

THEODORE H. WHITE ON CHINA

shing Mao's Ghost



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ISRAEL

# Nobody Waved Goodbye

Begin finally bows, and Shamir struggles to build a coalition

s historic moments go, the occasion turned out to be distinctly undramatic, a subdued finish to a tempestuous career. Early last Thursday afternoon, Cabinet Secretary Dan Meridor drove his white Fiat sedan through the steel gates at the official residence of President Chaim Herzog. Waving to a band of reporters and photographers, Meridor trotted up the stairs to the paneled, booklined office where Herzog was awaiting him. "The Prime Minister asked me to convey to the President of the state his letter of resignation," said the Secretary, whereupon he handed Herzog a white envelope. The letter inside was brief: "Mr. President, I hereby submit my resignation from the office of Prime Minister. Yours respectfully, and with all good wishes to you and your family for a happy New Year, Menachem Begin." Business done, the two men chatted briefly, then Meridor departed.

So ended the six-year tenure of the man who was perhaps the most controversial and exasperating leader in Israel's 35-year history. The resignation was bound to be anticlimactic: Begin, 70, had announced his intention to quit three weeks earlier. At the urging of colleagues within his ruling Likud coalition, however, the Prime Minister agreed to put off officially notifying Herzog until Foreign Minister Yitzhak Shamir, 67, could be certain of holding together the fractious group and thus bettering his chances of succeeding Begin as head of government.

As the days passed and Shamir wrapped up his back-room bargaining, Begin kept a low profile. He became a virtual shut-in at his home on Balfour Street in Jerusalem, never once venturing forth to his office. He uncharacteristically skipped Rosh Hashana services two weeks ago and missed a regular Sunday Cabinet session. Aides doggedly denied rumors that Begin was no longer eating or was gravely ill, but they hardly helped matters by issuing confusing statements about precisely what did ail the Prime Minister. First they insisted that he simply was not feeling well. Then he was said to be suffering from the flu and a severe cold. He wanted to resign in person, claimed his aides, and he would go to Herzog's office as soon as he felt well enough.

Members of the opposition and unfriendly editorial writers accused Begin of stalling in order to give Shamir more time. But even after Shamir reached an agreement with the seven parties that make up the Likud coalition early last week, Begin stayed on. Attorney General Yitzhak Zamir declared that if Begin did not submit his resignation "within a reasonable time," then his intention to leave would be viewed as "canceled." By Wednesday, rumors buzzed around the Knesset. Begin was keeping his options open. No, he was

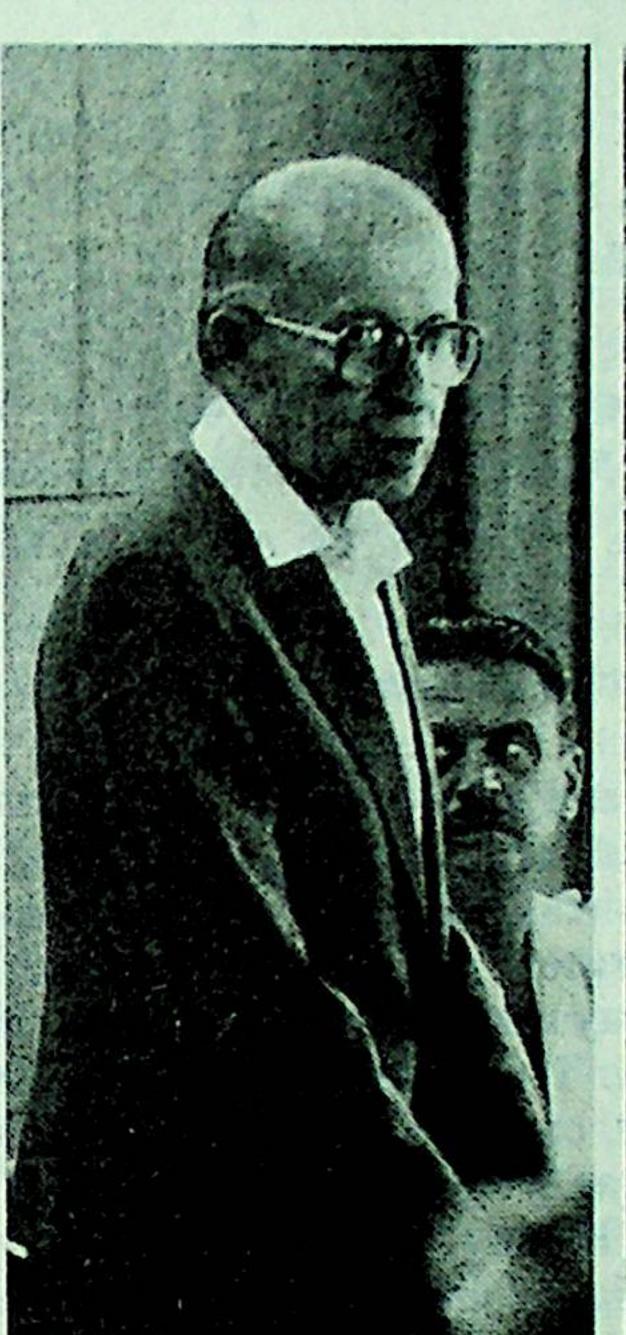
starving himself to death. No, he had changed his mind and wanted to stay on.

On Thursday, a front-page article in Ha'aretz, an independent Tel Aviv daily, reported that Begin had stopped shaving and was eating only soup. The Prime Minister's office immediately responded by announcing that Begin was suffering from a mild skin disease that prevented him from shaving for the time being. Later that day, obviously realizing he could no longer delay his resignation but still reluctant to appear in public, Begin dispatched Meridor to Herzog's office.

The uncertainty over Begin's intentions cast a shadow over Shamir's chances

there was an engagement, and the next, the bride was going out on dates." Just how unfaithful the bride may be remains unclear. The real battle will begin this week, when Herzog formally consults Knesset leaders on a new government. Herzog was to talk first with Shimon Peres, 60, leader of the Labor Party. With 50 seats, Labor remains the single largest group in the Knesset, and Peres clearly hoped that he could score an upset by draining off Shamir's support. As one knowledgeable politician wryly observed: "What members of Shamir's coalition are saying in public is not what they're saying in private."

Shamir's task was made no easier by a public rupture between two fellow Cabinet members: Ariel Sharon, former Defense Minister and now Minister Without Portfolio, and his successor as defense chief, Moshe Arens. During a Cabinet





Passing the torch: Begin at his last Cabinet meeting; Shamir being congratulated by Levy No sooner was the bride engaged than she started going out on dates.

of forming a new government speedily. After besting Deputy Prime Minister David Levy for the leadership of the Herut Party, Shamir spent a frantic ten days reuniting the welter of factions that had given Begin 64 seats in the 120-member Knesset, a precariously slim majority. Shamir made his biggest concession to the three-member TAMI Party, which had already been on the verge of resigning from the Likud last August in protest against budget cuts in social programs. To lure TAMI back into the fold, Shamir promised to freeze the spending reductions until the new government came into power and could re-examine the budget.

Barely one day after all had agreed to form a new coalition under Shamir, the pact threatened to unravel. Representatives of TAMI, Agudat Yisrael and the National Religious Party, which together account for twelve of the Likud coalition's Knesset seats, met separately with leaders of the opposition Labor Party. Noted a veteran political observer tartly: "One day

session, Sharon laced into Arens for delaying the Israeli troop withdrawal from Lebanon, then neglecting to set up a buffer zone between the Christian Phalangists and the Druze in the Chouf Mountains. Replied Arens acidly: "Who created the abnormality in the Chouf? Who put the Phalange forces into the Chouf? We did it. One man is responsible for it."

Later, at a Likud rally, Sharon angrily offered his bitter analysis of the Lebanon crisis. "When I left office, the P.L.O. had been ousted from Beirut, Galilee had been saved, the Syrians and the P.L.O. had been driven from the Chouf. Now, when I am no longer at the center of decision making, the Syrians and the P.L.O. are returning." If, as expected, Shamir does emerge as the next Prime Minister, his first challenge may not be the fighting in Lebanon but the warfare between two formidable rivals.

—By James Kelly.

Reported by Harry Kelly and Robert Slater/

Reported by Harry Kelly and Robert Slater/ Jerusalem Theodore

# Burnout of a Revolution

Nearly 45 years ago, just out of Harvard and still trying to master the intricacies of Mandarin, Theodore || White made his way to China and found a land in turmoil. Settling in Chiang Kai-shek's wartime capital of Chongqing (Chungking), then a drowsy Yangtze River port with a population of 250,000, he soon began reporting from there for TIME. One book (Thunder Out of China, 1946), two wars (China against Japan, China against ilself) and six eventful years later, he departed, in sharp disagreement with TIME's Editor-in-Chief, Henry R. Luce, about China's future. In the decades since, he has chronicled some of the major events of our time, from Europe's postwar recovery (Fire in the Ashes, 1953) to America's shifting politics (The Making of the President series, 1960 to 1980). This spring, Pulitzer Prizewinner White returned to China for his first extended visit since the mid-1940s (in 1972) he covered Richard Nixon's brief trip). For nearly two months he crisscrossed China, revisiting Chongqing, nowa bursting-at-the-seams metropolitan area of 14 million, exploring the crowded alleys and broad boulevards of Peking and interviewing scores of Chinese, from peasants to Politburo members. Once again he found a land in turmoil; this time, however, it was the turmoil not of war but of change. Here is his report:

That first night back in China, my old friend Wang Bingnan drove me out to visit Fragrant Hill. From the hill you can almost see Peking, 25 miles away. In the evening, when the sun purples the range, the passes in the mountains show the way ancient conquerors cut their entry into the capital. That was the way Mao Tse-tung, the last conqueror, came to view Peking in 1949, when he held it in his hand—and Mao still haunts Fragrant Hill, as he haunts Peking, haunts all China, haunts its politics, dreams, nightmares.

The story, even now in 1983, started with him.

Wang Bingnan was telling me of his first night on the hill back then in 1949. He had arrived with Mao and the Zhongyang, the Central Committee that rules the Communist Party of China. They came as a nomad encampment, several thousand men and women

who promised to give new government to the China they had conquered. For two years, they had been wandering the arid northlands, pursued by Chiang Kai-shek's divisions. But Mao had raced his own best troops northeast to Manchuria to encircle and wipe out Chiang's forces. Next he deployed his other armies, first to wipe out the last of Chiang's elite divisions south of the Yellow River, then to seize Peking.

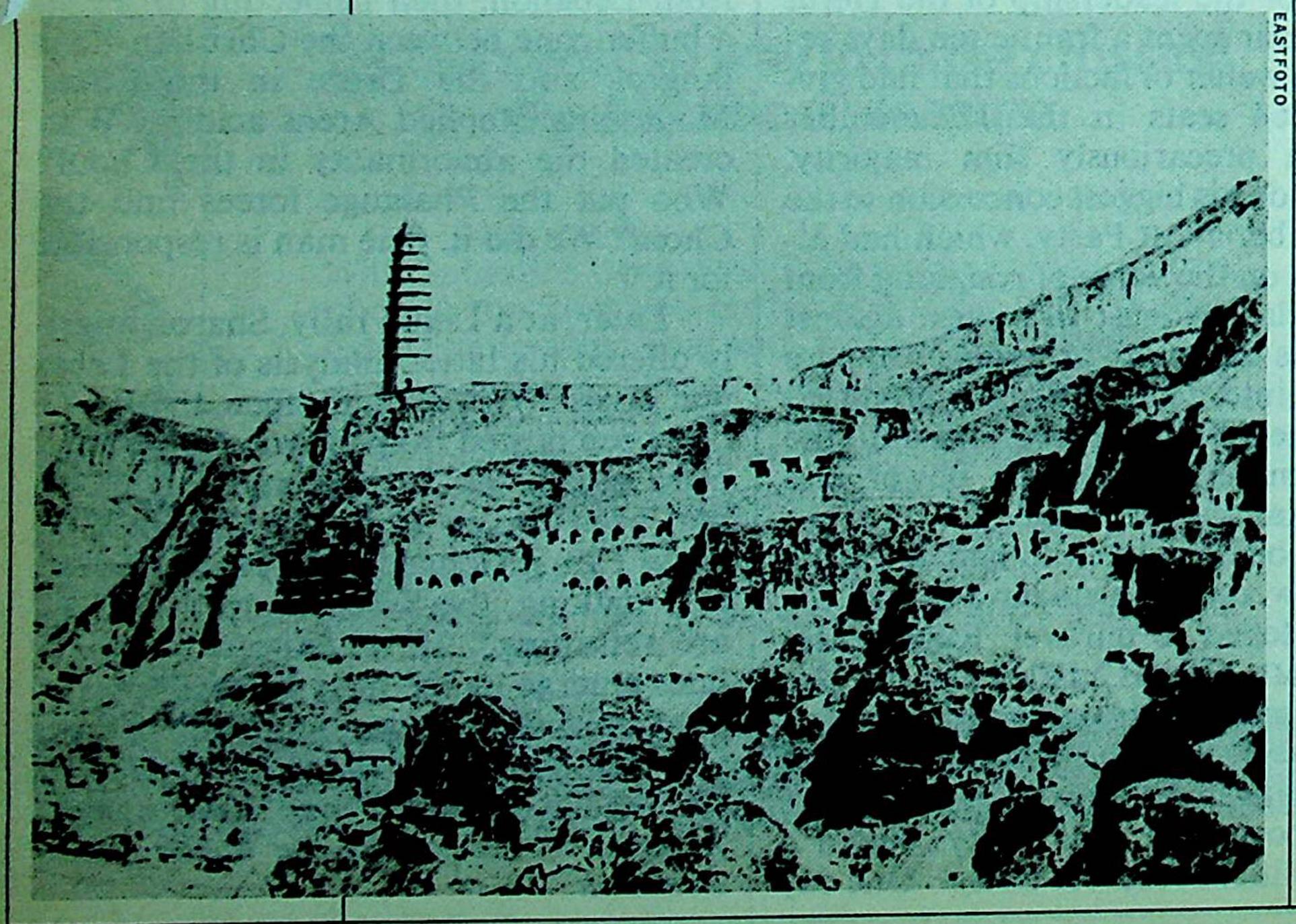
So now, in March 1949, it was over—or just beginning. That last day's trek, Mao had moved the Zhongyang to Fragrant Hill so its fires twinkled above the capital. Mao's troops were still cleaning out the fallen city, and it was not yet safe for him to enter. even though Nationalist dignitaries were about to arrive sue for peace. Each morning Chou En-lai and Wang Bingnan would drive down to negotiate; each evening they would drive back to report. Mao was inflexible no terms for surrender. China was his to remake.

Wang Bingnan remembered how Mao, coming in from the march that first evening, had been offered! bed. He was to sleep on a spring mattress; after ly years of sleeping on a hard board with only a thing peasant's pad between the board and his body. Want remembered meeting Jiang Qing, Mao's wife, the next morning. The Chairman had slept badly, she scolded He had finally decided to sleep on the hard floor where he was more comfortable. After that, Mao always slepton hoosed on boards as peasants do, even in the old imperial grounds of Peking where emperors once slept.

t: Mac him all there on the Hill that his night: Mao himself; his wife Jiang Qing; Chou English Tehr Description Chu Teh; Peng Dehuai; Liu Shaoqi; the band of contrades who had in rades who had shaken not only China but the world comrades whose devotion to one another gave victor to their revolution. After which they murdered one of the tortune of other, tortured one another, tried to assassinate on their imprisonments of the contract of th another, imprisoned and humiliated one another.

Mao, of course, was the greatest name; he went of Peking and 1 into Peking and became God—but also, with almost TIME. SEPTEMBER 26.1

From caves cut into the hills of Yanan, below a classic yellow Song pagoda, Mao Tse-tung guided his army to victory



no doubt, insane. Jiang Qing, a bitch killer and one of the great dragon ladies of Chinese history, now languishes under life sentence in jail. Peng Dehuai, a superlative military leader who had fought side by side with Mao for 20 years, went on to command the front against the Americans in the Korean War and later was named Minister of Defense. But he became the first openly to criticize Mao, and that cost him dearly. He was left to die of cancer in a common hospital ward in Peking, the windows of the ward papered over so he could not see the sun: Liu Shaoqi, named by Mao as President of China, was later dismissed and died in solitary confinement in 1969. Both were posthumously restored to honor in 1981 when they were officially recorded as having been "persecuted to death." They had been brothers in the faith of Mao-Marx-Lenin. But history held truths that overrode Marxism-Leninism as, for example, that suffering is a bond, but power is a drug. And once power was in their hands, the drug addled their minds and together they brought China to the threshold of ruin.

So one must begin the story of China now in 1983 with what happened once the revolutionaries came down from the slope of Fragrant Hill in 1949.

### MAOISM: THE BLOODY SPIKE

Their problem was immensely complicated: How does an army make a government? Armies and generals are not particularly good at governing, and the problem of governing China has always been one to numb the mind. But in 1949 the army, its

generals, its tough and cruel party, thought it would be simple.

The key to the problem, as the revolutionary armies and the party saw it in 1949, was Mao's thinking. "Mao Thought" should not be considered simply a dogma, or a slogan, least of all a coherent doctrine. It should be thought of as a spike, driven by the will of one man into the minds of his people, to nail them to his purpose. But in the next 25 years the spike was driven through the living flesh of people until they bled, or hungered, or died at random, until life became chaos. The spike had to be torn out or half China's people would perish. What is going on in China now is a great debate over whether to rip Mao Tse-tung entirely out of history, or whether to let what is left embedded of "Mao Thought" heal over.

Of all this I learned nothing that first night. I learned only later that Wang Bingnan (a hero of the revolution for arranging the Christmas 1936 kidnaping of Chiang Kai-shek, later China's senior diplomat in the West) had himself been purged during the Cultural Revolution, condemned to shoveling out barns on a collective farm. When I asked him how the horrors had come about, he murmured. "I myself don't understand"—and went on to other matters.

Since no outsider can ever really know what goes on in China, I had to content myself for almost two months with assembling fragments of reality, sifting gossip from apparent fact in trying to find out. Of the governing regime in China today, it may be said:

The old soldiers who have recaptured control are engaged in the most delicate of political tasks, transfer of power. This transfer is not only from one generation to another but is cultural, military, academic, a shift from one set of elites to another.

It is in America's interest that the Deng Xiaoping regime continue its reforms and peacefully transfer power. In the long run, the progress of Chinese scica as technology and industry may challenge America as much as Japan has. But, in the short run, the

present transition regime works to the world's good. This regime acknowledges the Communist Party to be guilty of sins against conscience and history. It has published an official confession, a story of terror and error, in an effort to set up reasonable government.

> Yet always it must be remembered that the old zealots of this regime are married to the thought of unending revolution and still seek to bring Taiwan back under their flag before they pass on. We have fought one war directly with the Chinese (in Korea) and another by proxy (in Viet Nam); a third confrontation should be avoided at all costs.

# **GLORY** YEARS, NIGHTMARE YEARS

My last previous visit to China was with Nixon in 1972. We knew nothing of what was going on. I tried then to telephone an old friend and was told, "He's not home." When would he be back? "Not certain." This time I found him, and he told me

where he had been when I last called: in solitary confinement in a Peking jail from 1968 to 1973. His wife, too, had been in solitary in the same jail. No charge had been brought against either of them, only that he was "under investigation." Greater horrors were taking place in China at the moment of the Nixon visithero leaders killed or forced to suicide; tens of thousands of China's best in jail or enduring savage punishment; scores of thousands killed by fanatics; the army called in to restore order where youthful Red Guards had bloodied the streets in civil war.

But of all this we knew nothing in 1972. Something called the Great Proletarian Cultural Revolution was in full swing. But then, as now, it was as if we were feeling through a membrane: we could sense shapes, forms and fears, almost touch them. But we could not see through the membrane.

Peking now is, to the eye, a far better place. The city's long avenues of young trees, its handsome new architecture, its broad esplanades all promise coming splendor. The people are well dressed. Well-marked buses course their routes—on time. Men and women are healthy; the children are cherubs; the parks are flecked with the colors of young couples courting or families airing babies. The stores are well stocked, from dumplings to ducks. Bookstores are crowded, moviehouses and theaters jammed. Color television has arrived and with it commercial advertising.

Most of all, Mao is gone. It is as if the city had been

66THE COMRADES GAVE VICTORY TOTHE REVOLUTION, AFTER WHICH THEY MURDERED, TORTURED, IMPRISONED AND HUMILIATED ONE ANOTHER!

Three who made a revolution: Mao, flanked by Chou En-lai, left, and Chu Teh at Yanan in 1946, three years before takeover





sponged of him and his "personality cult." The giant 40-foot-high portrait still hangs above the vermilion Tiananmen. But he now rests silent under a scarlet coverlet in the colonnaded mausoleum that dominates the great square.

People still talk about him-endlessly-and when they talk something peels off their normal guarded conversation. They talk of his glory years of triumph, the nightmare years of his horror, of the change that happened in this man who changed their lives, whom they both revile and revere to this day. When one talks to those who knew Mao personally, one comes across an exquisite perplexity as they try to untangle the revolution from the man who made it, the hero of the revolution from the villain who brought it to cataclysm. Those who attended him during his glory days and in his madness wonder what caused the devilish change in him, as well as when it took place.

There is the pathological view. He was, say those who studied the matter, suffering for years from Alzheimer's disease, a brain disorder leading to premature senility. Mao, some say, began to suffer a series of tiny strokes in 1959; others put the date at 1961. Slowly changing in personality. Mao would more and more receive visitors in his bedroom—a sloven's room, the bed strewn with books, leaflets, reports. Cordoned off from the world, he became the prisoner of his palace entourage, of his wife and of the Shanghailanders who. with Jiang Qing, formed the Gang of Four. "In the old days in Yanan," said one friend, "he would listen first, then talk. Now he talked but would not listen." At the end he would mumble and grunt, interpreters had to bend close to Mao's lips to strain sense from the mumbling. But, by then, all those once close to him had been killed or exiled from his inner court. Jiang Qing transmitted his orders.

What remained constant in Mao was his iron will. the invincible conviction of his own righteousness. Political analysts harp on two words: "speed" and "struggle." Mao had acquired the lust for speed in the last year of the revolution. In the fall of 1948 the commander in chief of his Manchurian strike forces, Marshal Lin Biao, had seized the key city of Shenyang (Mukden); but so many of Chiang Kai-shek's combat divisions were still at large in Manchuria that Lin Biao preferred to move with caution. Mao overruled him. Strike for the escape ports of Manchuria, he said, now. Cut them off. Field success vindicated him. Cut Peking off from Tianjin, Mao next commanded. And he was right. Strike next south of the Yellow River. There, in the famous Huai-Hai battle, half a million of Chiang's troops were captured or came over. On Oct. 1, 1949, less than a year from the seizure of Shenyang to the collapse of all resistance, Mao proclaimed the People's Republic of China. Now, more speed!

To the impulse for speed was added the driving force of "struggle." In Yanan (see box), where the clean dry air is intoxicating and the heavens are close enough to touch, "struggle" had become doctrine. Nothing was impossible if his will could drive his peo-

ple to "struggle against the mountains." But the flatlands of central China, the wet paddyfields of south China were not mountains. They could not be climbed, they had to be governed and remade by changing the minds of the peasants who tilled them in the old ways. So, following the revolution came the Great Leap Forward, which collectivized agriculture. So millions died of starvation as China struggled to collectivize. The real China, where peasants sow and reap by season and by sweat, could not be remade with "Mao Thought." By 1958 Peng Dehuai was protesting that collectivization was not working. So was Liu Shaoqi, the President of China. Both were to die.

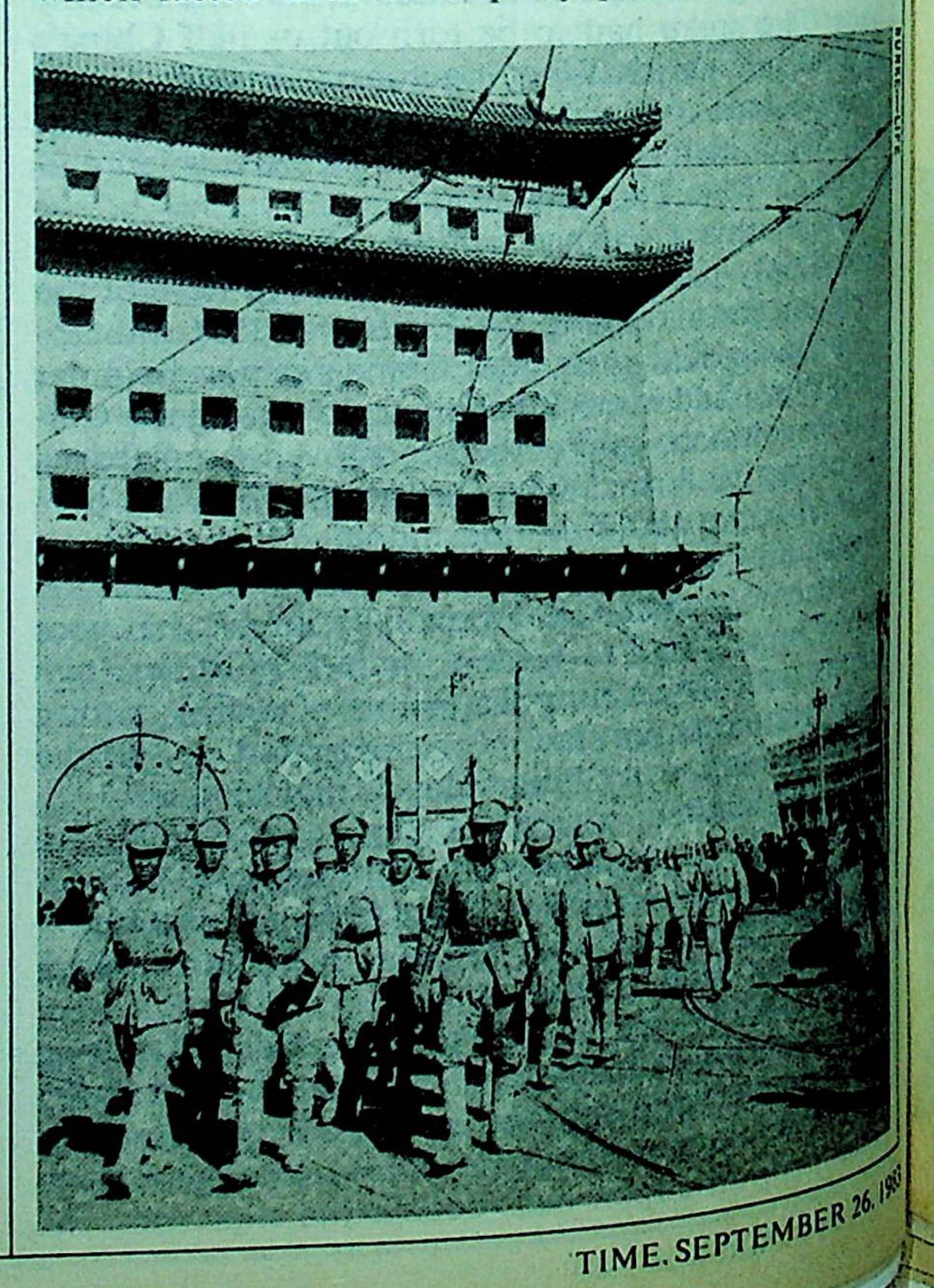
Just as Mao believed in speed and struggle, he also believed in conspiracy. If China was not moving with the speed he required to the socialist millennium he sought, there must be a conspiracy somewhere. Where else, he decided, but in his own party, where "class en. emies" lurked? Yet it was not Mao's enemies who were resisting; it was China itself, and its realities of hunger and hope betrayed, "Mao Thought" could not move people as swiftly as it had moved armies. So, in 1966. Mao speeded the pace. "It was as if the law of in. ertia took over," said Hu Qiaomu, once Mao's private secretary, today in the Politburo as spokesman of China's intellectuals. "He was speeding the train down the track. The train came to a bend because the terrain of China is different from what Mao thought. The train

The derailing of China is what is called the Great Proletarian Cultural Revolution. No more ironic title has ever been given to a dogma that tried to erase all culture. China is now recovering at a swifter pace than one could hope. But its people have lost ten, some say 20 years of normal life. The greatest feat of the present regime is that it has had the courage to denounce the disaster, fix blame and reverse course.

# COUNTRY DRIVENTO CHAOS

The tormented decade of the Cultural Revolution can be divided into three chapters. The first lasted from the outbreak in mid-1966 to the end of 1967, when roving bands of Red Guard youth ferreted out and purged the supposed enemies of

Mao in the bureaucracy, in factories, in provincial centers. That period ended in an anarchy so sweeping that the army had to seize the cities and re-establish food supplies. But the army was commanded by Lin Biao, who could see that the old man was failing and that power would go to whoever struck first. Lin miscalculated; his plot to kill Mao was exposed; and when he was killed in an airplane crash while trying to escape in September 1971, the army was subordinate to party again, and the third period began. In this period, which lasted until 1976, party politics were twisted



After surrender, **Nationalist troops** leaving Peking in 1949 pass its main gate

44WHAT IS GOING ON NOW IS A DEBATE OVER WHETHER TO RIP MAO ENTIRELY **OUT OF** HISTORY OR TOLET WHATIS LEFT EMBEDDED HEAL OVER 77

into palace politics, as the Gang of Four sought to ensure the succession for themselves.

So much for history. What was happening was the triumph of fantasy over reality, a dogma so strange triumph of fantasy over reality, a dogma so strange that endless blood underlined its absurdities. The theory of the Cultural Revolution was summed up in the ory of the Cultural Revolution was summed up in the word egalitarianism. All people must be re-educated to the peasant way of life. Enemies, said Mao, were buried in every party cell, every government office, every university, and must be burned out—"the capitalist roaders," "the stinking intellectuals," "the rightist," "the revisionists." And all across China, the youth, the Red Guards, then the careerists and thugs, responded to Mao's call ("Bombard the Headquarters") to join in the crusade against the hidden enemies. And as they searched for those enemies, they broke into factions and began killing each other.

They tell the stories in China now, some shamefacedly, some still burning with indignation at how the country was driven to chaos. There is a onetime Red Guard still horrified by a single memory. He was at high school in Peking and was awakened one night. A "struggle" meeting was going on in the school courtyard, the Red Guards struggling against two teachers and beating them. He crept down to the courtyard at 5 a.m. and there lay the bodies of the two teachers, beaten to pulp, dead. Another onetime student recalls: "My brother was at Peking University; he was beaten to death; then my mother committed suicide." I spoke to a brigade leader in a distant rural commune who had been hung from a stable rafter for days, suspended by his arms tied behind him, while Red Guards beat him with fists, sticks, irons. Finally his own peasants rescued him. In Chongqing, I spoke to the vice mayor, old beyond his years. He was sent down to an iron mine where he worked underground for three years.

Being "sent down," or Xiafang, as the Chinese call it, was very simple punishment. "Stinking intellectuals" were supposed to learn from the peasants what life is like when one must stoop for hours transplanting rice seedlings in the wet muck. Horror stories spurt—not grisly horror like eye gouging (which was reported only in south China), but simpler torment like being interrogated round the clock by Red Guards.



High and low alike, anyone with an education, anyone suspected of murmuring protest, in the bureaucracy, or the universities, or the army, could be sent down. All universities, except for military research centers, were closed, some for three years, some for five, some for a full ten. And, as dogma drove the spike into the flesh of the country, even the revered ancients of the revolution were pushed to death. Li Ta, one of the original founding fathers of the Communist Party of China in 1921, was "struggled" against until he committed suicide. He Long, a Robin Hood peasant bandit who became a marshal of the Red Army and helped conquer south-central China for the revolution, had been a hero. He Long suffered from diabetes, but the hospital denied him water, then injected him with glucose instead of insulin. So he died in 1969.

And then, after the street violence of the Red Guard youngsters had subsided, and Lin Biao had been eliminated, it became worse. All power fell into the hands of the palace court that surrounded Mao. Jiang Qing, of course, wanted to be named Premier to replace Chou En-lai. She named as Minister of Health Liu Xiangping, one of those ruthless women who abound in Chinese history. Liu was not only ignorant of medicine but devoid of decencies. She made the hospitals of the capital hostels of despair. Few could escape her clutch. Old veterans and ranking bureaucrats pleaded not to be sent to the hospitals from which they feared they would never emerge alive. They were told it was the will of the party and off they went. Liu Xiangping was the wife of Xie Fuzhi, chief of the secret police; he fingered victims, she executed.

For sweep of terror, China under the Cultural Revolution was the equivalent of Nazi Germany. Thugs, Red Guard bands and idealists fought in the cities, all rivaling one another to show loyalty to Mao Thought. Stories from the interior convey the sweep of the violence. In Chengdu, capital of Sichuan, the handsome old government palace was blown to bits by Red Guards; in its place they erected a new hall filled only with portraits of Mao. In Chongqing, workers fought each other with machine guns, artillery, armored cars and tanks. In Harbin, the factions used airplanes to bomb each other. In Peking, Red Guards stormed and burned the British embassy. In Wuhan, center of the great iron and steel complex as well as of several universities, steelworkers shaped up in three rival bands, while universities formed rival student bands, all warring within and against one another.

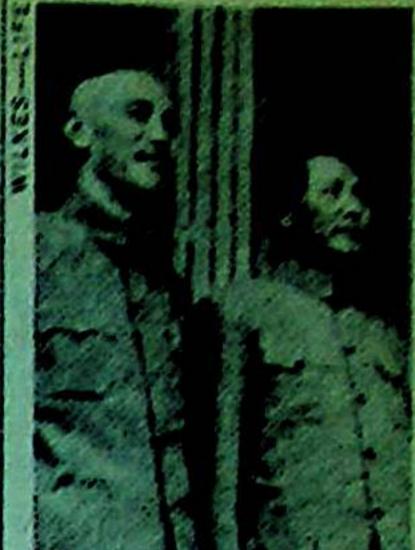
So millions suffered. There is no real count of those who died. The final official record says that 34,800 innocent people were put to death and 729,511 subjected to "unwarranted persecution." This takes no account of how many others died—bystanders at riots, those huddling under bombs or artillery, individuals stoned, beaten or stabbed to death.

Common sense itself revolted. The new dogma had not worked and it could not work. So the aging generals of the Civil War and Liberation had to move in, as they did on the night of Oct. 6, 1976.

### FALL OF A DYNASTY

Chou En-lai, the last effective rational member of the inner circle, had died in January 1976. Twelve weeks later came the ceremonies of Qingming at which the Chinese honor their dead. Spontaneously, on April 1, thousands thronged Tiananmen

Square to mourn him. The next day, more. Then again the following day and the day after, hundreds of thousands, in silent protest against the tyranny of the Gang of Four. Somehow Chou had come to be the symbol of



Mao and Chiang Kai-shek at 1945 meeting

As the Civil War nears an end, children assemble at a Shanghai welfare center

44FOR SWEEP OF TERROR, CHINA UNDER THE CULTURAL REVOLUTION WASTHE EQUIVALENT OF NAZI GERMANY. THERE IS NOREAL **COUNT OF** THOSE WHO DIEDTT



With the Gang of Four still ascendant, Jiang Qing appears at Peking airport in April 1974

the true faith of the original revolution. In July Chu Teh, commander in chief of the revolution's armies. died. Then came the Tangshan earthquake—and in Chinese folklore great earthquakes always foretell the fall of a dynasty. Finally, on Sept. 9, Mao died, and it was time for someone to move. Either the Gang of Four would wipe out the last resistance and Jiang Qing would reign, or the veterans of the revolution would wipe out the Gang of Four. A classic case of "us" or "them," as tight as the events of 9 Thermidor, 1794, when it became a matter of life or death for members of France's revolutionary Convention: Robespierre would get them, or they would get him.

There is as yet no authentic story of the night of the coup and there may never be. Ye Jianying and Li Xiannian, both old marshals, led the coup. But I rest my knowledge only on the slim phrases I squeezed out of the deputy chief of staff of the army at the time— General Wu Xiuquan, now retired and old. "We controlled the garrison," he said. "We moved into Zhongnanhai (the imperial quarters). No bloodshed, no resistance. We arrested the four, one by one, in their homes." The people of China had had enough of the madness and violence. Not until six days later, Oct. 12,

did the people of China learn the madness was over, from BBC out of London, reporting what British intelligence had gathered. In the underground the crab had been the symbol for Jiang Qing. So those who could af.

This political insanity was put in context during a talk I had with Hu Qiaomu. Slow in speech, broad of nose, gray of hair, Hu had been a Shanghai intellectual in the '30s who trekked north to Yanan and became Mao's private secretary, worked with Deng Xiaoping,

"They put me through the jet," he said, then abruptly halted. A man put through the jet was forced to crouch motionless for hours or days, his head down and outstretched like the nose of a jet, his arms extend. ed behind him like its wings. While Red Guards changed hourly, the victim crouched and answered questions. Some collapsed, some died. Hu survived but is a frail and melancholy man.

I wanted to question him on his authorship of the confession of error, the official history of the Commu. nist Party, approved by the Zhongyang in June 1981. The structure and thinking, he insisted, were that of Deng Xiaoping; the document was a party document, not his alone.

"How did Mao make those mistakes?" I asked. After the revolution, Hu replied, it proved more difficult to establish socialism than it had been to overthrow the old regime. Differences between the leadership grew. The old brotherhood began to split with collectivization in 1958—a disaster. "Mao knew he had been wrong in the Great Leap Forward," said Hu Qiaomu. But when Peng Dehuai circulated a critical letter, Hu went on, he "was scraping at a wound which, left to itself, might heal. To scrape a man with a healing wound rouses all his irritations, angers him." So Mao got rid of Peng-first to go of the old guard.

Add to the pressures not only Mao's isolation but his growing distrust of the Soviet Union. "Mao's visits to Russia were not only very short but very unpleasant," said Hu. Mao believed that the Soviets had bureaucratized their revolution, had betrayed Marxism, were traitors to Communism—revisionists! If the Soviets had succumbed to bureaucracy, might not the same thing happen in China? Thus, a growing suspicion that revisionism and class enemies might be infecting even his own party. On went Hu, describing the paranoia growing. Mao had disliked intellectuals ever

# YANAN: CRADLE OF THE REVOLUTION

Camels with tinkling bells no longer shuffle through; nor do mules with their red tufts; nor shepherds with their flocks. Yanan is now a small north China town, its main street traffic controlled by two stop lights. It boasts cigarette factories, woolen mills, an opera house, a modern hotel. Only the yellow Song pagoda marks the village where history once happened.

For ten years this cleft in the hills was the cradle of China's revolution. Now its few visitors (6,000 all last year) come like pilgrims to Jerusalem to see where it began—or to remember. Their route is almost as well marked as the Stations of the Cross. Following it, one traces the explosions that overturned

China. First station: the home of Mao Tse-tung, where he made his headquarters in January 1937, preparing to fight the Japanese as ally of Chiang Kai-shek. The shrine sits in a dusty courtyard, now gardened and grown with new pines. Here was

his bed, says the guide, herethe two blue enamel boxes in which he carried his records on the Long March; here is the charcoal pan at which, one day while he was writing, he was so absorbed his sandals began to burn. Next door is another little house. once shared by Chu Teh (with wife) and Chou En-lai (with wife). One notes: a private house for Mao, for his two closest companions a shared cottage. Here Mao lived until 1938, when the Japanese began to bomb Yanan and he moved three miles north to the cave encampment at Yangjialing.

By 1938, one notes, Mao had two whitewashed rooms in the children and a rangialing and a ra Yangjialing and a private air-raid shelter. On either side, Chiller and Charles Teh and Charle Teh and Chou En-lai each had caves. By now their Red Army had become the Eighth Route Army and was across the Yellow River fighting I. River, fighting Japan. Beneath their hill, by 1942, they had built the wellow being the desired the results. built the yellow brick headquarters of the Central Committee These three were to remain the power for almost 40 years.

The next stage of pilgrimage comes another mile of the famous. away, the famous Zaoyuan, or Date Garden, to which leaders moved in 1042. Date Garden, to which the leaders moved in 1042. leaders moved in 1942. By then, they had broken completely vith Chiang. There are the care with Chiang. There, on the dominant slope, are the care than five of the same three men. Mao's boasted no fewer than one bed one rooms; he slept now in a handsome dark wood sleigh bed.

since he had been a \$30-a-month librarian in Peking in his youth. "The more knowledge you give the people," said Mao, "the more you hold back revolutionary thought." Or, "The more books people read, the more foolish they become." So Mao let loose the Cultural Revolution, but, said Hu, "once he let the genie out of the bottle, he could not put it back in."

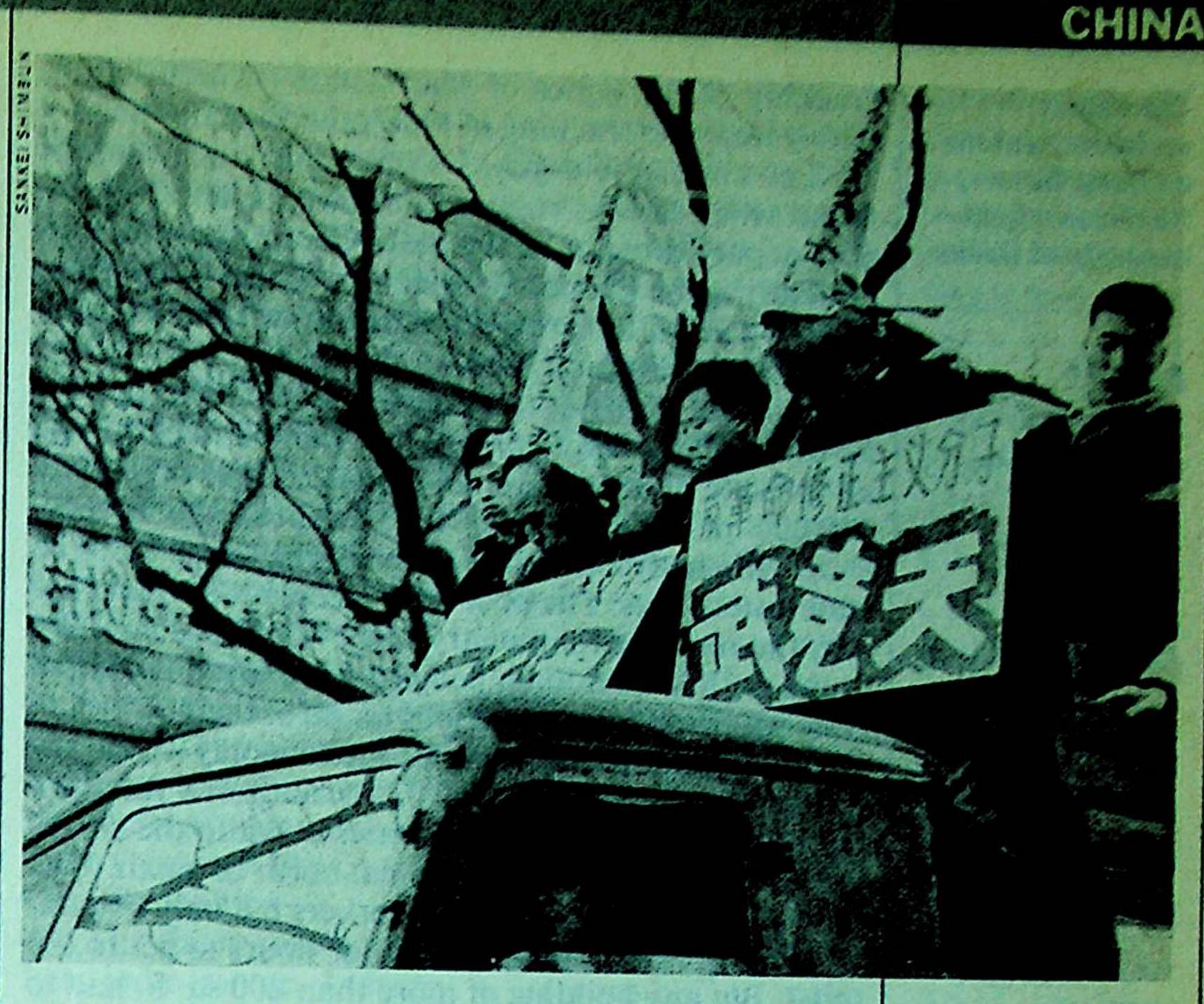
I tried to bring Hu to personalities. Peng had been too proud and stubborn, he said. Lin Biao had been too ambitious, a careerist, sucking up to Mao, then trying to kill him. Finally he came to Jiang Qing. Here Hu's anger burst. "If you were to write a biography of Mao, she would be the tragedy of his life." Then, an anecdote about Jiang Qing escorting Imelda Marcos, the First Lady of the Philippines, on a visit to Tianjin. The state cavalcade roared through the peasants, ran one down and killed him. Stop, said Imelda. No, said Jiang Qing, drive on! The cavalcade drove on.

Did Mao know of the horrors? Both Peng Dehuai and Liu Shaoqi had lived so close to Mao below the ledge in the Date Garden of Yanan-how could he have let them be put to death? Pathetically. Hu ruminated, then slurred his reply. "No . . . no . . . Mao did not know. It was all so secret, you understand. Even the Politburo did not know. They put Peng into a hospital under a false name. Even the doctors did not know his real name." Chou tried to find out what was happening to Peng. "He couldn't. It was a secret even from Chou." Mao trusted nobody in the last days.

Yet Hu also told of how Mao, who did not believe in torment but in "re-education" of his enemies, heard about an old Yanan comrade being imprisoned and tortured. "But this is fascism, not Communism!" cried Mao, and ordered punishment relaxed to house arrest.

I complimented Hu on the official confession. "The problem," he said, "had been how to assign blame yet preserve Mao's merits, though flawed." After three sessions, the Central Committee came up with the compromise that now rules Chinese thinking: there is crime and there is error, and they are different. Mao was not a criminal, said Hu. Mao was guilty of error; he had betrayed Mao Thought, contradicting himself. His merits outweighed his mistakes. Thus, the official history of disaster, the dethronement of a god.

Could terror reign once more? No, said Hu—and he was firm. A modern country needs intellectuals, scientists. This was Deng's view too. How could modernization proceed without thinking people? I persist-



ed: Could it happen again? No, he answered. Not because of the new constitution. Not because of the transfer of power. No-because someone who puts his finger on a hot stove gets burned and will not put his finger there again. The terror. Hu assured me, could not return because the people now would not accept it.

THE **MESS** 

UNTANGLING It was two years before the old generals could purge and remold the party. By 1978 they had brought back from disgrace Deng Xiaoping, the deftest politician among them. At the end of 1978, the reorganized Central Committee, under Deng, had re-

pudiated the economics of the Cultural Revolution and ordered reforms. It took two more years to bring to trial and convict the Gang of Four; and in 1981 the Central Committee adopted the official confession of Communist error. It was another year before they elected, in 1982, a new Zhongyang and adopted a new constitution, the fourth since Liberation. So there is now a new ruling regime (see box, page 24).

What is going on under this new leadership is a

In a ritual of humiliation, dunce-hatted former officials are driven through Peking by Red Guards

hardwood board with only a thin pad on top. Chu Teh had a fine cave suite to his left, Chou En-lai to his right.

What I remember best is the stone tables, the stone blocks used as chairs when they chose to dine outside; and the little pavilion built for Mao to rest, think, write when the skies were sunny. Beyond the hills his troops had reached the coast of China, fighting on Pacific shores. On this ledge, at such a stone table, Major General Patrick Hurley signed his compact with Mao in November 1944. Both promised, with American aid, to bring to China Roosevelt's Four Freedoms and the Bill of Rights. It required only Chiang Kai-shek's consent, which never came. Nor did Mao follow through on his commitment.

Just below the ledge are two cottages, one for Peng Dehuai, who would become Defense Minister, one for Liu Shaoqi, who would become President. The three cave dwellings above and the two cottages below made the ruling group; they met as neighbors, friends, brothers, as they planned the revolution to three were persecuted to death; the reigning three were all to die of natural causes in a nine-month period of fired and to die of natural causes in a line-little fired and least two of them knowing their revolution had misfired, and the largest of them all, Mao, insane.

The Date Garden is now tidied up, a splendid Chinese gar-

den. No sounds echo through it, no bugles sound in the morning. It was all abustle in its glory days, but now the water ripples silently through the irrigation ditch and the pears and apple trees in springtime's pink and white blossoms offer their beauty only to occasional visitors.

On then to the army headquarters at Wangjiaping, a mile or two away. When I had last seen it in 1944, it was a place of excitement. It is now a gray, empty barracks, quite forbidding. Adjacent to it is the last station of the pilgrimage—Mao slept here for several weeks in his last days in Yanan, preparing to flee and reorganize his armies for the final assault on the Nationalists; he and the entire Central Committee were to be on the march for the next two years. Mao, says the guide, left Yanan on March 19, 1947, maneuvering to lure Chiang Kaishek after him while he closed in on Chiang's rear. The guide took us to where a red memorial now stands to Mao's son. killed by the artillery of the enemy in Korea, the enemy unnamed in courtesy to this American visitor.

"Had Mao ever come back to visit?" I asked. No. others had returned to this Valley Forge of the Chinese Revolution— Chou En-lai, Deng Xiaoping, others. But not Mao. He lived in a world of his own and never looked back.

The oldest sprinkler system. a strong farmer. fertilizes a field near city of Guilin

SATHE MARGINIS STILL THIN-JUST **ENOUGH** FOR PEASANTS TOKEEP THEIR CHINS ABOVE WATER. FIVE YEARS AGO, ONLY THEIR NOSTRILS WERE VISIBLE 97

cracking of the bones of Mao's state—which had to follow from the cracking of Mao's theories and ideas.

Let another old-guard Communist tell what he found when he was restored to power. Liao Zhili, 68. now deputy director of the State Commission for Restructuring the Economic System, was sent down from 1968 to 1978. Liao grew animated as he told of China as left by the Cultural Revolution.

"It was," he says, "madness. They believed in publie ownership of everything. They wanted to eliminate all private workers. In all China there were only 150,000 private workers. They wanted the barbershops, the bathhouses, the shoemaking shops all to be state enterprises. The poorer the people, was their theory, the more 'revolutionary' they would become. We found we had 26 million people unemployed—and the state was supposed to find jobs for all of them.

"They had two systems for the economy-'line authority' and 'bloc authority.' "Line authority ran from the central-government ministries down to the smallest factories and mines in China, north or south. "We found one factory with 4,000 workers but only one toilet. The workers would line up for hours to get to the toilet. But any building of more than 200 sq. ft. had to be approved by line authority at the top, the State Planning Commission in Peking. Should such a committee have to decide about toilets? We had a factory in Hebei that produced good worsteds that people wanted for suits. But the plan called for the mill to produce coarse woolens." So the mill met its quotas in coarse woolens, and they piled up in the warehouses. All over China, Peking set quotas and ignored what the people, the market, demanded.

"Take bloc authority." Liao went on. "That meant the provincial governments did the trading and marketing. Villages in north Jiangsu, for example, raise tomatoes, so they need bamboo staves to make the wicker tepees that hold tomatoes up. Anhui ljust across the border] had surplus bamboo. But tomato farmers in Jiangsu couldn't get any bamboo from Anhui because that crossed a provincial border. That's bloc authority."

Suddenly, he exploded:"Peanuts! Everybody in China likes to eat peanuts. But peanuts disappeared entirely; the peasants couldn't ship to the towns. Eggs! You could buy eggs in the city only on holidays. Meat! There was no meat in the cities to buy. Everything was on coupons. Dates! Not even coupons could buy you dates—you needed a doctor's prescription."

On he went with wry amusement as he told how the new regime was untangling "egalitarianism." It would be years before it was all untangled. But much had already been accomplished, particularly where the peasants had been invited into the "responsibility" system and had restored the market system. It was the countryside where I would see reforms working best.

# REMOVING HANDCUFFS

The countryside means almost anywhere, for 80% of China's people still work in the fields. Start with Sichuan, my home base for six years. The province is so fertile that the old phrase ran, "Anything that grows in China, grows better in Sichuan."

Sichuan used to feed itself. But then, from the czars of the Cultural Revolution, came the order that two rice crops be grown a year. Rice, however, is a tricky crop. Sichuan had evolved its own two-crop culture rice in summer and wheat or rapeseed in winter. But Peking had ordered two rice crops a year. So Sichuan tried to meet its quotas. When the climate made that impossible, the government had to send grain into this



onetime surplus province, and the peasants hungered. I found Sichuan enjoying change, as a man does when handcuffs and leg irons are removed. The new reforms were quite simple: the peasants could now decide what to plant and when, and whether to sell any surplus to state markets or free markets. If they met their quotas to the state, the surplus was theirs to eater to sell. The margin is still precariously thin-just enough for peasants to keep their chins above water. Five years ago, only their nostrils were visible.

A quick six-day tour of the province, for an oldtimer, is a delight. The small towns throb again, their booths full of sweets, cookies, housewares, clothes, lextiles, flower pots and flowers. In big cities like Chengdu and Chongqing, the huge food markets overwhelm the eye with food that can be bought without coupons. Hogs come squealing to market in wheelbarrows, on tractors, even lashed to the backs of bicycles then reappear in the markets as huge slabs of pinkand-white pork. Peasants bring in their wives squawking chickens, eight to a basket. Down the market lanes peasants sell geese and ducks; eels from the canal ditches; fish from their ponds; fruit; fresh vegetables; herbs, spices, ginger root; delicacies. Canaries are for sale again, along with other caged birds, and crick et boxes. Shoemakers ply their trade; itinerant den tists, with their foot-paddle drills, have reappeared.

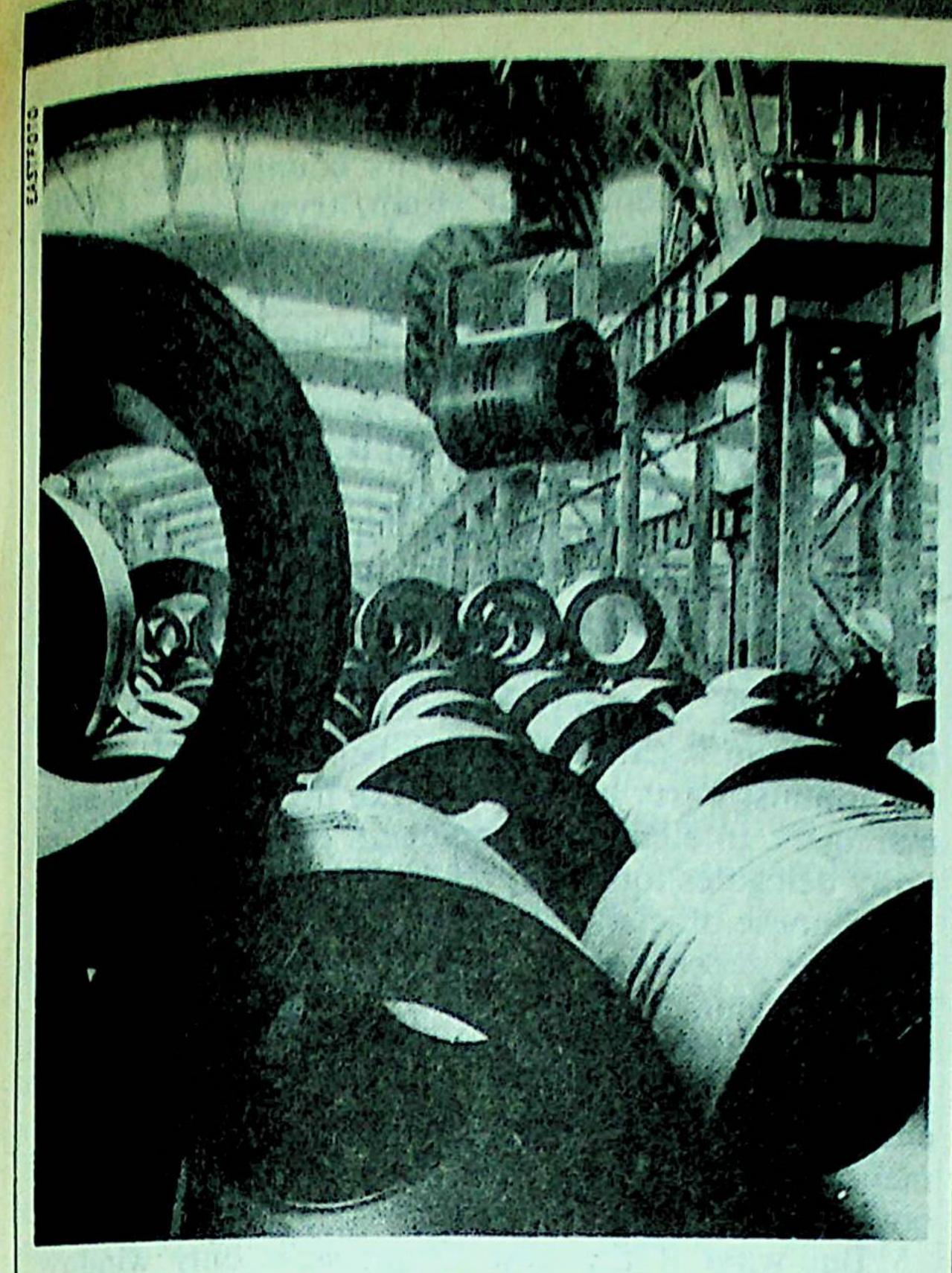
The markets are real. So is the astonishing good health, the ruddy vitality of the people, so different from the scrawny peasants I remember 40 years ago The gurgling babies pleasure the eye—no trachoma no scabies, no rickety limbs, no potbellies of famine.

But the eye can deceive. This has been a great year in China: a prospective record harvest, record in comes. Yet peasant prosperity is fragile. Here was shap in green chuan in green spring, the wheat turning yellow, so to be golden. But if the rains fell at the wrong time. wheat would be beaten to the ground and lost, and here would I there would be a slim rice crop in the fall. This has a province lives province lives on the margin of hunger.

The "responsibility system" in Sichuan has den rated that possession and onstrated that peasants work best when they lend heir own folds. their own fields. For Westerners this recognition seems equivalent to the rediscovery of the wheel TIME. SEPTEMBER 26.1



Unloading fresh produce at Wuhan market



with a crucial difference. The state, via the commune, has replaced the old landlord. It owns the fields; the peasant rents an allotted share of land; if he meets the state's quota (once called the landlord's rent), he keeps the rest. This is progress. It is harsh; yet the Great Cultural Revolution was far more cruel.

Days later I visited "a big brigade" in the province of Hubei that was beginning to refer to itself, not as a brigade but, again, as a cun, a village. The brigade chief, a bald-headed veteran Communist, explained once more that peasants could now decide on their own crops and routines. "Responsibility" made them care about the harvest. Then, as an afterthought, he added, "It is not only the attention of the farmer that helps. He now uses his own organic material, also the organic material of the chickens and buffaloes to enrich his fields." I read very precisely what he meant. Now that a peasant is responsible for the land allotted to him, he cultivates it like a garden. His excrement, pig excrement, chicken droppings are all sumped together with urine, then ladled into buckets. The peasant then pours the mixture onto each stalk. Ladling the slime onto the seedlings is smelly, unpleasant duty. But the slime works; production had been rising for three years, and the peasants ate well.

Finally we came to the population problem. Since collectivization in 1958, the brigade's population had risen from 1,300 people to 2,720. So in the reform share-out of 1980, the largest plot was four mu (twothirds of an acre). Too many people, too little land.

The net impression, after weeks in the countryside: China's farms are on the mend; peasants are eating again; a few are even getting rich with rows of chicken coops, private stalls and little carpenter shops.

THE POETRY **OF** NUMBERS

Industry is enjoying a greater boom, and to China's planners, it is the measure of the country's ability to enter the modern world. Chinese industry is the ultimate challenge to tomorrow's system of world trade, and soon-

er or later, America distance er or later er or er or later, America must adjust

Chinese leaders love to talk of industry, rippling statistics over their stories as satin merchants used to ripple silks over their hands. Probe at a Chinese official and figures immediately begin to flow: the largest cotton industry in the world today, 18 billion sq. yds. annually (6.6 billion in the U.S. in 1981); steel production up from nearly zero 40 years ago to a projected 40 million metric tons this year (1983 projection for the U.S.: 77 million metric tons). Television sets (6 million), washing machines (2.5 million), refrigerators, a precious luxury (only 100,000) trickling out of new factories. None are yet good enough for export, but wait. Already a Shanghai factory ships watches as far away as Singapore, of quality to match the Japanese. A new multiplex cable factory, rising in Chengdu under American direction, will be able in the next few years to meet not only the needs of China's missile systems but also of the urban complexes, where telephone systems are still primitive. On and on goes the poetry of numbers, as planners celebrate the recovery from the dreary years of the Great Leap Forward and the Cultural Revolution.

The theory of the new responsibility system blankets industry too. Industry is "responsible" to make what people need and to make a profit. Follow this theory, however, down to the assembly lines or the rolling mills, as one does, say, in Wuhan, with its famous iron-and-steel works (capacity: 3 million metric tons a year). Questions pucker. The national plan does not provide enough raw materials to keep this Wuhan installation running at full capacity. Later one learns that the steel industry has managed to misdirect its objectives, so that 20 million tons of steel lie rusting in warehouses.

Another question follows—that of "technology transfer." The Wuhan works use Japanese and German mills, and the Chinese have begun to ship steel mills of their own design to more backward countries in Africa. Still another question occurs as one paces the high catwalk above the steaming rolling line. What do these people get paid? Sixty Chinese yuan a month on the average, less than \$8 take home a week per worker. Double that to include hardship bonuses, medical care, low-cost housing, schools. Call it \$20 a week with fringe benefits for a Chinese worker. How can American steelworkers compete, when their wages (plus fringe benefits) run \$22 an hour and they work with old equipment?

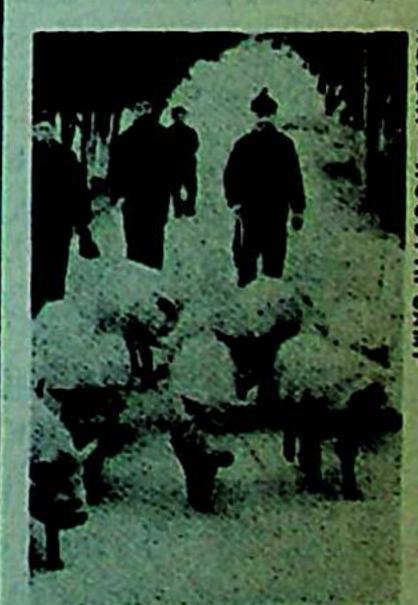
Follow the big industrial boom further, to textiles and garments. The largest cotton mill in all China sits in Chengdu, in Sichuan. It makes a profit producing for the China market. Its workers get paid perhaps \$25 a month in take-home pay. The China market absorbs all the flower-printed cloth that comes off the print mills, but the factory management is under considerable pressure to pursue Western markets and make dollar profits, which are the great prize. Can American textile workers possibly compete? Six dollars a week against an average North Carolina wage of \$250 a week less deductions? In Shanghai, the net cost of the labor that goes into making a man's suit is \$2. New York's garment industry—or Philadelphia's, or Chicago's—cannot compete with that. But what share of the American market do the Chinese plan to capture? And do we wish to hasten or slow the Chinese experiment in transition?

No group could be more sensitive to the changes required by the transition to an "enterprise" system than the six old veterans of the Standing Committee. Life hurries them on; age presses them. They need new, younger men in the party, in the provinces, in industry. And they must choose their replacements, managers, engineers, scientists, now.

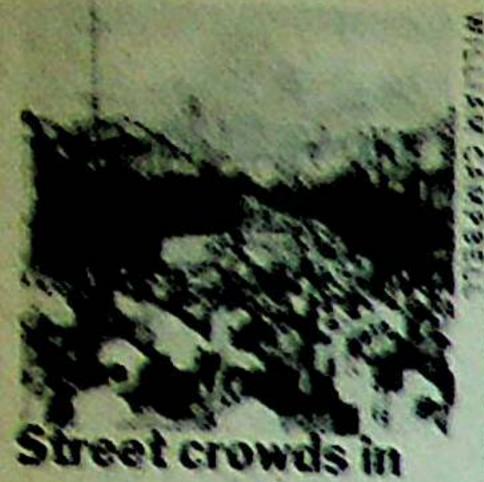
Gleaming rolls of steel at the modern Wuhan works, which can produce 3 million metric tons a year

44CHINA'S **INDUSTRY IS** THE ULTIMATE CHALLENGE. SOONER OR LATER, **AMERICA** MUST **ADJUST ITS ECONOMY** TO CHINA'S ASITTRIES TO ADJUST TO JAPAN'STT

sed



Men herding pigs across country bridge



mountain-girt
Guilin symbolize
one of China's
most intractable
problems—too
many people, too
little land

# PASSING THE BATON

Transfer of power is particularly dangerous in China, where traditionally it went hand in hand with humiliations and killing. The pattern was quite simple. Warriors conquered power, then found it would not function without scholar-bureaucrats,

"mandarins." The aging warrior-leaders of the Standing Committee know they too must create a mandarinate. A few years ago, thinkers and scholars were "stinkers"; today, they are desperately needed. But can the old men shift power to them without upheaval?

The transfer of power is now going on as far down as the six-man oligarchy of Peking can reach. But it is so delicate that their government tiptoes as if through a minefield. To talk about this process, I called on Huan Xiang, a vice president of the Academy of Social Sciences in Peking. Huan too had been humiliated, purged and rusticated. After the Gang of Four was wiped out, he came back to Peking. The old soldiers knew that matters had gone wrong—but only scholars could say how and why. So they called in the scholars, Huan among them, to analyze the disaster.

Then the scholars offered suggestions. Students at universities must be admitted only after tests of competence, not because of party loyalty or class background. Industries must be organized not to meet quotas but to meet need. Planning must fit reality. Most important: peasants must be released from state planning to plant their own crops.

The scholars suggested that the party too had to change. There should no longer be one total authority compelling every unit of the state, from commune to city to Peking, to zig or zag every time the party zigged or zagged. The party's function is to lead. The govern-

ment has another function: to keep order. Enterprise has yet another function, from village field to factor floor: to produce. Now the entire country was livin through experiments, said Huan, trying to separate party apparatus from governing apparatus.

As I traveled the interior, hotels were crowded by provincial party caucuses and provincial "people's congresses, assembled to follow the new party line dismantle, restructure, reorganize. Out of this effort is difficult to measure the change in texture from the last session of the Fifth Congress (December 1982), for a tive figures. One knows, however, that the average of the 2,978 new members has fallen sharply, as a people wished. Its composition is remarkable: women communist Party members make up 37%; industrial managers, intellectuals, engineers count out at 41% army delegates total only 267, or 9%.

Chinese officials insist that the transfer of power from one generation to another is irrevocable. If one believes them, as they try to believe themselves, then this new National People's Congress may have real power, may mark a change to a Chinese system of checks and balances, Congress checking on government, both checking on party, party interacting on both.

But what if the new Congress is only window dressing, a façade like those before it? To whom, then, will power pass as the old men die off? Does this Congress dare test its will against the will of the party? What haunts thoughtful Chinese and foreign diplomats alike is the guess on the stability of the new regime. How many old hatreds, old scores sputter in opposition to the new course?

March, he went on to fight the war against the Japanese in the

mountain province of Shanxi. In the "Liberation War" he row

to become political commissar of the revolutionary Second

Field Army; he wound up both wars with a record of glory and

# SIX WHO RULE—AND REMEMBER

Though Chinese politics is forever a mystery to Westerners, one can make out its outlines. Supreme power lies in the six-man Standing Committee of the Politburo. The Politburo of 25 men is where politics shifts and simmers; below it is the 210-member Central Committee, where younger people, engineers, technicians, provincial party leaders voice the

growing pressures from below. Outside them all is the army—wary, suspicious, slowly being subordinated by the Standing Committee to

the government.

All decisions come to final judgment in the six-man Standing Committee, a band of old wartime veterans dominated by Deng Xiaoping. He does not hold China's highest titles (he is chairman of both the party and government mil-

itary commissions), but there is no doubt that he is the "paramount leader." Deng is a tiny man (approximately 5 ft. tall), half elf, half gunman; at 79 he is China's foremost pragmatist and is engagingly candid. A brilliant youngster who graduated from high school at 15, he went off to France after World War I as a student. There he met Chou En-lai (of whom Deng said recently, "I regarded him as my elder brother"), joined the Communist movement, returned to China, led peasant insurrections in Guangxi and joined Mao Tse-tung for the Long March. Chief political commissar of Mao's personal forces on the

rose to membership in the Standing Committee by 1956. With the outbreak of the Cultural Revolution, he was officially named the "No. 2 capitalist roader" in the party, after Liu Shaoqi. Accused of arrogance, gluttony and dissolute habis (addiction to bridge and mah-jongg), he was purged and paraded through the streets of Peking wearing a dunce cap. He was rusticated several times—to stoop labor in Jiangxi, later in serve meals at the mess of a party training camp outside Peking. But he bears larger scars of memory. During the Great Terror.

Some of his sons was forced in sons was forced in the server means and the server means at the mess of a party training camp outside Peking. But he bears larger scars of memory. During the Great Terror.

LIU—CONTACT

Li Xiannian

Ye Jianying

memory. During the Great Terror.
one of his sons was forced to
jump—or was pushed—from the
fourth-story window of his student
dormitory, and is now paralyzed
from the waist down, a cripple for
life. Deng is a reasonable man, also
a hard man. He does not forget.

Oldest of the six-man group is Marshal Ye Jianying, 86. From the Communist uprising in Canton in Communist uprising in Canton in Canton in Communist uprising in Canton in 1976. Ye was cell

Communist uprising in the coup against the Gang of Four in 1976, Ye was central. He now carries no official title, is ailing, will almost surely be replaced soon. He too bears wounds. His son, an aviator, was forced to stoop labor during the Terror. Overworked, exhaust ed, beaten, the son one night put his hand into the gears of threshing machine; the hand was mangled. That son will never the hand was mangled. That son will never the hand was mangled.

Next comes Li Xiannian, 78, also a war hero; he has not been named officially President of China. He too carries ment ories. During the Great Terror, mobbed by the Red Guards.

THREATS,
"RIGHT"
AND
"LEFT"

The simmer of unrest in China, the undersputter, is pervasive. There comes first, when one looks for opposition, the old Red Army. Trained in combat, promoted by victory, its leaders were men of capacity and command. Slowly, so as not to dismand.

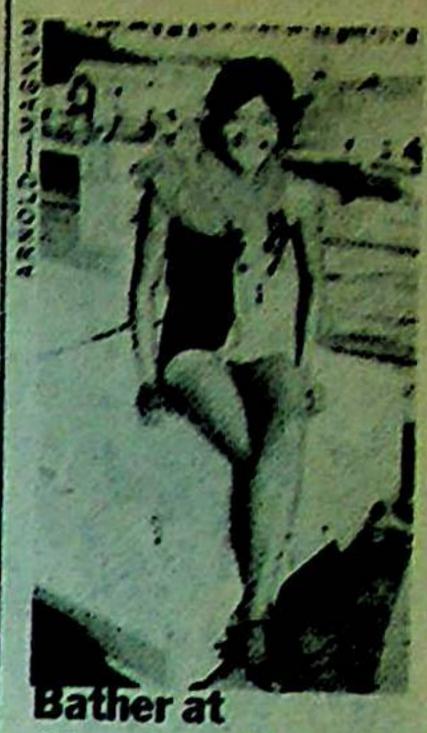
turb a slumbering volcano, the aging commanders are being urged out. Retirement is greased with comforts; full pay, choice of home anywhere in China, honors and consultancies. The murmur of envy puts it that such retired generals are guaranteed fangzi, chezi, haizi—quarters at least as good as those they enjoyed as commanding generals, car and driver for life, preference for their children in schools and army.

But detachment from privilege and authority disturbs old men. The army was, in its beginning, the people in arms. Then it became a state within a state. submitting its own budget each year; the official planning authority scrutinized its demands but always approved them. Now, under the new constitution, the "government" theoretically must approve the army's military budget. That way lies trouble, as any American Secretary of Defense can testify. Deng Xiaoping is chief of the party's military commission, which promotes, demotes, transfers and appoints the senior commanders of China's eleven military regions. But the new constitution gives the Congress a military commission too. Since Deng chairs both commissions, all is well momentarily; and the six men of the party's Standing Committee all came out of the ranks. So long as such men control, the Congress will do as they say. But the six old men cannot last forever. Thus it disturbs some important generals that nominal authority has been transferred to the Congress.

The party, too, is restless. Buried deep in the ranks of its 35 million to 40 million members are old careerists and rice-bowl men who grabbed offices during the Cultural Revolution. Many have been forced out. But millions remain, and they must somehow finally be ousted. A purge is scheduled for late this year. Party cells are already being called together to restore the shattered morale of all those who were once willing to give their lives to high purpose but who now, alas, no longer believe. Restoring morale within the party is perhaps even more tricky than subordinating the army to government.

Follows next the threat that the Chinese say "comes from the right." This is serious because it rises not from nostalgia but from simple human envy. I find myself at a livestock fair—goats, mules, cows, horses, sheep and lambs, pigs and piglets. An old peasant has brought his sow, suckling 13 piglets. He is offering them at 18 yuan (\$9) each, more than 200 yuan. And the sow farrows twice a year. The diplomat accompanying me purses his lips. His monthly salary is only 200 yuan; this peasant lives better than he. The diplomat's devotion to his government is total, but how long can such devotion last?

I have to extrapolate the "rightist" threat to the regime from what can only be called the everlasting human residue. That residue of appetite shows in the cities, from Canton to Shanghai to Peking. It is a subtle, subversive threat. The puritan China of Mao frowned on sex. But Mao would erupt from his mausoleum if he could see what Peking now offers (and even more vividly, Shanghai and Canton). I went to see the top-billed vaudeville troupe of China, visiting from Shanghai. Except for concubines, women in China once showed their thighs only to their husbands. Now here were twirlers, dancers, women in tutus, their skirts cut



Bather at
Qingdao displays
a lot of leg.
Once, though,
women in China
showed their
thighs only to
their husbands

Irs

sed

was saved only by Chou En-lai's intercession. How can you attack this man as a "capitalist roader," asked Chou, when he is in charge of our aid to Viet Nam, where we are fighting American imperialism?

Then comes Chen Yun, 78, a shy man who was elected to the Politburo as far back as the Long March in 1934. Once a soldier, he later served as Chairman of the State Financial and Economic Commission and has become China's leading economic thinker, the man who insists that China's people need consumer goods and the state must loosen its controls to provide them. This sets him against Li Xiannian, who thinks that China must focus on infrastructure and capital goods.

Chen suffered only lightly during the Cultural Revolution—exiled to the south in 1969, returning to power only after Deng regained control.

Then follow the two "young" men. Most important for the future is probably Hu Yaobang, 68. General Secretary of the party. A peppery personality, Hu ran away from home at the age of 14 to join the Communists; trooped with them on the Long March to north China; served as in the control of th

served against both Japanese and Nationalists, rising to political commissar of an entire army group by the end of the Liberation War. He was once private secretary to Liu Shaoqi, and Cultural Revolutionaries was years in the stables, eating and sleeping with sheep and horses

Zhao Ziyang is the baby of the ruling group at 64. He is a fall of the Gang of Four, by reorganizing the province of Sichuan. Now, as Premier, he operates the governing machin-

ery and, by all reports, does it well. He too must be considered one of the Old Guard, a warrior, having fought both Japanese and Nationalists with valor. His ordeal in the Cultural Revolution lasted only four years: 1967-1971. He was dragged from his home in Canton, paraded through the streets with the ritual dunce cap of "capitalist roaders," then rusticated.

Take this ruling group and together they shape up as the oldest in the world. All are men of Yanan, the Valley Forge of China; all but one of them veterans of the Long March when Communism was a dream that tugged them forward. They are men of the old combat army, but of a generation that is passing—as if America were, today, governed by a six-man coming—as if America were, today, governed by a six-man com-

mittee consisting of Generals Mac-Arthur, Patton, Eisenhower and a few outstanding divisional World War II commanders. They have lived long enough to be honored for large victories and to have suffered from their own triumphant revolution. Aging revolutionaries who have recaptured power, they seem to want, most of them, to give China back to the ideals of the original revolution. They are struggling to

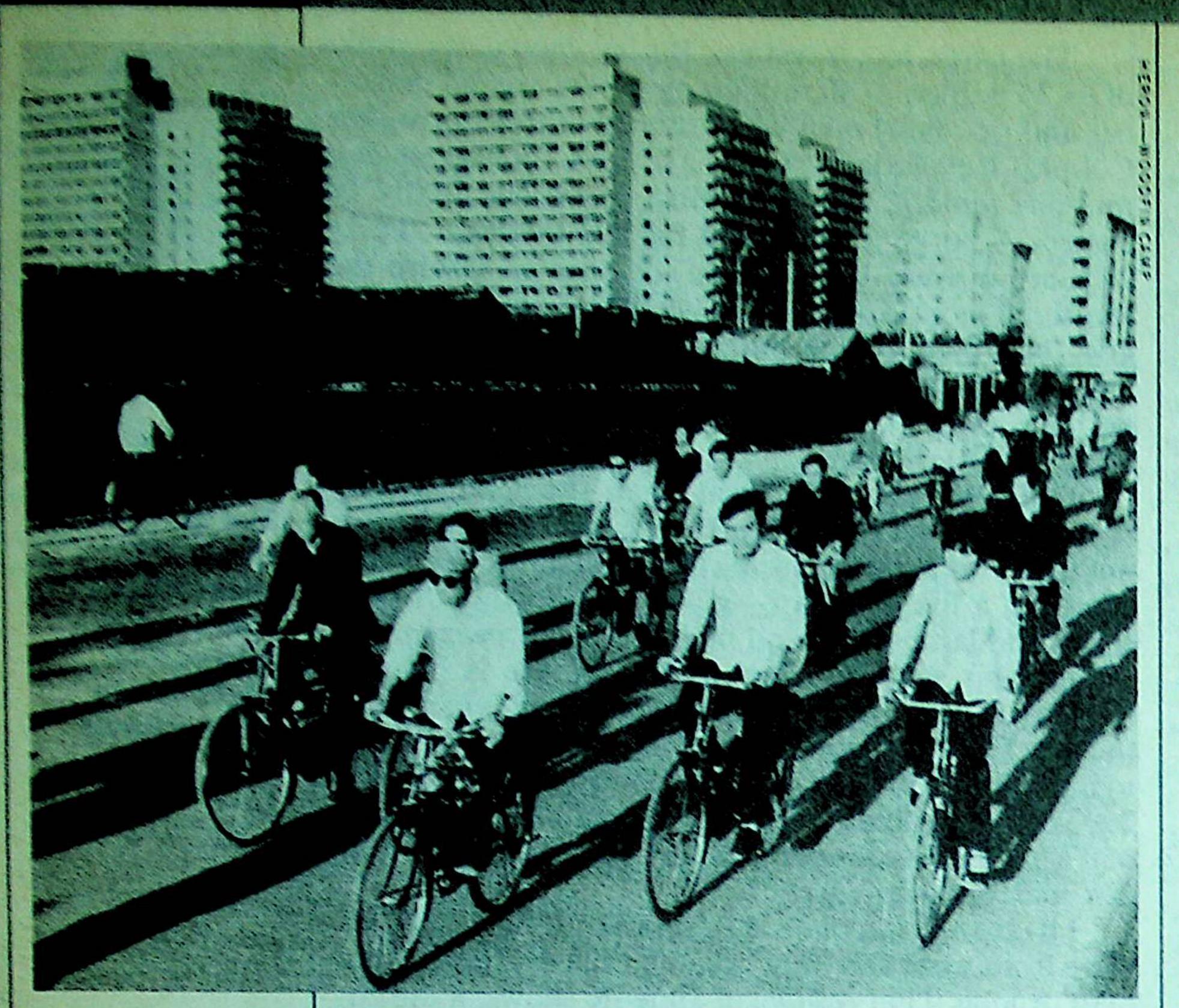


**Zhao Ziyang** 

**Hu Yaobang** 

avoid such a transfer of power as Mao, in his senile dementia, tried to mastermind from the palace court. They meet, usually, in the old Zhongnanhai imperial grounds, sometimes in the Great Hall of the People, sometimes in places unspecified.

Their problem is the same as it was when they came out of the hills: How to give China government? What kind of government? How does one create a civilized order in a nation that has no history except the memory of tyrants, plus beauty, cruelty and poetry?



**Peking cyclists** with modern housing, still a scarcity, in the background

44THE **CRUNCH OF** PEOPLE CRUSHES CITY AND COUNTRY ALIKE. IN THE CITIES, HOUSING OBSESSES TALK 77

only a few inches below the crotch. Jiang Qing would have condemned them all to stoop labor.

The drive shaft of the rightist threat, however, is not sex but greed. A few Chinese are getting rich. Capitalism has been permitted tiny openings to start up enterprises, so some Chinese will grow even richer. Yet the main frame of government remains the dedication of its civil servants, who must work long hours for almost nothing. And even the most dedicated can be lured from devotion by creature comforts. So one hears of corruption now surfacing in the party and of street crime growing in the cities, a silent threat to the regime.

Of all the threats, however—the corrosion of money and prosperity, the corrosion of manners invited by the spectacle of bare thighs and soap opera on television—none is more explosive than the unshaped discontent that pulses from human nature itself. That threat rises from what is surely China's overwhelming and perhaps insoluble problem, which is simply: What do you do when you have too many people?

China has more than doubled its population in 36 years, from 455 million people to more than 1 billion. The crunch of people crushes city and country alike.

In the cities, housing obsesses talk. Since there is no private housing, no rental housing, the party unit decides, according to rank, pull and number of people in the family, who gets how many feet of living space. Peking offers most—an average 45 sq. ft. per individual. Wuhan averages 40, Shanghai less, an incredibly tiny 30 sq. ft. per person (apart from kitchen and community toilet). But high officials are rewarded with hun-

dreds of square feet, as are favored foreigners. The government recognizes, as does the party, that China holds too many people; the figures are grim, inexorable, inescapable. No one knows what can be done about it. Is it too late?

The party and government have a policy: to each family one baby, no more. In the large cities, this is barely enforceable. If a family happens to have more than two babies, some government offices cut the father's salary by 10% or 20%. With the third child, all are declared ineligible for entrance into the quality schools. After one child, patriotic fathers volunteer for vasectomy.

In the countryside, the government is reduced to

persuasion, propaganda, occasionally coercion, The new "responsibility system." with each peasant but dening his little plot on his own, makes children useful they grow up to weed, plant, harvest; also again; they grow up to weed, plant, harvest; above all to take care of their parents in old age. Peasants which now begin to prosper do not want just one baby: if the matter is very serious is a first baby is a girl, the matter is very serious indeed. girls go off and get married. Thus, a situation that the Chinese themselves find appalling and the govern. ment denounces—the killing of infant girls,

The government hopes education can slow popular the grant units meet with a family popular to the state of th lation growth: party units meet with a family expension labild and "persuade" the family. ing a second child and "persuade" the family to the parents. the pregnancy. But some will not be persuaded him some villages the party requires every woman of chik bearing age to appear every two months for a rable test. Some women run away from home until it is la

Logic lies on the side of the government; the num bers permit no appeal. But love, a formidable counter force, lies on the side of babies. Even now, China cas not feed its newly swollen cities; 15 million tons imported grain were needed last year.

There is no internal solution for China except post ulation control. And no external solution except an in dustrialization effort that could flood the world's markets with Chinese products. The axis of this second thrust is simple: to employ enough of China's surplus population at low enough wages to export Chinese manufactures to earn back from the rest of the world—above all, from America—the food, the time ber, the cotton, the edible oils, the meat to keep the people above the starvation line.

China's population is thus not only China's prob lem but the world's. And so one moves inescapably China's world view and its sour relations with the US

# THREE TROUBLE-SOME Ts

The American embassy in R king sums up the Chinex American confrontation as the three Ts: Taiwan, Technolog Trade. In each of the three the is a different family of interlock ing problems; but it is only of the issue of Taiwan that the

could lead to gunpoint confrontation.

Taiwan involves pride, the nation's sense of its And in China, after a century and a half of foreign miliations, pride has ulcerated. Chinese are taught modern history that runs from humiliation to humilia tion, an abused pride that exploded in the Japans war of 1937-45. For the old soldiers who lead the proent government only one thing is lacking to fulfill the young dream of liberating all China—the liberation Taiwan, and over the subject of Taiwan, Chinese purious sion boils.

I went to call on one of the old soldiers I had mell Yanan days—Peng Zhen, who after my visit elected Chairman of the National People's Congression Burly, bald, still vigorous at 81, he was abused during the Cultural Revolution, confined under house and an analysis and a little content of the cultural Revolution, confined under house and the cultural Revolution. rusticated. Now, restored to honor, he is a member to he Polith the Politburo again, just a notch below the six per Standing Company of the Period of Standing Committee. In the Great Hall of the Performance of the Perfor after he gave me a smiling welcome back, he burles almost with a roar in an opening statement: This land a statement of the list Administration says it wants China and the U.S. Priends but friends, but, as a matter of fact, we are hostile lotter; it some China other; it says China and Taiwan are both part of the legitiment. sole legitimate government of China, but they like equal court like equal states. How would you feel if we supplied the states. California against you? Reagan says Taiwan is a Triend Does by friend. Does he mean that we are an old enemy TIME, SEPTEMBERA

thinks Taiwan is an unsinkable aircraft carrier, but we are 100 times as large. If it comes to war, which aircraft carrier will sink first?"

Perhaps because he thought he could speak frankly to an old friend, he was lecturing me. He had just been lectured by a congressional delegation headed by

Tip O'Neill and was resentful.

"For a century and a half all the foreign powers except the U.S. invaded China," he thundered. "But now you alone are carrying the burden of hate for that century and a half. We want to negotiate a peaceful reunion with Taiwan but you encourage Taiwan to say no. We offer to let Taiwan keep its own troops, maintain its own social and cultural contacts abroad, make economic arrangements with other countries, but still you encourage them to say no. If Taiwan does not settle with us peacefully, we will settle the problem in any way we think necessary."

Next he turned to the second T, technology. "] want to emphasize this point: even if you won't help us, it will be impossible to obstruct the flow of technology to China." On technology, the muddle of U.S. policy baffles Americans as much as the Chinese. The U.S. lets India buy sophisticated computers because India is considered a "friendly" state, although its air force is largely equipped with Soviet MiGs and advised by Soviet technicians. China is denied such shipments because it falls under the official category of "Communist state." The classification of Indira Gandhi's India as friendly and China as hostile defies realism.

Later, his eruption subsiding, he let me push him to the Cultural Revolution. He was as indignant about those Chinese crimes as he was about America-furious at the treachery of Lin Biao, the bitcheries of Jiang Qing, above all at the erasure of law in China. He was the author of the new constitution, and that was what it was all about: law, to govern both party and state.

It is on the third T—trade—that U.S. and Chinese futures may most sharply divide. The bureaucrats who direct Chinese foreign trade are the toughest bargainers in the Orient. Since the resumption of normal relations, Chinese-American trade has boomed to \$5 billion, but the Ministry's spokesman fixes on another figure. Of all U.S. imports, only 0.65%\* comes from China, and America has run a surplus in trade exchange. I point out that surpluses do not balance country by country; we have had a slight surplus with China, a monstrous deficit with Japan. Answer: you import only 0.65% from China. One points out that the National Academy of Engineering has concluded that of America's 2 million textile and garment workers, 1.2 million may be put out of work in the next decade by imports. Answer: you import only 0.65% from China. The fate of American workers does not concern him.

Behind his obdurate and inflexible answers lies a reality one cannot dodge: that the Chinese may have finally straightened out their economy. If so, the Japanese challenge to American jobs will be seen as only an opening flare of warning.

JOURNEY THROUGH PARADOX

A journey through China today is a journey through paradox. But no one can understand the paradoxes unless one keeps in mind the history behind them. The men who dominate China were, long ago, students and idefought and, as they governed, the logic of Communism

American figures show that goods of Chinese origin totaled 0.9% of all U.S. imports. The Chinese do not include in their figures goods transshipped through Hong Kong for re-export to the U.S.



drove them to still further cruelty—until they finally learned that absolute cruelty has its limits in absolute madness. What they are doing now is trying to untangle their old dreams from the madness that those dreams begot.

The epicenter of the paradox lies in the everlasting clash of constraint (unlimited government control) with freedom (unlimited license to people). China's leadership knows that China cannot go forward without huge grants of initiative to its people. But the clash begins at the very bottom, in the danwei, the lowest-level building block of the party's control, which denies every grace of liberty to its members.

You cannot understand China without understanding the danwei.

Everyone in China must belong to a factory, neighborhood, peasant or office danwei. The danwei controls your life. You introduce yourself on the telephone by identifying the danwei to which you belong. The neighborhood danwei assigns you to a job; then you belong to the factory danwei, which decides when you can have a baby and how large an apartment you live in. It can also transfer you to a danwei in a distant province and your wife to another. And so, up the line, to absolute control.

Since such absolute control did not work, the new leadership is trying to transfer more authority to the provinces, more autonomy to the cities, more responsibility to the peasant villages. But, as reins are let loose, other problems sprint. How does one settle the impending dispute between the provinces of Sichuan and Hubei over how they will share the electric power from the huge dams planned in the throat of the Yangtze gorges? Or deal with the growing resistance of newly autonomous provinces to the army's network of farms, arsenals, production plants? What does the new peasant "responsibility" imply with its grant of freedom to let peasants grow their own crops? If too much enterprise develops in the countryside, can it be denied to city dwellers? Can city youths be denied the right to open shops, restaurants, trading booths?

The contradictions and paradoxes bewilder anyone who tries to chart China's future. Chinese have synthesized insulin, flung satellites into space, made nuclear bombs—yet do not supply their villages with adequate common matches. Baoshan, the huge new steel complex near Shanghai, is a state-of-the-

Construction goes on at huge **Gezhou Dam** below the gorges of the Yangtze

**44**ALL IN 48 HOURS: PEASANT **GIRLS WHO** MAKE CIRCUIT BOARDS; YOUNG WOMEN TREATED AS BEASTS; THENTHE PRIDE OF CHINESE TECH-

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Passers-by eye Mao portrait taken down from façade of **Peking's Great** Hall of the People

MANY OLD HATREDS, **OLD SCORES** SPUTTER IN OPPOSITION TO THE NEW COURSE?

art operation. But it was built on a mud flat; its pilings go down 125 ft. and still have not touched hard bottom. Steel production requires heavy cargo of both coking coal and ore, and the river creek on which the Baoshan plant was built could not take heavy-laden ships. So iron ore must be shipped to the Philippines and then transshipped in small boats that can navigate the shallow channel that leads to Baoshan.

The paradoxes can be traced in a single two-day trip down the Yangtze from Chongqing to Wuhan. In Chongqing I visit an electronics plant that makes oscilloscopes and instruments for testing TV equipment. Dust-free and climate-controlled, the plant requires visitors to don clean slippers before entering. Inside are young women of 20 to 25 making circuit panels. They are only three or four years out of the paddyfields, but their product is superior.

Down the Yangtze from Chongqing I see stone hackers carving building blocks out of the riverbed reefs—labor so uselessly expended when concrete is available that it can only be economical if recognized as forced labor. Farther down the river, at Wanxian, a young woman stevedore, of the same age as the oscilloscope workers, bends and stoops; all her muscles quiver as she heaves and finally lifts two huge buckets of pig livers for the third-class passengers. She staggers, makes it, totters up the gangplank. She is followed by other young women, beasts of burden, staggering under the bales, the cartons, the loadings of the vessel. I am pleased to watch them revolt, screaming, shaking fists at the forewoman who commands them. But next morning I am passing through the stark wonder of the gorges themselves and come to Gezhou Ba, the great dam that is the first to harness the Yangtze since nature began melting the snows of the Tibetan highlands to carve a passage to the ocean. All of Gezhou Dam, its machinery, its turbines, locks and spillways, transformers, are of Chinese design and manufacture: advanced technology in any country.

So, all in 48 hours: peasant girls trained to make sophisticated oscilloscopes and circuit boards; forced labor cutting hard rock with mallet and chisel; then young women, treated as beasts; then the pride of Chinese technology.

The journey raises more questions than answer and the questions plague the Chinese themselves, Whi are some young women working in dust-free plant while others slave at muscle work? Who shall be privileged to join at the cutting edge of new enterprise, who left behind? How much relief from suffering can the Zhongyang give its people now, without stealing time and resources from the China of tomorrow?

# THE LAST STRUGGLE

When I came to China mon than 40 years ago, I came believ. ing it was a land whose pride had been erased. But, in watch ing the Chinese fight against Japan, I learned that pride personal and national, still smol. dered. It was Mao Tse-tung who

brought it to flame. I watched him change their think. ing to that of eternal "struggle"—better to die than b

The Chinese are still Mao's "struggle" people They have "struggled" against the Japanese and hale them yet. They have "struggled" against Soviet ideas and repudiated them. They have "struggled" against the barbarities of their own government and leaders and erased many. Today their struggle is against the realities of their own immense dimensions, the crush. ing limits of their backwardness. Yet some may finding easier to struggle against an outer enemy to restorena. tional pride. And Americans must recognize that pride as they try to avoid the traps that pride may set America and China are locked in a narrow, dangerous passage of history. The transition regime in Pekingis trying to recapture control of events. But in its own way, by trying to re-establish some system of law rath er than seek a liberty that China has never known. To impose American standards on their internal struggki is irrelevant.

So one returns from China, as one first arrived there long ago, hopeful yet fearful. Memory recalls most sharply not the old China of 1939 but the first night of this 1983 visit.

That first night, when Wang Bingnan offered mi his banquet of return, another old friend joined us of Fragrant Hill-Qiao Guanhua. Qiao and I had beet friends in our youth, when he was a fiery lest-win journalist. Later, as Foreign Minister of China, he and Henry Kissinger worked out the landmark "Shanghi Communiqué" of 1972, in which America recognized that Taiwan was part of China, but insisted on! "peaceful" solution. Qiao Guanhua had gone on will Mao to the end; he was released from house arrest the new regime only last year; his wife, suspect because she had been close to Jiang Qing, had been under house arrest with him.

This night Qiao Guanhua would not let himselfk cornered on his stewardship of Chinese foreign policy under Mao; nor on his arrest after Mao's death; the Cultural Revolution. I pressed him on what his gone wrong in China since our youth and his trible phant career; he dodged. When I finally pressed, deep ly and hard, on the transition, he elegantly replied "You must remember what Hegel said, that a mission what Hegel said, that a mission what Hegel said, that a mission was the company of the com reaches an understanding of the history of his time step by step—only step by step."

Qiao Guanhua was ill when I met him, a scale wrapped around his throat. He was in the hospital when I left I do When I left. I do not think I will ever see him again the was in t But I remember his words, "step by step." Which is words, "step by step." way that both we and the Chinese must go thrown his passage of the chinese must go the chine this passage of history. No "ultimate solutions" but solutions that the control of the control o possible, either for the Chinese or ourselves; but "y sten" we many TIME. SEPTEMBER 26 by step" we may get there.



# Kashmir, no longer a borderline issue

eince the partition of India in 1947, >Kashmir has been a crucible of political upheaval. The current wave of political violence in this northern state once again focuses attention on it as a major stumbling block to more harmonious Indo-Pakistan relations. But while the situation in Kashmir remains as inflammatory as ever, India's other territorial differences seem to be making some — albeit slow — progress. Certainly the recent Sino-Indian talks concerning their land claims have been encouraging — if only because they took place at all - and it must be hoped that the meeting scheduled for early this year will be productive.

The squabbles about frontier demarcation in the Indian states of Ladakh, Himachal Pradesh and Arunachal Pradesh are an unfortunate legacy of the British Raj, and negotiations have been made difficult by various countries' interpretations of imperial line-drawing. The intransigence shown by both India and China in the late 1950s and early 1960s — culminating in the war of 1962 — has been diffused by the passage of time, by changes of governments and by growing appreciation that the world's two most populous nations should not, in the late Indian premier Jawaharlal Nehru's words of 1959, ". . . go into a major conflict and war for the possession of a few mountain peaks, however beautiful the mountain peaks might be . . ."

The chances of war are now mercifully remote, but the negotiations could be complicated by the interests of a third party in any settlement that might be contemplated concerning the Ladakh/Aksai Chin area.

And so back to Kashmir. Ladakh was part of the territories of the Maharajah of Kashmir, having been conquered by the Dogras in 1834. In 1947, largely because of the vacillation of the then maharajah, the dominion was split in two by India and Pakistan, and resolution of the Kashmir problem appears to be as far away as ever it was in the dark days of partition.

The Ladakh area is divided by the line of control between the areas of Kashmir occupied by India and Pakistan, and an agreement between China and India on cession of Aksai Chin could be regarded by Pakistan as questionable in international law, given the still existing United Nations resolutions and agreements on the Kashmir question.

It is not known what may have been discussed by China and Pakistan on the subject, but relations between them are cordial to the extent that at least some informal indication may have been given to Pakistan by China as to the latter's stance and intentions in the talks with India. China and Pakistan have come to a formal agreement about delineation of their

boundaries of responsibility in Baltistan and Hunza — to the vexation of India, which avers that Pakistan had no right to involve itself in determining control of an area that is in dispute between them.

The 1962 announcement stated: "The two sides have further agreed that, after the settlement of the dispute over Kashmir by India and Pakistan, the sovereign authorities concerned should reopen negotiations with the Chinese Government regarding the boundary of Kashmir . . . " As India has unilaterally declared its part of Kashmir to be a State of the Union, New Delhi contends bilateral negotiations with China are entirely legal, and does not accept that Pakistan should be a party to a settlement. The whole situation would provide lifetime employment

heads of government of the countries nad met in the Subcontinent for more than a LEGACY OF THE RAJ AFGHANISTAN Xinjlang mir. Aksal Chin **AZAD KASHMIR** (Pakistan Held) **North West** Frontier Province

(Indian Held)

Himachal

Pradesh

for a legion of international lawyers, and it is as well that the negotiations are indeed bilateral — but the Indo-Pakistani disagreement about Kashmir is a different matter altogether.

Generally accepted international frontiers

--- Line between Indian and Chinese-occupied territory

--- Line of Control between Indian- and Pakistani-occupied Kashmir

• • • • • Delineation of Pakistani Provinces / Delineation of Indian States

Srinagar

Islamabad •

Rawalpindi

Punjab

Province

PAKISTAN

Early in 1982 it was hoped that India and Pakistan were set on a course to reconciliation. Despite various spy scandals and diplomatic pinpricks, their foreign ministers had met and agreed to continue talks on the "no-war" pact. And though Kashmir was not to be an agenda item, there was a kindling of optimism about the possibility of resolution in the longer term.

was because of Paradoxically, it Kashmir that India cancelled arrangements for the talks — Pakistan had raised

The author, a senior military officer, wishes to remain anonymous as he is still a serving soldier. He spent some time in the Subcontinent with the United Nations Military Mission.

the subject at an unrelated UN meeting in February of that year and India, in a mood of either cold calculation (suspected by Pakistan), or in genuine indignation, took umbrage about the airing of the Kashmir dispute in an international forum to the extent of "postponing" the agreed meet-

However, despite this, some cautious negotiations did take place later in the year, culminating in the "overflight" meeting between Indian Prime Minister Indira Gandhi and Pakistani President Zia-ul Haq in November. Although the two leaders had met at the time of Zimbabwe's independence ceremonies, this was the first occasion on whits he

> decade. The previous occasion was at Simla in 1972 when Mrs Gandhi and then Pakistani prime minister Zulfikar Ali Bhutto signed the agreement of that name — an agreement that contained the seeds of even more prospective dissent about Kash-

India's real or simulated horror at Pakistan's mentioning Kashmir in international forums is based on a somewhat subjective interpretation of the Simla agreement, which was signed at a time of difficult circumstances for Pakistan. The meeting had all but collapsed when the signing was announced, and it is evident now that Bhutto accepted less than suitable terms, in his anxiety to come to some sort of concordat. Simla prepawhithe ground for the return to Pakistan of the 90,000 prisoners of war held by India, but contained a para-

graph that would not have been endorsed by the astute Bhutto had he been under less pressure to accommodate the victor of the 1971 war.

Before Simla the Kashmir question was — and legally still is — a matter for UN consideration and "good offices." The agreement signed by Pakistan and India in Karachi in 1949 is explicit in detailing the responsibilities of the UN, and in all subsequent negotiations about Kashmir the involvement of the UN was accepted by Pakistan and (albeit with ill grace) by India. The Simla agreement does not refute that of Karachi, and there is not even a mention of the latter in the text. But there is a clause reading: "The two countries are resolved to settle their differences by peaceful means through bilateral negotiations . . . "This is interpreted by India as excluding the UN (and, thus, the UN mission that is still in Kashmir) from any deliberations about the dispute - despite the ensuing phrase, ". . . or by any

• IN the United States recently, I read the American press and watched American TV pundits commenting endlessly on President Ronald Reagan's confirmation of the foregone conclusion that he would run again. It was with a sinking feeling that I realised we had already had six months or more of electioneering and face another 10 months of it, with endless columns of newsprint and hours of TV time being devoted to the incredibly wasteful and overly prolonged campaign -again all devoted to another foregone conclusion, for it seems to this Traveller that Reagan will win at a canter.

In many ways, US politics is more difficult to come to terms with than the politics of China. Here we have a president whose record both domestically and in preign policy has been unimpressive, to the least, and yet it is generally agreed that his re-election will be a "shooin." Just before he ordered the US Marines out of Beirut onto the patrolling warships, Reagan, announcing his candidacy, was able to claim that "America is standing tall again" without occasioning general merriment. The free American media seem most impressed with Reagan's skills as a communicator: in general they treat Reagan as reverently as any "guided press" in less democratic lands.

 ANOTHER subject for the press pundits was the 1983 year-end economic statistics which were just becoming available. All the cheerful figures were unquestioningly regurgitated — more loans, more investment, more sales, more housing under way, and so on. The ones that particularly stuck in my craw were those for the industries which over the year had worked at near-full capacity. They were led, to the best of my mem-

by paper (more than 97% of capacity), rubber (about 95%) and textiles (more than 93%). This was blandly announced just a matter of weeks after the US had unilaterally imposed protectionist limits on textiles imports from the "cheap producers" of East Asia. That's

electioneering for you!

• THE towering budgetary deficit of US\$180 billion, racked up by a president elected on promises to cut federal spending and balance the budget, is rarely mentioned as anything more menacing than a cloud on the horizon. Few commentators see it as an approaching catas-

trophe.

The REVIEW has greeted US claims of a sustainable economic revival with proper cynicism, in my view (see business editor Anthony Rowley's article The upturn's downside, REVIEW, 4 Aug. '83). As Rowley still argues today, the budget deficit is a result not only of Reagan cutting taxes and increasing military spending, but of the cuts imposed on money supply to "cure" infla-

tion. Result: high interest rates, low investment, low growth failing to increase tax revenues and these revenues failing to meet intractable public spending. Socially and politically courageous cuts in public spending are hardly likely, especially in an election year. So the only option is to wind up the money supply again, get revenues moving and allow inflation to erode the real deficit.

But as Reagan clings to the fiction that there is a magic way out while avoiding such reflation (we can forget the nonsense about Reagan being a "Keynesian" through his deficit spending — that was an accident), we face another long period of stagnation or, worse, another plunge into recession.

Inflation is undesirable, of course but monetarism is not an imaginative new way out of a perennial problem (how to finance growth without inflation); it is simply a new buzz-word for old-fashioned deflation.

• ONCE the markets begin to realise that Reagan's magic is myth, the dollar is likely to take a hammering. A cheaper dollar will offer some hope that US exports will become more competitive and so reduce the staggering current-account deficit (not to be confused with the budgetary shortfall, of course) and thus increase corporate profits — and so tax revenues. But that turnround will take some time—and the interim promises to be painful.

• THE sharper-eyed among our readers may have noticed a minor change in the REVIEW's house style for recording dates: instead of writing February 16, 1984 (or Feb. 16, '84), we are putting the date first. This seems to me to be more logical, progressing from the smallest unit of time through to the largest, though not all my colleagues agree.

It was pointed out that a reference to the "30 October riots" could mean not only that riots took place on that day but that 30 riots took place during the month of October. But that seemed to me to be a minor objection — and I am glad that most of the computer programmes that I have seen adopt the day/month/year

principle.

Americans in particular seem wedded to the month/day/year formula and this can lead to bad misunderstandings. I remember some years ago being asked to contribute an item to an encyclopaedia and to supply the material by "11/9/74." I despatched it on 10 September with a note apologising for running so close to the deadline, only to receive a polite note of acknowledgment saying that the publishers had wanted the piece by 9 November. That one worked out well, but such misunderstandings could lead to tragedy.

• THE International Institute for Environment and Development (IIED), an

organisation with offices in Washington, London and Buenos Aires, operates on an annual income of approximately

US\$2.5 million made up of contributions from governments, international organisations, foundations and individuals, lts first president was the late economist Barbara Ward and the body runs various programmes related to the problems of development, energy and environment, including Earthscan. The present president is William Clark, once a journalist and for many years a vice-president of the World Bank, directing its information department during the years the bank was run by former US defence sec. retary Robert McNamara.

We have just received the January 1984 IIED Newsletter in which Clark states: "It is vital that we press on . . . bringing economic benefits to the very poor." The newsletter was accompanied by a belated Christmas card featuring an Earthscan photograph of a poor Egyptian peasant leading a donkey cart on which his wife and child are sitting.

I feel that Clark's appeal for support for IIED would have been more effective had he not included his two private addresses on the card: The Mill, Cuxham, Oxford, and K5, Albany, Piccadilly, London W1. The Albany is arguably London's most prestigious address; another resident of the exclusive set of gentlemen's apartments is former prime minister Edward Heath, a late convert to the idea that the rich North should transfer massive resources to the poor South. It is nice to know that these two bachelor gentlemen are supporting the cause of the world's poor from circumstances of great physical comfort.

REVIEWING two books on the Cambodian wars Vietnam and (REVIEW, 16 Feb.), Donald Wise recalled the days when ignorance and lunacy reached such a point that officers in the US Embassy in Phnom Penh were calling in bombing strikes from targets they had identified on school atlases. The International Herald Tribune reported on 8 February the growing criticism of the US military chain of command which resulted in 28 navy jets being despatched against Syrian artillery and anti-aircraft positions in Lebanon, and then in two of the US\$20 million jets being shot down and a pilot killed. The Trib revealed that "the targets and the time of day of the strikes were selected thousands of miles away by staff officers at the US European Command in Stuttgart" in West Germany. Plus ça change, plus c'est la

It was back in those days that a Thai military officer, viewing the Americans conduct of the war against the Vietnam ese, was reportedly overheard to remark: "With farangs like these, who

needs Annamese?"

other peaceful means mutually agreed upon between them . . ."

Pakistan claims, with some justification, that this does not necessarily obviate admission of the UN and its servants to discussions relevant to Kashmir at any level, but unilateral abrogation of this long-standing protocol by India has been condoned by the UN's lack of will (and lack of means) to enforce it. Heaving aside Bhutto's achievements for his countrymen, Simla set the stage for a polarity that has intensified with the passage of the

years.

Six months before Zia met Mrs Gandhi in New Delhi in 1982 he announced that Pakistani-occupied Kashmir (Azad Kashmir) would send three observers, from Gilgit, Hunza and Skardu, to the Pakistani Federal Advisory Council, the Mailis-i-Shoora, to attend its meetings in Islamabad. India, already resentful of the fact that the Kashmir issue had been raised in Geneva by Pakistan, was vociferous in condemning Zia's decision (to the extent of producing one of the quickest white papers in history), but was given the bland (and, some suspect, rather tonguein-cheek) rejoinder that the three areas "do not form part of the disputed [territory]... and are part of the northern areas of Pakistan."

ndia's position on this is somewhat shaky, because of its incorporation of Indian-occupied Kashmir in the union, but it seemed as if Pakistan might be moving towards a similar declaration. If this was indeed the case, and the majlis exercise was a testing of the waters, then India left Pakistan under no illusion about the degree of reaction that could be expected if Azad Kashmir were to be declared a province.

Both India and Pakistan maintain enormous forces on their respective sides of the "line of control." Without venturing to pronounce on the moral overtones of such commitments, which are indubitably at the expense of much-needed development plans in both countries (for few citizens of few countries could comment on this aspect without, correctly, being accused of humbug), one can still question

their arsenals on purely military grounds. There is, of course, deep suspicion in each country about the motives and aspirations of the other. But India cannot seriously expect Pakistan would go to war again with the intention of conquering Kashmir, no matter the degree of provocation that might be offered. The most cursory glance at the International Institute for Strategic Studies' The Military Balance figures will show that India's forces are terrifyingly large and that Pakistan — no matter how brave and competent its soldiers may be — could not possibly emerge the victor in any full-scale conflict. In turn, one cannot imagine India attempting to demonstrate its already-evident hegemony in the Subcontinent by re-





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sorting to brutish violation of another nation's sovereignty, no matter what precedents have recently been set by greater powers.

Certainly there are external considerations: Pakistan's problems to the west are patently obvious, and India must maintain a military capability sufficient to deter possible (if unlikely) Chinese adventurism. But the main reason for the Subcontinent's armouries is simply the Kashmir problem. And resolution of that problem could — one fervently hopes deflect the staggering amount of armspurchase money into other and more satisfying channels.

The line of control has existed, in one form or another, for 36 years. No matter its legality, its undesirability or its military connotations, it has become a de facto frontier. It is high time that it became a

border.

Apart from the hotheads on both sides and those elements inside and outside the countries who revel in the opportunities for mischief-making which disputes of this nature provide in abundance — the line of control is accepted as a fact of life by the inhabitants of the occupied areas. Given goodwill and political skill on the part of Mrs Gandhi and Zia, there is little doubt that declaration of the line as an extension of the international border would be welcomed by their citizens. The

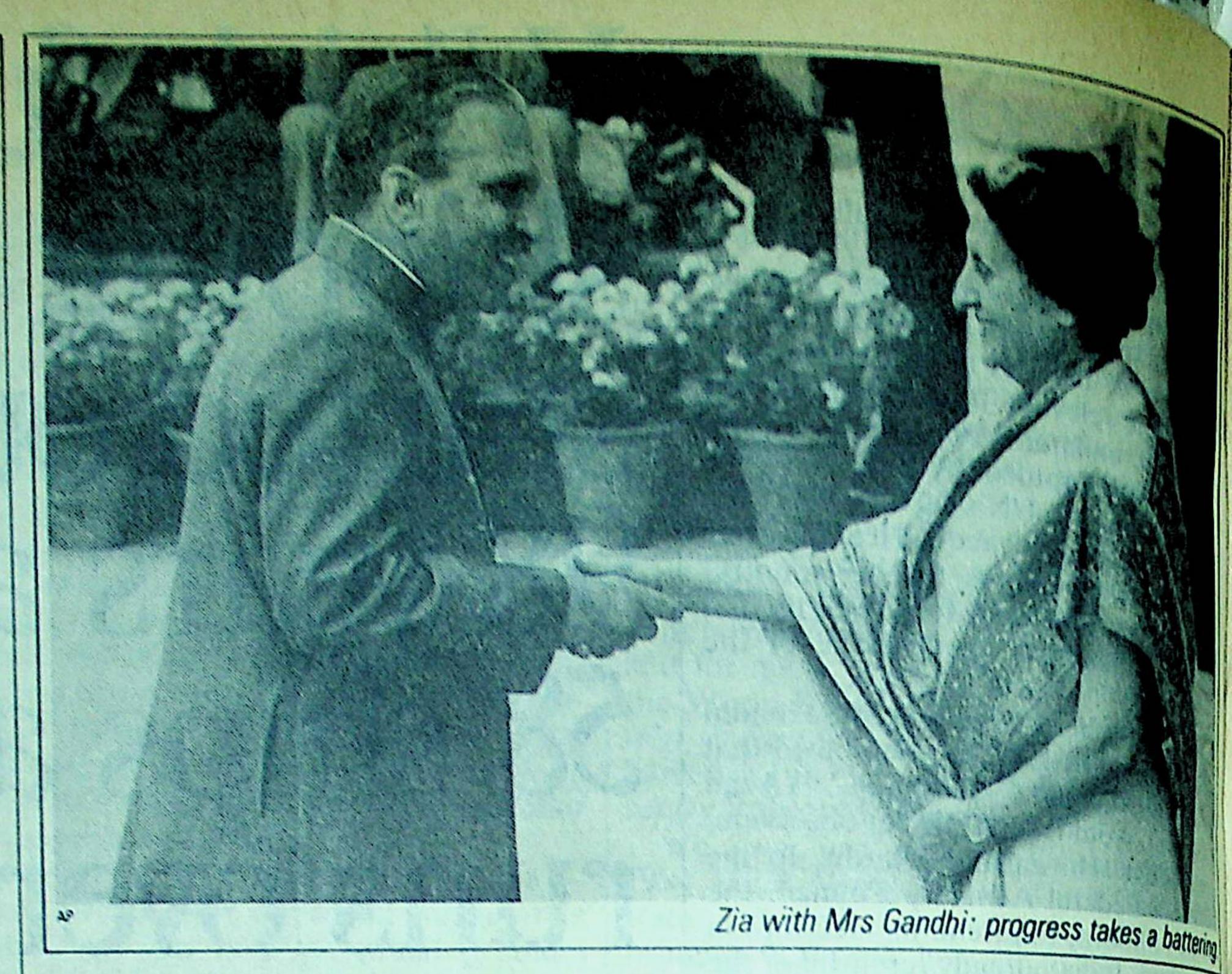
The time for rudeness is over and the time for a Kashmir settlement is overdue.9

benefits would be enormous in local, national and international terms. A settlement would be greeted with satisfaction by the world — or most of the world — if only because it would demonstrate that disputes can be settled without recourse to

-barbarity.

India and Pakistan have shown in the past that their differences can be solved in a civilised manner. The agreements about the sharing of the Punjab waters and in the territorial wrangle over the Rann of Kutch (the low-lying area on the western Indo-Pakistan border) are glowing examples of this. And now that India and China have begun to talk sensibly about territorial claims, there could hardly be a better time for similar negotiations, even on a tripartite basis, on the Kashmir question.

Certainly there have been intemperate statements by Mrs Gandhi and Zia concerning their respective internal national problems. India's awkward stance in regard to Afghanistan, because of the degree of allegiance demanded by the Soviet Union, is also a divisive factor, but all the more reason for the leaders to meet and place their cards on the table. It is always more difficult to be rude face-to-face than it is in the supportive atmosphere of a national press conference or parliament. The time for rudeness (if it was ever apposite, which is doubtful) is over, and the time for a Kashmir settlement is overdue.



INDIA

# Murdered hopes

The killing of an Indian diplomat in Britain is a severe setback to chances of reconciliation with Pakistan

By Mohan Ram

New Delhi: Chances of making progress | non-war pact and India's counter-proper in the dialogue between India and Pakistan — aimed at easing tension — have taken a battering with the murder of an Indian diplomat in Britain (REVIEW, 16 Feb.), the execution of a Kashmir separatist and bellicose rumblings from Indian leaders. The sudden violence also has an Indian domestic angle, with Prime Minister Indira Gandhi's central government already using as one of its weapons against the opposition-run government of Jammu and Kashmir charges that it is "soft" on secessionists.

Nothing has come to light to suggest any Pakistani complicity in the murder, by the hitherto unheard-of Kashmir Liberation Army, of junior Indian diplomat Ravindra Mhatre in Britain. The Pakistani Embassy in London denounced the murder of Mhatre, India's assistant high commissioner in Birmingham, as a violation of diplomatic norms. But New Delhi is inclined to see it as part of a larger anti-Indian plan and takes a serious view of the covert and overt support it thinks Kashmiri secessionists and terrorists are getting from an unnamed quarter. Indo-Pakistani relations had already struck a bad patch before the Mhatre murder, with diplomatic exchanges turning shrill after what looked like a hopeful new start to the stalled dialogue.

The dormant 10-month-old Joint Commission on Bilateral Cooperation and its sub-commissions had been activated early in January this year, holding out hope that the two countries might finally get round to discussing Pakistan's proposal for a sal of a peace and friendship treaty. Br soon afterwards, two Indian domestics vants attached to an Indian diplomating lamabad disappeared mysteriously and it surfaced in New Delhi, just as myster ously, with no explanation by India, which had lodged a protest about the disapper ance.

Then came the expulsion from Pakiste of two Indian Airlines officials for allege complicity in the illegal departure of two. India retaliated by expelling two ployees of Pakistan International Airling from New Delhi for "undesirable" tivities." Meanwhile, following the and of a dozen military officers in Lahorell alleged trafficking in arms, the Pakisti press has been suggesting India was h hind their activities.

Compounding the crisis of confident in relations was Pakistan's President ul Haq's statement that Pakistan hade forgotten the Kashmir dispute (which been a constant source of tension sometimes outright hostility between two neighbours since 1947) and Mrs. dhi's son Rajiv's statements about leged Pakistani military build-up along Kashmir border and his forecast of and pending attack within a year.

In such a charged atmosphere, it hardly surprising that Information Broadcasting Minister H. K. called off his planned visit to Pakish due to visit New Delhi this month cial-level talks on South Asian economic contractions of the contraction of the contracti cooperation, though it is highly under 23 FEBRUARY 1984 • FAR EASTERN ECONOMICS

BURMESE MUSLIM THE COMMUNITY: Who are Burmese Muslims? Those who are Burmese by nationality and profess Islam as their religion. One who is Burmese by nationality may mean a "pure Burman" or a person belonging to one of the indigenous races — Arakanese, Mong, Karen, Kach, Chin, etc. Or the person may be of mixed origin - Indo-Burmese, Sino-Burman or even may be a foreigner who has adopted Burmese citizenship.

During the British occupation of Burma, which ended in January, 1948, Burma was the "largest province" of India. A large number of the new-comers were Muslims and most of them married Burmese women — Muslims as well as Buddhists. Gradually, a new generation called "Indo-Burmans" emerged in Burma. Burmese language became the lingua franca while Urdu was adopted as a medium in the religious schools.

Indian ideas and customs were brought into Burma both by the Hindus and the Muslims and this greatly influenced the way of life in Burma — for betterment of the country as well as of social frictions in it. It may also be noted that most Burmese Muslims have also relatives among the Buddhists.

The "Burmese Muslims" are typical hardy Burmese peasant in villages, the Indian looking Burman in Burmese dress are in cities, "Panthay" Chinese of Yunan in Mogok, the "Pashu" Malay in Bokpyin at the southern tip of the country. It is common to find Burmans,

Indians, Chinese of all classes and shades as members of a Muslim family.

The Muslim community number, 3 to 5 million on a very rough estimate, around 10 to 15 per cent of the country's total population (31.5 million). There used to be some 2,500 mosques and the same number of religious schools and Muslim organisations. Rangoon, the capital and Mandalay, the ancient Upper Burmese city had about 70 mosques each and Moulmein in lower Burma had over 30 mosques. Almost every town had a mosque and a Madrasah.

North Arakan, bordering Bangladesh, has a Muslim majority and the population, known as Rohingayas, although Burmese nationals, resemble the people on the other side of the border in speech, dress and customs and this situation sometimes causes misunderstanding. Orthodox in religion, they are far behind other Burmese Muslims in education and culture.

When taking into account literacy, per capital income and higher education, Burmese Muslims are far ahead of Muslims in many other countries.

Never lagging in patriotism and courage, Burmese Muslims are perhaps the most vocal and form the most energetic community in the country.

Credit Maung Ko Ghaffri, Editor, "The Light of Islam", The Islamic Centre of Burma, Mau U Gon, Tamwe Post, Rangoon, Burma

# ASCENSION OF THE HOLY PROPHET MUHAMMAD (Sallallahu alaihi wa sallam)

nearly and the published by

# ISRAA'-MI'RAAJ

(The great event between the night of 26th and 27th of Rajab, the 7th month of the Islamic calendar.)

Glory to (God) who did take His servant for a journey inight from the Sacred Mosque, whose to the Farthest Mosque, whose precincts We did bless, — in order that We might show him some of Our Signs: for He is the One Who heareth and seeth (all things). (AL-QURAN 17:1).

Israa', the word used in the above verse means to escort or to take upon a journey by night. As the wonderous event of Ascension of the Holy Prophet Muhammad (Sallallahh alaihi wa sallam) took place in the night, hence its Quranic description by the word Israa'.

Mi'raaj is a derivative of the Arabic word 'Urooj' which means ascension. Since the Holy Prophet has in one of his sayings used the expression 'Urijabee' (I was made to ascend), the eventful journey has come to be known as Mi'raaj.

The night of Mi'raaj this year was one between the 31st of May and the 1st of June 1981. Since the occasion has a special significance, we hope our readers availed themselves of the blessed night by offering special prayers.

ship of the author but also of his piety, and his sense of responsibility in going deep to the very core of the problems with a view to solving them. There is at the end an Index of the problems dealt with in the book.

Moualvi M.H. Babu Sahib, the author of the book, is the Editor-in-Chief of the Quarterly Magazine, AL-ISLAM. He has to his credit a number of wellknown books on Islam and the abic language. He is an 'old boy' of Rahmaniyyah Seminary, Delhi, India, and is the Principal of Sahib's Al-Islam Tutorial School, Singapore. He is a member of the World Fraternity of the 'Quadrieyah Alimiyyah Order'. He is the renowned Muslim Missionary in Singapore, and an ex-member of the Muslim Religious Council of Singapore, an Ex-officio Member of the Muslim Religious Council of Singapore, an Ex-officio Member of the Panel of the Appeal Board of the Council for six years 1970-76.

He was also a member of the Legal (Fatwa) Committee of the Council. He was one of the participants in the first ever International Congress on Seerat, held in Pakistan in 1976 as a delegate from Singapore. He was one of the two Assistant Secretaries-General of the Asian Conference on Religion and Peace, held in Singapore in 1976. He is an active Council Member of the Inter-Religious Organization, Singapore. He has been complimented by the President of Pakistan, General Mohammad Zia-ul-Haq, for his great scholarly effort and for his love of the Islamic Republic of Pakistan.

# Muslim Minorities in the Far East

TAIWAN: Muslims are a minority in Taiwan: faith passing from parents to children, and though there are quite a few converts as well, the brotherhood is limited in number and does not expand to the same extent as other religious groups. Most people in the Republic of China have a limited understanding of the Islamic faith, its culture and traditions. So the question of how to spread the faith and encourage the development of Islam in China is one of the important problems challenging the Muslim world.

The Chinese Muslim Associaestablished some tion years ago, represents the entire body of Chinese Muslims, not only in Taiwan, but the millions of Muslims on the mainland. There were more than 60 million Muslims in China. But a Communist broadcast in the sixties announced that there were ten million Muslims on the mainland. What happened to the other 50 million? This is a question of grave concern to all Muslims. From the testimony of Muslim refugees from Sinkiang, Hsikang (Tibet) and other Chinese provinces, coming to Hong Kong, South-east Asia, the Middle East etc., we have cause to fear that our Muslim brothers and sisters on the mainland suffer oppression and lack of religious freedom. Obviously the responsibility of free Muslim countries in Asia and Africa in this regard is very great.

Presently there are five Mos-

ques in Taiwan, Operational expenses rely completely on donations from Muslims. Token salaries are paid to the Imams of mosques and other staff. Board and lodging are also provided for staff; operational costs are not insignificant. Muslims in the Republic of China are predominantly civil servants, military personnel, teachers and small businessmen, all of whom have limited income. However, they do their best by giving donations to the Mosques, and thus keep them open.

A TENTE OF THE PARTY OF THE PAR

There is a translation of the Holy Quran in classical — style Chinese, but it is not easily understandable to the common people. It is the general consensus of Chinese Muslims that a new, vernacular translation of Quran Majeed is needed, that everyone can understand. Furthermore, there is a great paucity of literature in Chinese regarding the life and teachings of the Holy Prophet Muhammad (Sallallahu alaihi wa sallam) Islamic ceremonies in respect to marriages and funerals, and general Muslim religious practices and celebrations. This deficiency needs to overcome urgently in order to preach Islam and combat atheism and enhance the spiritual life and welfare of Muslims.

Any queries in regard to Muslim life and problems in Taiwan may be referred to the Chinese muslim Association, Grand Mos-Muslim Association, Grand Mosque, 62 Hsin Sheng South Road, que, 62 Hsin Sheng South Road, Section 2, Taipei, Taiwan public of China).

# LETTER FROM KUNMING

eligion in China is always a touchy subject. This is no less true for the Muslims of China's southwestern province of Yunnan than it is for other religious groups in China today. A century ago there were more than 700,000 Muslims in Yunnan province. Today there are an estimated 300,000 and of these some 40,000 live in the city of Kunming.

To serve the spiritual needs of the faithful the city now has four mosques open. Extensive restoration work required on each mosque has finally been agreed upon and in the past few months significant changes have been made. It will be a long time, though, before the

restoration is completed.

The Ancient Mosque, in the centre of the city, was established 400 years ago. Consisting of two large structures, it has the architectural flavour of a Buddhist temple; this is true of many of the mosques in this part of the world. Prominent on the walls are two large paintings f the holy cities of Mccca and Medina,

with the Kaaba featuring in the former. On the door is a Box of Charity: the collection from this goes towards the upkeep of the grounds and the buildings. A part of the collection is also used in the creation of instructional materials for the education of the faithful.

Like other many mosques, churches and temples, the Ancient Mosque was turned into a factory during the Cultural Revolution. The machinery was removed in 1977

and the mosque was once more opened for services. One serious problem remains to be solved before the mosque can be restored fully to its former state, and that is what to do with the families who live in its courtyard. During the Cultural Revolution a number of families moved onto the premises and set up house. There are still 12 households there and they cannot be removed, first because there are no other homes available to them and secondly, some of the occupants are Muslims and therefore have a right to be there in time of crisis.

Repairs to the main part of the Ancient Mosque will cost about Rmb' 100,000 (US\$55,500). To have the entire complex restored would cost the community around Rmb 350,000, a sum which would take years to collect, by which time estimated costs would in-

crease considerably.

Another of Kunming's mosques, the Jinbi Mosque, established 100 years ago, also has to raise substantial sums of money for extensive repairs to its buildings and grounds. The restoration work began in 1980 and is now almost complete.

To prevent any further damage to the property the mosque is now guarded constantly (as are the others).

Restoring a faith which suffered the spiritual and psychological battering of the Cultural Revolution will not be easy. Until the Cultural Revolution swept' across the face of China in the 1960s and 1970s no one had paid particular attention to the Muslims of Yunnan. With the upheaval of the Cultural Revolution a great deal of pressure was put upon the Muslims to change their ways and beliefs. There were those who wanted the Muslim community to eat pork; there were those who tried to force them to change their strict attitudes towards women and alcohoi.

The faithful refused to change for that would have required a complete denial of their faith. In retaliation, the mosques were destroyed. In protest a number of young Muslims went to Peking to present their complaints about the treatment being meted out to their community.



The gates of the Ancient Mosque: a long way to go.

They did not return to Kunming; instead they were imprisoned, some of them for as long as 10 years. Others were accused of being anti-revolutionary, anti-socialist and anti-party and for this they suffered harsh physical punishment; some being bound and gagged for up to 36 hours without food, water or sleep.

oday attitudes towards religious groups in China have changed considerably. The imam of the Ancient Mosque, an accountant by profession, said: "Things are much better now but there is still a long way to go." When the faithful are called to prayer each day only 50-60 people turn up at the mosque. The four mosques have a daily congregation of 200-300.

Although the figures appear to be low, the imam is not despondent about the future of the faith in Kunming. He is only too conscious of the fact that there are still many serious problems to be overcome before the Muslim community returns to its former stable position within the community of Kunming as a whole. "We must teach the people about the



faith and encourage them to come to the mosque," he said.

Education is seen by many to be the answer to the problems which plague the faithful in Kunming. There is only one person at the local university who teaches Arabic script to enable the faithful to read the Koran. This is obviously not enough if any great progress is to be made in educating the community and in propagating the faith. There are still several older people who are able to read the Koran, but they do so slowly and many of them have already forgotten much of what they knew and are thus unable to teach the young people of the community.

According to various sources, the Muslims in Kunming have their own underground press which produces magazines and books on the history of faith and the current state of the Muslim community in China and elsewhere. It would appear that the local authorities know about the press but they, for the time being, have preferred to turn a blind eye to

its existence.

In spite of their many problems there is surprisingly strong support for the faith among young people of the community; this is especially true in the countryside. The broken promises of the party have pushed many young people further into religion, giving many of them the first sense of direction that they have felt for many years.

If conflict exists for young Muslims, though, it lies more completely in the obvious differences in lifestyle and opportunity between the city and the countryside. The traditional ways of the countryside and the strict sense of faith inherent in the Muslim community are, and have been for some time, under attack in the city. City youths are finding that prosperity is an attraction often too powerful to resist.

To counteract the seemingly corrupting influence of city life the Muslim leadership continues to organise a broad range of religious and cultural activities in the hope that these activities will increase the attraction of the faith. The struggle for the "hearts and minds" of the young is one of utmost importance if the faith is to survive and community identity is to be kept intact against the onslaught of local development.

Whatever the solutions are to the problems of Kunming's Muslims, the pull of a more comfortable city life and increased prosperity may yet prove to have an even greater destructive effect than any which was released by the Cul--IAN FINDLAY tural Revolution.

# PRICES AND TRENDS!

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**Communist Countries** 

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Deak-Perera Far East Ltd for banknote selling rates and official rates when available on the Hongkong market. Reuter for spot and forward rates from local and international markets

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## EUROCURRENCY AND ASIAN CURRENCY UNIT DEPOSIT RATES

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\* offer and bid rates Source: Astley & Pearce (Hongkong). † mickele rates

COMMODITIES

STATE OF THE PARTY OF	Market	Buying and selling rates where available (Mar. 29)						
		Latest	Previous week	3 months ago	Year ago			
Copper (wirebars) Cash 3 months delivery	London (1)	829.50—830.00 857.00—857.50	839—840.	869—870	827.00-827.50			
Tin (standard) Cash 3 months delivery	London (1)	7,022—7,030 7,240—7,245	7,195—7,200	8,360—8,380	6.180-6,190			
Straits Tin	Penang (2)	29.86	30.36	35.02	30.91			
Cotton	London (3) New York (4)	318.50-319.25	321.00—321.50	403.50—404.50	522.00—523.00			
Current delivery (May) July delivery		66.20—66.25 68.20—68.26	66.20—66.30	65.59—66.00	86.00—86.10			
Current delivery (April) May delivery	London (5)	55.40—56.00 56.40—57.20	53.60-54.00	51.30—51.40	56.10-57.00			
Cocoa Current delivery (Mar.) May delivery	London (1)	992—995 1,010—1,011	1,037—1,039	1,141—1,143	856—869			
Palm Oil Current delivery (Mar.) April delivery	Kuala Lumpur (6)	930—935 925—935	927.50—930.00	900—905	950—960			
Sugar Current delivery (May) Aug. delivery	London (1)	154.85—154.90 158.35—158.40	158.50—159.00	179.75—181.90	235.10—235.25			
Mheat Spot May delivery	Chicago (7)	365 364.50—365.50	368	378.25	363.25			
Soyabeans Current delivery (May) July delivery	Chicago (7)	633.50—634.50 641.00—641.50	623	621.50—622.50	752.00-772.50			
Maize Spot May delivery	Chicago (8)	273 273.25—273.75	271.25	256.50	339.25			
Rice 5% white lob	Bangkok (9)	320	325	n.a.	n.a.			

(8) USc a 56 lb. brishel

(9) USS a tonne

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Source: Reuter.

# BOND PRICES -

### Fixed interest bonds

EIB 8%, April 84

EIS8-1/4%, April 87

C. hoh (HK) 8-1/8%, Dec. '84 Elec De Fran 11-1/4% May '90 Keppel 9%, Aug. '83 Australia 8-1/4% '92 British Col. Mun 17% '85 Citicorp 16-3/4% '86 CIBC 16-3/4% '91 CNA 15-1/4% '96 EDF 11-1/4% '90 EEC 14-3/4% '93 ECSC 11-1/2% '88 EIB 16-3/4% '91 GMac 14-3/4% '87 IBM 14-3/4% '85 ICI 11% '83 Montana Power 15-3/8% '87 New Zealand 8-1/2% '83 Nat West 14-3/4% '91 OKB 10% '85 Ontario Hydro 16% '91 Quebec Hydro 17-1/4% '91 Statoil 9-5/8% '89 SNCF 13-3/4% '87 Walt Disney 15-3/4% '86 World Bank 16% '86 World Bank 16% '88

Floating rate notes

Credit Lyonnais 15-3/16%, Jun. '83 UOB 14-7/16%, Mar. '89 Bank of Tokyo 13-7/16% Nov. 84 Barclays 95 BNP'91 **BOT '89** Man Han '94 Offshore Mining '91

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88-3/4-89-1/4

78-1/8-78-5/8

85-1/2-87-1/2

93-95

102-3/8-102-7/8

103-1/4-103-3/4

103-3/4-104-1/4

95-3/4--96-1/4

96-3/4-97-1/4

103-3/4-104-1/4

96-3/8-96-7/8

95-1/8--95-5/8

100-5/8-101-1/8

86-5/8-87-1/8

103-5/8-104-1/8

79-1/4-79-3/4

102-3/8-102-7/8

102-1/8-102-5/8

102-1/2-103

92-1/2-93

104-104-1/2

99-99-1/2

107-107-1/2

94-94-1/2

85-1/2-86

82-82-1/2

72-1/2-73

81--81-1/2

Source: Salomon Brothers and Kidder Peabody & Co.

# ECONOMIC INDICATORS—SELECTED ASIAN COUNTRIES

	Hongkong	Singapore	Malaysia	Thailand	Indonesia	Philippines	Japan	Taiwan
conomic Growth % (real)	TO CHARLES OF STR					The state of the s	The second second second second	5.5
1981	10.4%	9.7%	6.9%	7.8%	9.6%	5.5%	4.1% 5.2%	7.5
1982 (1)	8.0%	10.0%	7.2%	6.9%	6.5%	6.5%	5.27	THE SEE STORE
International Reserves (5)				Marie Constitution of the			US\$28,053m	US\$8.7b
Latest	n.a.	US\$7,298m	US\$3,937m	US\$1,557m	US\$5,430m	US\$2,014m	(Jan.)	(Dec.)
		(Oct.)	(Nov.)	(Jan.)	(Jan.)	(Jan.) US\$2,554m	US\$25,921m	na year
Yearago	n.a	US\$6,513m	US\$4,601m	US\$1,447m	US\$5,993m	0332,334111	STATE OF THE PARTY OF THE PARTY.	
Trade Belence (total merchandise) -					(UCC2 704m	-US\$551m	+US\$7m(6)	+US\$759.9m
Latest 3 months	-HK\$3,295m	-S\$3,884.6m	-M\$447m	-Baht 19.19b	+US\$3,784m (OctDec.)	(OctDec.)	(DecFeb.)	(OctDec.) +US\$1,131.5m
	(NovJan.)	(NovJan.)	(AugOct.)	(SeptNov.)	+US\$3,700m	-US\$696m	+US\$4,358m	+US\$326.9m
Previous 3 months	-HK\$1,374m	-S\$3,434.6m	-M\$216m +M\$732m	-Baht 15.79b -Baht 15.56b	+US\$3,607m	-US\$563m	-US\$668m	100000000000000000000000000000000000000
Yearago	-HK\$5,000m	-S\$3,452.8m	+M3/32III	- Dani 15.500				US\$5,679.1m
Exports (7)			0/00/0/0-	Davido For	US\$5,546m	US\$1,038m	US\$36,438m	-7.2%
Latest 3 months	HK\$32,242m	S\$10,614.8m	M\$6,243m	Baht 36.52b	+0.27%	-5.55%	-5%	+8.0%
% change previous 3 months	-4.24%	-6.0%	-1.84%	-4.61% +19.47%	-0.59%	-9.66%	+1.2%	
% change year ago	-15.60%	-1.63%	-8.42%	+18.47%			the state of the state of	US\$4,919.2m
imports (8)				D-Luce 7th	US\$1,762m	US\$1,589m	US\$36,431m	-1.4%
Latest 3 months	HK\$35,537m	S\$14,499.4m	M\$6,690m	Baht 55.71b	-3.77%	-11.47%	+7.2%	-0.2%
% change previous 3 months	-1.40%	-1.54%	+1.72% +9.92%	+3.01%	-10.65%	-7.18%	-0.6%	The state of the
% change year ago	-8.04%	+1.80%	79.3276	720.0378		A CONTRACTOR		1976=100
Consumer Prices	Oct 70 Cont 80	June 77-May 78	4007	1070-100	1977/78=100	1978=100	1980=100	176.08
Base	Oct. 79-Sept. 80 = 100(2)	= 100 130.1	1967=100(4)	1976=100 177.63	185.8	157.5	106.4	(OctDec.)
Latest 3 months index average	124	(DecFeb.)	200.1 (AugOct.)	(OctDec.)	(DecFeb.)	(AugOct.)	(NovJan.) +0.7%	-0.4%
	(NovJan.)	+1.72%	+1.31%	+2.21%	+4.0%	+4.1%	+3.7%	+10.47%
% change previous 3 months	+1.64%	+10.16%	+10.08%	+11.60%	+9.7%	+16.3%	SERVICE STANDARD	0.20
% change year ago	+14.50%				A STATE OF THE STA		W007 072h	NT\$1,069,920
Money Supply (3)	UNCO 422-	S\$19,872.3m	M\$10,097m	Baht 298.72b	Rps 9,282b	P64,323m	¥227,872b	(Nov.) +1.5%
Latest	HK\$120,432m	(Jan.)	(Oct.)	(Nov.)	(Oct.)	(Dec.)	(Jan.) +0.5%	
	(Jan.) +1.15%	+1.02%	-0.7%	+13.64%	+1.9%	+10.49%	+10.7%	+17.1%
% change previous month	+17.21%	+17.45%	+10.1%	+0.81%	+24.3%	+16.04%	A SECOND DESCRIPTION OF THE PERSON OF THE PE	

(1) Official and other estimates except for Singapore and Taiwan Source: Official Statistics.

% change year ago

(3) M2 or currency plus bank deposits. Hongkong figures for 1982 include NCDs (2) Consumer Price Index A (6) Customs basis (7) 1.o.b. (8) c.i.f. (9) Based on letters of credit with Bank Indonesia.

+17.45%

(4) Peninsular Malaysia only

(5) IMF definition of reserves minus gold