the people. Judging from its nature, the continued deterioration of the KMT also seems unavoidable. However, it is hoped that in the same process, a newly emerging force will gradually become strong enough to take its place in the future.

Only if the KMT leaders suddenly come to their senses will they be able to clear up past transgressions and humbly engage in self-examination while there is still time for mutual self-examination, but this seems extremely unlikely to happen. Democratic government in Taiwan achieved through the splitting and deterioration of the KMT is possibly our only final hope.

DPP Legislator Criticizes 'One-China Illusion'

93CM0286A Taipei TZULI WANPAO in Chinese
18 Apr 93 p 2

[Report by Ch'en Shan-jung: "Wasteful 'Road-to-Unification' Budgetary Expenditures—Legislator Points Out Five Major Problems"]

[Text] As the "Ku-Wang Meeting" is just around the corner, and the top leadership of the government is also emphasizing that the country is on the "road to unification," the share of expenditures on matters involving the two sides of the strait in the total budget of the government has also been growing. Today P'eng Pai-hsien, who is in

charge of the budgetary affairs center of the DPP Legislative Yuan delegation, criticized the government for establishing redundant agencies and task forces for the purpose of handling matters involving the two sides of the strait, resulting in wasteful use of the nation's budgetary funds and human resources. He argued that the executive agencies should conduct overall examinations of the mainland policy and the related budgetary appropriations, and be accountable to the people on the issue.

P'eng Pai-hsien described the part on expenditures on matters involving the two sides of the strait of the budget of the central government for 1994 as a "total mess." Under the condition where the government, on the one hand, does not consider the "People's Republic of China" to be China as the whole world does, on the other hand, adhering to the principle of "one China," the status of relations between the two sides of the strait is ill-defined, he criticized. Furthermore the huge amounts of budgetary expenditures have not brought about effective, reasonably great progress in achieving policy goals, and there are five major problems in the part of the budget relating to matters involving the two sides of the strait, he argued:

1. The policy is self-contradictory, and the appropriateness of the goals is debatable: The ruling party has the illusion of "being the grand party to unify China," and established the extralegal agency of the "Commission on National Unification." It formulated the "Guidelines on National Unification" without consulting the people. Thus, the appropriateness of the policy goals is debatable. The relations between the enemy and ourselves are not well-defined. People's conduct does not conform with government policies. In the midst of the mainland fever, the government continues to authorize huge budgetary expenditures on national defense to guard against the communists, and will not stop reiterating its anti-communist, anti-united front policies. It also gives subsidies to a bunch of "private organizations" that engage in activities of exchange between the two sides of the strait. In this way, national resources are being wasted twice.
2. The boundaries are ill-defined, and the system is in a state of chaos: According to the statute on the two sides of the strait, the "mainland area" includes Hong Kong, Macao, Mongolia and Tibet. But Hong Kong and Macao are in fact colonies of Great Britain and Portugal respectively, independent of the "two sides of the strait," and Mongolia is an independent country. Nevertheless, the budget still contains items on the Mainland Commission, the Commission on Mongolia and Tibet, and the Hong Kong and Macao Division of the Overseas Chinese Commission; the system is in a state of chaos.
3. Multiple sources of authority and redundant agencies: The central government, in its budget for 1994, has authorized expenditures on the relevant matters amounting to at least NT\$1.637 billion. Of that amount, the Mainland Commission gets NT\$0.686 billion. The rest is included in expenditures of 14 institutions such as the Presidential Office and the

Commission on Assistance to Retired Servicemen. The budget items often cover overlapping areas.

4. The practices of having many names for one thing and of trying to get the maximum amount possible: In regard to establishing new budget items and task forces, the Presidential Office, the Transport Ministry, the Economics Ministry and the Education Ministry, for instance, have all established "case study groups." There are at least eight newly added budget items—such as those involving the Presidential Office (national unification study) which gets NT\$19.01 million, the Executive Yuan (Development of China Fund) which gets NT\$300 million, the Commission on Assistance to Retired Servicemen (finding employment for retired servicemen in the mainland area) which gets NT\$18.90 million, the Central Academy of Sciences, and the Commission on Mongolia and Tibet; these budget items total at least NT\$359.6 million.

There are such hidden budgetary expenditures as under the names of "subsidies" and "jobs done by other organizations." It is difficult to clearly figure out the situation regarding the hidden subsidies given by such agencies as the Commission on Assistance to Youths, the Education Ministry, the Labor Commission and the Mainland Commission to those so-called private organizations.

5. The China Fund set a bad example again: The functions of this fund under the Executive Yuan are being performed by the Mainland Commission; nevertheless, as much as NT\$2.5 billion is appropriated for this fund each year. This really looks like a case of wasteful appropriation and exchange of favors in disguise.

Presbyterian Church Declaration on Ku-Wang Meeting

*93CM0286B Taipei TZULI WANPAO in Chinese
15 Apr 93 p 2*

[Report by Ts'ai Ts'ui-ying: "The Head Office of the Presbyterian Church Calls for Stop to the Ku-Wang Meeting; Demands Repealing of the Guidelines on National Unification and the Revision of the Policies on Relations Between the Two Sides of the Strait"]

[Text] Today, the head office of the Christian Presbyterian Church of Taiwan released a statement on the current state of relations between Taiwan and China, calling on the government authorities to immediately stop the "Ku-Wang meeting," abolish the Commission on National Unification and repeal the Guidelines on National Unification, and urged the government to revise, as soon as possible, its current policies on relations between Taiwan and China.

The Christian Presbyterian Church of Taiwan is now holding its 40th annual conference at the Tesheng Church in Kaohsiung. Originally this statement was not an item on the agenda. But as there have been some developments in the Ku-Wang meeting in last two days, the head office held an internal meeting yesterday in view of the developments. It introduced the six-point statement as an extempore agenda item in the morning, and held a news conference to release the entire text of the statement in the afternoon. This was another important statement by the Presbyterian Church in addition to its 1977 Declaration on Human Rights and its 1991 Declaration on the Sovereignty and Independence of Taiwan.

The main points of the "Declaration of the Christian Presbyterian Church of Taiwan on the Current State of Relations Between Taiwan and China" are:

1. Immediately stop the Ku-Wang meeting. The meeting must be suspended and not resumed as long as the Chinese authorities do not respect the sovereignty, independence and international personality of Taiwan.
2. Abolish the "Commission on National Unification" and repeal the "Guidelines on National Unification." This agency is based on the practice of KMT-dominated decision making, and has no public opinion foundations. The Guidelines on National Unification were formulated on the premise of "unification" of the two sides of the strait.
3. Set up an organization specifically in charge of formulating policies on relations between Taiwan and China, and formulate basic guidelines on relations between the two parties. The organization must be composed of representatives of people of all nationalities and social strata, and should first formulate basic guidelines and then put them to a national referendum in Taiwan.
4. Revise, as soon as possible, the current policies on the state-to-state relations between Taiwan and China. Proceeding on the basis of considering Taiwan a sovereign nation, formulate policies on dealing with the problems of being flooded with Chinese workers, rampant activities of Chinese special agents, and excessive economic and trade dependence on China, so as to safeguard the rights and interests of the 20 million people of Taiwan.
5. Immediately apply for United Nations membership under the name of Taiwan, and at the same time, make efforts to push for the establishment of a collective security system for the Asian and Pacific region.
6. Citizens must play the important role of supervisor.

The Presbyterian Church of Taiwan indicates that the government has used the disguise of business meetings between private organizations, but that this practice has given China an opportunity to make a great fuss about the meetings in an effort to create a false image of progress toward unification. It was these factors that prompted the Presbyterian Church to issue the statement.

Rumors About Independence Movement Refuted

93CM0281A Hong Kong PAIHsing CHOUKAN
[PAIHsing NEWSWEEK] in Chinese No 3, 22 Apr 93
pp 10-16

[Article: "Forum on Patriotism, Sino-British Dispute"]

[Excerpt] [passage omitted]

Date: 9 April 1993 (Friday)

Place: Fuhao Hotel (Hong Kong)

Moderator: Liang Rucheng [2733 0320 4141], editor-in-chief, PAIHsing CHOUKAN

Participants: Ceng Yucheng [2582 6877 2052] (chairman, Democratic Alliance for the Betterment of Hong Kong) Chen Yanguang [7115 3508 0342] (member, Standing Committee, Freedom Party) Chen Weiye [7115 0251 2814] (member, Standing Committee, Hong Kong Alliance) Li Huaming [2621 5478 2494] (member, Standing Committee, Meeting Point)

[Liang Rucheng] High-ranking Chinese officials have recently been drumming up support for the united front slogan of "love China, love Hong Kong." How does that really differ from the "love Hong Kong, love China" slogan put forward by the democratic groups?

[Chen Weiye] There are no major differences between "love China, love Hong Kong" being pushed by Zhou Nan [0719 3948], director of XINHUA in Hong Kong, and the Chinese authorities, on the one hand, and "love Hong Kong, love China" proposed by the democratic groups. The Hong Kong Alliance welcomes the return of Hong Kong sovereignty to China and is opposed to trading sovereignty for governing power. I want to clarify one thing: the Hong Kong Alliance is not opposed to the CPC. But how far can democratization in Hong Kong go under one-party dictatorship? Whether or not Hong Kong can achieve maximum self-rule under the over-arching principle of one nation, two systems is the most important issue we have to consider in the future.

[Chen Yanguang] I don't think there is much of a difference between "love China, love Hong Kong" and "love Hong Kong, love China." Both say we must treasure Hong Kong as well as safeguard the development of the sovereign state, China. We must be pragmatic about the slogans. Obey the laws of Hong Kong and China. That is more important than getting emotionally worked up. As for the issue of one-party dictatorship, that is not something the Freedom Party would like to get involved in. We are a Hong Kong political party; we concentrate on Hong Kong in our work. We don't want to participate in or concern ourselves with the future direction of democracy in China.

[Liang Rucheng] When you say breaking the law, you mean breaking the criminal code or noncriminal code? There are things tolerated in Hong Kong but not in China. Does it mean that people living in Hong Kong cannot do things that are legal in Hong Kong but illegal under China's criminal code?

[Chen Yanguang] What I want to say is that if China gets too hung up about which comes first, loving China or loving Hong Kong, it would be like trying to outshout each other. That will be counterproductive. Will that really advance Hong Kong's interests?

[Ceng Yucheng] As I recall, the Chinese do not insist on "love China, love Hong Kong." The slogan is merely declarative. Many people assume that "love China" and "love Hong Kong" are mutually exclusive. Most Hong Kong people believe that a person who loves China cannot love Hong Kong too and will side with the Chinese authorities in everything. The Democratic Alliance for the Betterment of Hong Kong has been described as pro-China, that is, supporting the Chinese government. I think we have to understand one assumption, namely, Hong Kong and China have different interests. If there are differences, those who defend the Chinese will be described as pro-China. To my mind, the interests of Hong Kong and China, both immediate and long-term, are fundamentally the same. Nevertheless conflicts do exist because of cultural differences. The fact of the matter is that even after 1997 there will be conflicts of interest between the local government and central government. When a conflict arises, the people of Hong Kong as well as its political parties should consider Hong Kong interests first although I do not reject the notion that partial interests should be subordinated to the central government. As for "love China" and "love the party," to me there is no big difference between the two. After all is said and done, the state is still a political entity. The present reality is that China is led by the CPC. You cannot ignore that. Unless you do not recognize this government, China is led by the CPC. This is something a patriot should accept. So the operating word is not party, not state, but "love." To love the country or party is not the same as saying that everything the government does is right or supporting every government policy.

[Li Huaming] Director Zhou Nan of XINHUA in Hong Kong has said that the position of counselor on Hong Kong affairs must be filled by someone who loves China and the party and embraces the Basic Law. I think the less often united front slogans like these are uttered, the better. It is hard to define what "love China" and "love Hong Kong" mean. Just how representative of local opinion are the newly appointed counselors on Hong Kong affairs? Will they stick up for Hong Kong? I think they should consider the interests of the special region first. If the counselors on Hong Kong affairs consider China's interests exclusively while overlooking those of Hong Kong, the position would become meaningless. They will become mere apologists of central policies.

[Liang Rucheng] Many people worry that China would treat "love China" and "love Hong Kong" as labels, which would prevent the objective analysis of an issue. "Love China first, then love Hong Kong..." would it hamper the effort to have Hong Kong people rule Hong Kong and achieve a high degree of self-rule?

[Chen Weiye] I think putting forward this kind of slogan involves a host of issues. To begin with, there are two things that must be handled cautiously. We must be careful not to turn the slogan into a guiding principle or a tactic.

Otherwise it would become a label that can be readily hurled at people. The result would be bipolarization, those who "love China" versus those who do not. I think while CPC members like Mr. Ceng may find "love China, love Hong Kong" readily acceptable, the ordinary citizens do not, particularly given the fact that party and state are indistinguishable from each other in the Chinese tradition. The Hong Kong Alliance certainly recognizes the current CPC-led Chinese government. But this does not mean that it accepts all the policies this government follows in Hong Kong. It would do its best within the limits of the law to fight those policies unfavorable to Hong Kong's long-term economic development and social stability, particularly things not consistent with democratic development in Hong Kong.

[Ceng Yucheng] CPC members account for just a tiny minority of the total population in China. The Chinese people as a whole accept the current CPC-led government. From my personal experience in the last few years, the Chinese people (not just CPC members) as a whole accept the existing government. How would the principle of "Hong Kong people ruling Hong Kong" affect the slogan "love China, love Hong Kong?" First, "Hong Kong people ruling Hong Kong" must come under "one nation, two systems." All along I have heard Chinese leaders emphasize patriotism as a precondition for Hong Kong people ruling Hong Kong, that is, recognizing one nation, two systems and supporting national unity. From the perspective of Hong Kong people ruling Hong Kong and a high degree of self-rule, the criteria of patriotism can be set very high. For starters, Hong Kong must not be independent from China. The principle of one nation must be recognized.

[Chen Weiye] The Hong Kong Alliance also recognizes the basic principle of one nation, two systems.

[Liang Rucheng] Does the Hong Kong Alliance then meet the criterion of patriotism?

(Nobody answered this question.)

[Chen Yanguang] I agree with Li Huaming of the Meeting Point. The less we use these abstract slogans, the better it will be for Hong Kong. It helps raise our confidence in the recently appointed counselors on Hong Kong affairs. The four speakers who attend this forum seek common ground while reserving differences. The differences I think are not major ones. They all want one thing, that is, Hong Kong people ruling Hong Kong within the framework of one nation, two systems. As long as they don't do anything that seeks to overthrow China, they already satisfy the criteria.

[Liang Rucheng] In its editorial in the inaugural issue, this weekly expressed the hope that the citizens of Hong Kong can set up a system for ruling Hong Kong. Otherwise, people will not be able to resolve their differences and end up attacking one another and demonstrating on the street. That would affect social stability in Hong Kong.

[Li Huaming] From what I saw in town meetings and some of the recent activities, a small number of people, particularly men over 40 years of age, tend to be more excitable

politically because they carry some political baggage, having suffered from the misdeeds of the CPC in the past. The younger generation basically is free from such baggage. Since he assumed office, Christopher Patten has divided society. I don't know the situation in other political parties, but at a minimum there have been numerous debates within the Meeting Point, which is both good and bad. The good thing about divisions is that they have raised the citizens' level of political sensitivity. Now they are much more attentive to goings on in the Legco.

[Liang Rucheng] Do you think the emergence of social divisions is a positive phenomenon?

[Li Huaming] I think it is good at least to the extent that it educates Hong Kong politically. As for taking to the street, the citizens thus far have exercised a good deal of self-restraint. Left-wing organizations, the radical faction, and democratic groups have not done much either. The present campaign by the Freedom Party to collect signatures on the street is also very low-key.

[Ceng Yucheng] Judging by public response in the last couple of months, people do not support some of the more radical demonstrations in the street for fear they may undermine social order.

[Liang Rucheng] There is no end in sight to the Sino-British row. What would be the worst case scenario? When will Chris Patten present his political reform proposals to the Legco for its deliberations?

[Chen Weiye] I think both the Chinese and British authorities are veterans in handling these diplomatic matters.

[Liang Rucheng] Mr. Ceng, you are more familiar with the thinking in Beijing. In your opinion, what would be the impact of China's diatribe against Patten in the most extreme case?

[Ceng Yucheng] I think it has occurred to most Hong Kong people that despite the nastiness of the squabble between Britain and China in the past few months, it has not had any disastrous effects on the Hong Kong economy. This is because a majority of people (including Mr. Patten) believe that China would not like to see things go wrong or the economy collapse in Hong Kong. If Sino-British relations continue to deteriorate and the Chinese want to move against Britain, there is a limit to what it can do because it has to take care of the big picture, namely Hong Kong. So I believe China very much hopes to cooperate. If China and Britain can resume their cooperative relationship, it would be the best outcome for China as well as Hong Kong. Notwithstanding its quarrel with Britain in the six months since Patten took office, I feel that China basically is still working to cooperate with Britain. What China is leery of these days is Britain acting perfidiously and tearing up not just the seven confidential diplomatic letters, but renouncing all the many transactions in the past, including the Sino-British joint declaration. China wonders whether or not the British are going to make trouble after 1997 over the return of sovereignty to Beijing. This is the reason why the Chinese have reacted so strongly.

[Liang Rucheng] In other words, the Chinese are worried that Britain will not return Hong Kong to China after 1997. Is that what concerns you?

[Ceng Yucheng] I think events in the past few months have made the Chinese leaders, particularly Deng Xiaoping, very anxious. China is vehemently opposed to the internationalization of the Hong Kong issue. Why? Not only because the Hong Kong issue would then be aired at an international level, but also because in the course of internationalization the leaders of numerous Western nations would give China a piece of their mind, some even expressing support for self-determination by Hong Kong people. I believe the Chinese find this very dangerous.

[Liang Rucheng] You mention self-determination for Hong Kong and Britain refusing to return Hong Kong to China in 1997. Right now it seems only the Hong Kong Alliance has the power to do so.

[Chen Weiye] The Hong Kong Alliance absolutely does not demand any such thing. Our unequivocal position is support for one nation, two systems and a high degree of self-rule under one nation, two systems.

[Chen Yanguang] How come we are even talking about self-rule by Hong Kong people (laughter) and Britain refusing to turn over Hong Kong to China (laughter)? It may be that there are all sorts of opinions out there in society, but most of us do not believe that Britain has the nerve to refuse to hand over Hong Kong to China. One thing is known to all: the governor hopes to put together a system in Hong Kong. If this system works well, there is no reason for China to refuse to accept it. But some people both in China and in Hong Kong are opposed to his plan. On the other hand, there is little likelihood of Britain not turning over Hong Kong to China in 1997.

[Liang Rucheng] Not returning Hong Kong is one thing. Encouraging self-rule and independence is something else. Do you see that happening?

[Li Huaming] No. My thinking is that some pro-Chinese people have an ulterior motive. As Sino-British relations took a turn for the worse, some people came out and said those things. They also talked about replacing the new Hong Kong airport with Huangtian airport and "setting up a separate kitchen" as soon as possible. We all know who these people are. They do their level best to jockey for political advantage, hoping to make Hong Kong their "turf" in the days ahead.

[Liang Rucheng] Who are these people? Are they some newly established groups?

[Li Huaming] Newly established they are not. Have been around a long time. Some are counselors on Hong Kong affairs or members of the CPPCC and National People's Congress, pro-Chinese in background.

[Liang Rucheng] Are there pro-British types among them?

[Li Huaming] Maybe in the past. When you begin to talk about refusing to turn over Hong Kong to China and Hong Kong being independent or semi-independent, we will be the first to voice objections. Hong Kong certainly must not

be independent. This is something we have always insisted on. Second, we object to Britain advocating self-rule under any circumstances. I see no social forces thinking along those lines (encouraging Hong Kong independence or self-rule).

[Chen Weiye] Counselors on Hong Kong affairs and some other influential people previously briefed Beijing about the situation in Hong Kong in secrecy. This is very dangerous. Moreover, they do not tell the Hong Kong people what they have told the Chinese government. When misinformation thus finds its way to Zhongnanhai, the result is that Chinese policy on Hong Kong may not be in line with reality. That is why in the past we never stopped emphasizing the importance of local participation in and keeping Hong Kong people informed about any activity by the counselors on Hong Kong affairs or the Legco that has a bearing on China's core policy. During this transitional period, if the counselors on Hong Kong affairs are not representative enough or if they are less than thorough in the way they keep China informed about the situation in Hong Kong, some people may deliberately convey the wrong message to Beijing, thus distorting Chinese policy on Hong Kong, possibly with adverse effects on Hong Kong.

[Ceng Yucheng] Some counselors have indicated a readiness to convey public opinions in Hong Kong to China. But will they say something else once they meet face to face with Beijing officials? To be fair, Hong Kong people are also kept in the dark about what members of the Executive Council say to the governor. In any case, China does not just listen to the counselors or members of the CPPCC and National People's Congress. In fact, I hope people in all quarters of society will communicate more often with Chinese officials.

[Liang Rucheng] In that case, will they appoint a third batch of counselors to make things more open?

[Ceng Yucheng] We have told Chinese officials that there are no democratic figures among the current group of counselors, calling that a weakness. The Chinese said more will be appointed in the future.

[Liang Rucheng] (To Chen Weiye) Suppose the Chinese government appoints Li Zhuming [2621 2691 6900] and Situ Hua [0674 1778 5478] as members of the third batch of counselors on Hong Kong affairs. Do you think they would accept?

[Chen Weiye] The Hong Kong Alliance's position is that it is most willing to establish contacts with the Chinese side. As for what form such contacts should take, such as appointment as counselor on Hong Kong affairs or some other method, that would be something we have to consider.

[Chen Yanguang] If the Sino-British dispute continues, the lingering uncertainty will definitely work against Hong Kong's economy and its people's livelihood. For instance, it may slow down investment projects, deter professionals from returning to Hong Kong, and encourage people to consider migrating. That is why the best thing for Hong

Kong is institutional continuity, something that can be done properly only with Sino-British cooperation.

Sino-British Bickering Unfavorable To Hong Kong

[Li Huaming] What concerns us most is China and Britain working at cross purposes. We cannot be optimistic even if they are talking because the talks may not come to anything. This has something to do with the change in British policy. To Britain, what really matters is "honorable withdrawal," so they sent a heavyweight like Patten to Hong Kong. In recent years, Britain has delegated more and more power to the Legco. Armed with new powers, the council is no longer under the control of the British government. This is what worries the Chinese government most.

[Chen Weiye] A key issue is this: Amid the institutional changes and the tug-of-war between China and Britain, where really does Hong Kong stand? Take a look back at history. In the past Britain and China managed to cooperate successfully but only by sacrificing the interests of many Hong Kong people and ignoring their wishes. Even within the framework of Sino-British cooperation, therefore, the interests and wishes of the people of Hong Kong must be taken into consideration. Otherwise they may be sacrificed. [passage omitted]

Data on Major, Minor Political Parties

93CM0226A Hong Kong KAIFANG [OPEN MAGAZINE] in Chinese No 75, 18 Mar 93 pp 50-51

[Article by Shu Zi (1659 1316): "Unorthodox Parties and Parties of Yesteryear"]

[Text] Apart from the seven major parties (Hong Kong United Democratic Alliance, The Meeting Point, Democratic Alliance for the Betterment of Hong Kong, Association for Democracy and People's Livelihood, Free and Democratic Association, and New Hong Kong Alliance) that participate actively in local politics and the two large invisible parties (CPC and KMT) that belong to the two sides of the strait, there also exist or existed in Hong Kong a number of fringe parties that are little known or which conduct themselves in an unorthodox manner.

One of them is the Liberal Democratic Party. It does not do much besides issuing public statements. On New Year's Day this year it even sent an open letter to Deng Xiaoping and Li Teng-hui, the two rulers on opposite sides of the strait. Its position is anti-communist and anti-Taiwan independence.

Reportedly the Liberal Democratic Party is made up of about a dozen rank-and-file veteran KMT members. Others put the membership between 20 and 30 people. It is based at Longheng Village in Shatin and headed by someone surnamed Zhen.

This party is not registered in Hong Kong. In response to inquiries, some members said the party was registered in Taiwan; others, London. Actually it is not registered in either place. Under Hong Kong's social organization law, it is illegal to organize a group without registering. But since the Liberal Democratic Party is nothing more than a bunch of old men voicing eccentric opinions, the Hong Kong government does not consider it worth its while to do anything about it.

After 4 June, there was a one-man party called the China Prosperity and Strength Party. Its chairman and lone party member was none other than Miss Hua Xiazi [5478 1115 1316], a member of the democracy movement who subsequently fled to the United States and has now settled in New York City.

Most democracy movement figures who fled to Hong Kong after 4 June and were given asylum here are required by the authorities to take a low profile in society. Hua Xiazi, on the other hand, was always calling on people in the media, stacks of party constitution in hand, claiming that she had organized a party in Hong Kong. She made a similar claim at a press conference at the stadium at Victoria Park. Some newspapers, including the SOUTH CHINA MORNING POST, were duped into reporting the announcement only to find out later the whole thing was mere fiction, a figment of Hua Xiazi's imagination.

There are two other political parties in Hong Kong, old-line and now all but forgotten: the Reform Club and the Civic Association. The Reform Club was founded by a foreign barrister named Bernacchi. The Civic Association was put together by a group of politicians whose political star has now dimmed, including Yang Lixian [2799 4780 4388].

Back then the Urban Council was the only body in Hong Kong with elected members, so the two parties targeted the Urban Council and between them captured almost every seat on that body. Those were their glory days.

After three-tier council elections were instituted in Hong Kong, however, the two parties went downhill. Few people know them now even though they are still in existence.

In addition, there is Mr. Ma Wenhui [7456 2429 6540], who runs the City Hall Forum. Back in the 1950s, he organized a party called the Democratic Self-Rule Party with about two dozen members. Each month it sent materials to members of parliament in Britain exposing corruption in the Hong Kong government. With the KMT trying to suppress it and the left-wing withholding support, the party sank into oblivion after one year and fizzled out.

Now 81, Ma Wenhui remains an indefatigable social activist and heads the Hong Kong United Nations Association. Born in Hong Kong and educated in Guangzhou, he mounted a petition drive after World War II demanding that Japan pay reparations to Hong Kong. Since neither the KMT nor the CPC backed such a demand, the campaign came to nothing.

Profile of Seven Major

Name	Date Founded	Party Chief	Leading Members	Representation in Three-Tier Councils
Hong Kong United Democratic Alliance	April 1990	Li Zhuming [2621 2691 6900]	Situ Hua [0674 1778 5478], Yang Sen [2799 2773], He Junren [0149 0193 0088], and Liu Qianshi [0491 0578 4258]	Legislative Council, 13; Urban Council, 9; District Councils, 48
The Meeting Point	1983	Zhang Bingliang [1728 3521 5328]	Li Zhiyue [2621 2784 1878], Di Zhiyuan [3695 1807 6678], Li Huaming [2621 5478 2494], and Huang Weixian [7806 0251 6343]	Legislative Council, 4; Urban Council, 1; District Councils, 11
Association for Democracy and People's Livelihood	October 1986	Feng Jianji [7458 2914 1015]	Liang Guangchang [2733 1639 2490], Yan Tiansheng [0917 1131 3932], Luo Xiangguo [5012 4382 0948], and Huang Tuanji [7806 0957 1015]	Legislative Council, directly elected member, 1; Urban Council, 5; District councils, 17
Cooperative Resource Center	1991	Li Pengfei [2621 7220 7378]	Zhang Jianquan [1728 7003 3123], Xia Jiali [1115 0163 3810], Zhou Liang Shuyi [0719 2733 3219], and He Chengtian [0149 2110 1837]	Legislative Council, 17
Democratic Alliance for the Betterment of Hong Kong	July 1992	Ceng Yucheng [2582 6877 2052]	Wu Kangmin [0702 1660 3046], Chen Wanxian [7115 1238 8300], Cheng Jienan [4453 0094 3948], Tan Yaozong [6223 5069 1350]	Urban Council, 2
Free and Democratic Association	November 1990	Hu Faguang [5170 3127 0342]	Wu Weiyong [6762 4850 7661], Tan Huizhu [6223 1920 3796], Huang Kuangyuan [7806 0562 3293], Yang Xiaohua [2799 1321 5478]	Legislative Council, 3; Urban Council, 5; District councils, 33
New Hong Kong Alliance	September 1989	Wei Jishun [7279 1015 5293]	Luo Decheng [5012 1795 2052], Huang Yihong [7806 1355 1347], Jian Fuyi [4675 4395 7392], Liang Zhenying [2733 2182 5391]	Legislative Council, 1; Urban Council, 2; District councils, 1

Political Parties in Hong Kong

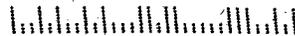
Current membership	Party Organization Situation	Platform	Political Inclination	Attitude Toward Governor Patten's Reform Plan	Sources of funds
Over 600	Party formation announced on date of foundation.	Full-fledged democratization of political system; safeguards human rights, freedom, and the rule of law; upholds social justice and fair competition.	Democratic	Supports	Membership dues, donations, partial subsidy for candidates (HK\$200).
127	Party formation announced in September 1992.	Calls on people to stay in Hong Kong and work for reform. Devotes itself to people's livelihood.	Democratic	Supports	Refuses to disclose membership dues, fund-raising. Partial subsidy for candidates.
140	Self-proclaimed political organization developing into a political party.	Demands direct election of all Legislative Council members; champions human rights, freedom, and the improvement of the living standards of low- and middle-income people.	Democratic	Supports	HK\$200 annual membership due, partial subsidy for candidates, fund-raising.
17, Freedom Party: 48	Announced the formation of Freedom Party on 28 February 1993.	Calls for strengthening the rule of law to safeguard human rights, freedom. Promotes economic prosperity.	Business- and industry-oriented	Critical	Membership dues, donations.
About 300	Self-proclaimed political organization, aspiring to become a political party.	Advocates smooth transition, prosperity, stability.	Pro-China	Opposes	Membership dues (HK\$200 entry fee, HK\$100 annual due), donations.
208 (as of December 1992)	Self-proclaimed political organization with hopes of developing into a political party.	Calls for the implementation of the Sino-British Joint Declaration and Basic Law, participation in democratic political system. Advocates the preservation of the rule of law, human rights, freedom.	Business- and industry-oriented	Opposes	Membership dues (HK\$200 annual fee), outside donations.
1,100	Self-proclaimed political discussion organization.	Supports one nation, two systems and Basic Law. Advocates the protection of freedom, human rights. Works to reconcile the interests of all strata. Hopes to develop democracy incrementally.	Business- and industry-oriented, pro-China	Opposes	Membership dues (token fee of HK\$20 per year), donations.

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