

# China embraces its latest revolution

CHINA in the year 2000 is starting a second Cultural Revolution, one which could do more to change the permanent character of Chinese society than Chairman Mao's first Cultural Revolution 30 years ago.

The objective of the first Cultural Revolution was to bring China's managers and intellectuals back into a relationship with the peasant farmers who still comprise 80 per cent of China's population, and to forestall what Mao feared would be the revival of the bourgeoisie. It failed.

The second Cultural Revolution is one of modernisation and globalisation; it is the coming of the Information Age to China. This is happening with astonishing speed. Everything in China doubles every 10 years; some things double every two and a half, the Internet doubles every year.

In 1980, a young Chinese student was having his first interview with his supervisor at the London School of Economics. He was asked how he would describe the philosophy of modern China. He answered: "Confucius plus Mao Zedong." Ten days ago, at a dinner in Beijing, he said he would now answer: "Confucius plus Mao Zedong, plus Deng Xiaoping."

The old accept the Information Age, the young are carrying it out, writes WILLIAM REES-MOGG

He should probably have added Bill Gates.

One can start with a figure. In March 2000 there were 9.8 million Chinese people who were "wired" — that is, they had access to the Internet. Perhaps that does not sound all that impressive a figure; after all, it amounts to less than one per cent of the Chinese population.

But this number is more than doubling every year. A third of one per cent in 1999; one per cent in 2000; two per cent in 2001; four per cent in 2002; perhaps eight per cent in 2003.

That, or something like it, is the expectation. Yet

eight per cent of the Chinese population would be 100 million people, a larger number than are currently connected to the Internet in the USA.

I had asked *The People's Daily*, who were our hosts in China, to arrange for me to visit some educational institutions. We went to the Ge Zhi High School in Shanghai. Of course, it is an exceptionally good school, a highly selective big-city grammar school with 1,600 students; admissions are determined simply on the results in the entrance examination. We also went to the impressive Journalism School at Fudan University outside Shanghai, where the students grilled me. The Dean of the Journalism School, Miss Chen Guilan, who has high hopes for the future of the mass media in China, took the chair.

At the High School we were shown the television studio with its digital equipment. I was interviewed for the school's weekly news programme by a 16-year-old Chinese girl with excellent English. Another 16-year-old girl showed us the computer room. To welcome us, they had gone to *The Sunday Times* of London's website and pulled up a recent story about the disgraced politician, Jonathan Aitken, whose friendly face was on the screen.

I remarked to our guide that the students seemed highly motivated. "Yes," she replied,

"self-motivated."

In Beijing, we paid a visit to Legend, the leading Chinese computer and software company. It has a \$7,000-million market capitalisation on the Hong Kong stock exchange and is 40 per cent owned by the Chinese Academy of Sciences, which makes that institution a great deal richer

than the grandchildren are the children of the Deng Xiaoping market revolution. They are 30 years old or younger; many are still students. As in

the West, this is the age group driving the Information Age. They are the generation which understands what is already happening.

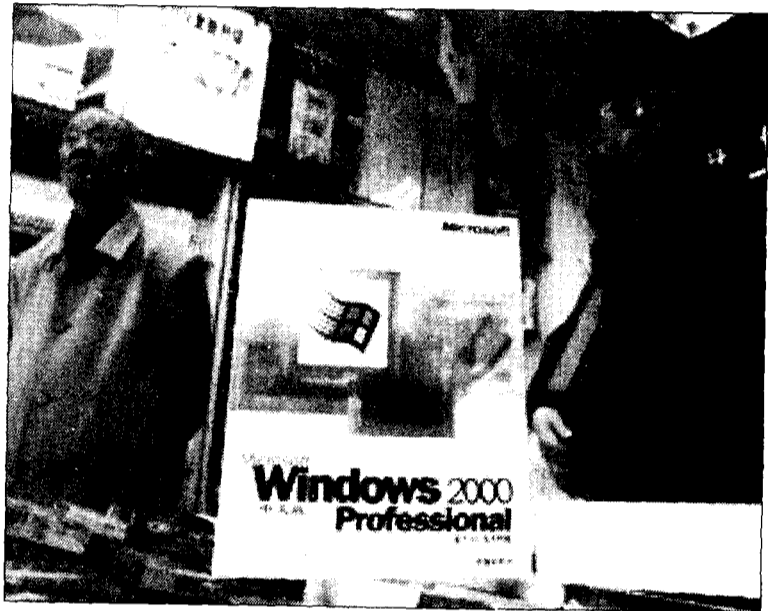
The grandparents still have the political power, though the parents are the people who run the economy. They are reacting as

grandparents often do; they are very proud of their grandchildren, most of whom have been brought up as only children because of China's population policy.

Yet they are in no hurry to hand over their own authority; they trust their own experience more than that of their children, let alone their grandchildren. They recognise that the economic development on which China's future depends requires a new openness to the world, the encouragement of the Internet, entry to the World Trade Organisation, concentration on education, globalisation. They know this will change the political and social balance of China. The grandparents are not stupid, but they believe they have a role in controlling the latest phase of China's continuing revolution. They have, after all, lived through a lifetime of revolutions.

There is a great difference between the impact of the Internet on China and on societies in the West. For Westerners, the Internet is another way of distributing information which is already freely available. It may be more powerful, but it is only an alternative to free print and free broadcasting.

In China, the sources of information have been tightly held as a state monopoly. The grandparents could preserve that monopoly only if they



than The Royal Society.

Of course, the high technology part of China's economy remains only a tiny fraction of the whole. The industrial and commercial sector employs only about 20 per cent of Chinese workers, and high-tech is a small fraction of that. High-tech is important in employment terms only in the coastal development zones, such as Shenzhen and the conurbation of Shanghai and Pudong. Legend itself has its headquarters in Beijing.

China now has three economies — a huge 18th-century agriculture, a large 20th-century industry and a small 21st-century advanced technology. The newest is the most important for the future. It is already by far the richest.

Shenzhen, a 20-year-old high-tech city of four million people opposite Hong Kong, has a gross domestic product per head of \$7,000, which is expected to double by 2005. The cost of living is only a fifth of that of the USA. Already in terms of local purchasing power parity, Shenzhen is as rich as California, though that is only a very rough comparative guide.

This sector is also the youngest. China has three age groups: the grandparents were the children of the Revolution, the Civil War and the war against Japan; the parents were the children of the Mao years and the Cultural Revo-

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were willing to destroy the Internet; they have not tried to do that because they know that the future of China as a modern economy depends on advanced technology; one cannot have the Information Age without information.

On the other hand, the high-tech young, though well informed, independent-minded and highly intelligent, are enjoying the future too much to want to risk losing it. They know how much China has changed for the better even since their childhood.

They know that these changes, economic, technological, social and political, are continuing. They see that the

government is accepting the changes is not, in that sense, reactionary. The last thing most of the young want is to have to get up from their computers and start working on the political problems of rust-belt industries and unemployed farmers, which are the characteristic problems of adjustment in all modern economies.

The Communist Party is not about to have a general election, but if it did, it would probably win, because Deng Xiao-ping got China's future right, where the Russians got theirs wrong.

To an outsider, what is striking about China is how different their society is from ours. The absence of democracy and freedom of the press, the attitude to human rights, the issue of Tibet, are the things which strike us most. To the

~~Chinese~~, what is impressive is how much has changed in the 20 years since Deng took power — the quintupling of the economy, the recovery of Hong Kong and Macau, the success of the new development zones, the opening to world trade, the television set in every living room, the rise in the expectation of life to Western levels, the greater freedom of, at least, private discussion.

The young expect these favourable trends to continue; they think the China of 20 years ahead will be as much better than the China of today as the modern China is better than that of 1980.

China has had five revolutions in 60 years: the Communist victory in the Civil War; Mao's Great Leap Forward; the Cultural Revolution; the Deng market opening; and now the Information Age. The old accept the latest revolution; the young are carrying it out.

— *The Times, London*

**THE STATESMAN**  
**28 MAR 2000**

# China begins nationwide census

FROM SARAH CHEUNG

Beijing, Nov. 1 (Reuters): China sent an army of six million fanning out across the world's most populous nation today to count how many people it has.

It will take them 10 days to collect data from 360 million households and by February the government will know how many people, how many males and females, China has. The census will show whether the population has kept below the 1.3 billion target set for the end of 2000.

The government now reckons China has 1.26 billion people while the Unicef says China may actually have 20 million to 100 million more than that. The amount of detail the census will provide has demographers rubbing their hands in expectation. "It's very important to me. For the first time we're going to have a lot of detail about

housing, size, age, space, water facilities," said Judith Banister, a professor of demography at Hong Kong University of Science and Technology. But census takers expect problems.

"Census workers often have to return again and again in the morning and evening to get hold of people," said Li Tingming, a senior statistician with the Beijing city government. "It is also difficult to persuade people to open their doors to census workers. Often they won't cooperate and census workers really have to persuade them."

Among the many reasons for not answering the door are children unregistered because they were born in breach of a decree barring most urban couples from having more than one. Or the occupants may be in breach of China's rigid registration rules, living illegally away from where

they are permitted to live.

Millions of underemployed leave rural areas — where 70 per cent of China's population lives — seeking work and better lives in the cities. By some counts there may be 200 million or more of them. "There may be a problem with numbers. Villagers will not think (the census takers) are independent from people doing the registration," said Siu Yat Ming, professor of sociology at the Hong Kong Baptist University.

The government has tried to temper such fears with a publicity campaign promising there will be no retributions — that all it wants are the details. It promises not to pass on information to local governments, which run the registration system and are responsible for living conditions.

"To help ensure the accuracy of the census, the data received will not be allowed to be used to

judge the achievements of local governments or various units," the *China Daily* quoted an official as saying.

Census takers will interview 10 per cent of the population with a detailed list of questions — right down to whether or not they have a toilet and if they do, does it flush.

The other 90 per cent will have a simpler form to fill out which covers only the basics like name, age and sex. Banister said she was also keen to see data on China's sex ratio, which has long been imbalanced with 119 boys for every 100 girls aged up to four. "People thought the extraordinarily unbalanced sex ratios were due to selective undercounting of girls," she said. "But we now know, so far, the distorted sex ratios have been correct. We may discover some things have levelled out, some are waiting for these results."

THE TELEGRAPH

2 NOV 2000

# Numbers game: Census-takers in China confront daunting task

By Henry Chu and Ching-Ching Ni

BEIJING: If you think counting 100 million U.S. election ballots is tough, try counting 1.3 billion people.

That's the monumental challenge facing China, which on Friday finished conducting the nation's fifth census of modern times.

Six million census workers—more than double the number of

soldiers in the People's Liberation Army— took 10 days to canvass the country from end to end, a massive mobilisation covering 3.75 million square miles.

They climbed mountains to find people who still live in caves. They rode horses to track down nomads in Inner Mongolia. They went door to door in China's swollen cities, methodically working through apartments crowded with dozens of migrant laborers, asking questions.

Are you a housewife or house-husband? How many days a week do you work? Do you burn gas, coal or wood for heat? Is there indoor plumbing? And—a crucial but sensitive query in "one-child" China—how many children do you really have?

The result of all this data-taking—expected after a year of number-crunching—will be a valuable snapshot of the most populous nation on earth. The Herculean project should give official confirmation of the astounding changes that have swept through this land in just the 10 years since the last nationwide tally—everything from rising disparities in income to the addition of 130 million new people, or nearly half the entire U.S. population.

The Communist regime is counting on the data to help its planners chart a course for economic development and social policy in the new millennium.

But such information wasn't easy to come by. This year's census takers were confronted with the daunting task of nailing down an increasingly mobile citizenry, including China's "floating population", the estimated 100 million migrant workers who have fled the countryside in search of better jobs in the cities.

Hubs such as Beijing and Shanghai brim with former peasants who help build skyscrapers, hawk vegetables on the street or tidy up and baby-sit for the new elite.

At one Shanghai construction site where a gleaming new hotel is being erected, census workers were sent in with hard hats and searchlights to catch workers as they filed in. More than half the crew members were "waidiren", or out-of-towners.

Before the formal start of the survey November 1, officials scoured the streets to log China's growing army of urban homeless. One district office in Shanghai found more than 100 people living under bridges, in abandoned buildings and in bus depots—migrants who are likely to fall through the cracks when the tabulation is complete. "We can't afford to leave anyone out," census official Chai Guanlun said.

The government acknowledges that the omission rate of this census will probably exceed that of the 1990 survey, which was widely hailed as a model of accuracy for such a large-scale effort. Back then, less internal migration made an exact count much easier, said Zhang Weimin, a senior government statistician and one of the top officials supervising the census.

But for all the flight to the cities, the census is expected to show that China remains an overwhelmingly rural country, with between 700 million and 800 million farmers.

Many, if not most, are like Qiu Fengqin, 62, who was born in Deng village outside Beijing, the capital, and has lived there her entire life.

(Los Angeles Times)

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THE TIMES OF INDIA

12 NOV 2000

# Falun Dafa members protest in Tiananmen Square on national day

By Harvey Stockwin

The Times of India News Service

HONG KONG: As China celebrated its national day on Tuesday, the 51st anniversary of the foundation of the People's Republic, the banned Falun Dafa organisation staged the largest demonstrations of civil disobedience seen in Beijing's Tiananmen Square since 1989, leading to hundreds of arrests.

The protests came fifteen months after the government banned the Falun Dafa network and the Falun Gong beliefs as constituting an "evil cult" and launched an extended crackdown against it and other similar sects. Falun Gong combines slow-motion Taichi-style qigong exercises with a curious mixture of Buddhism, Taoism and the mystical teaching of the leader of the sect, Li Hongzhi, who lives in exile in New York.

The Falun Dafa/Falun Gong demonstration on Tuesday was more remarkable because of the stringent security enforced in and around Beijing prior to the dawn flag-raising ceremony in Tiananmen Square. Trains and buses coming the capital were all searched. In nearby provinces those suspected of being members of Falun Dafa were detained.

Tens of thousands of ordinary Chinese were carefully vetted by hundreds of security personnel as they entered Tiananmen Square. The flag-raising ceremony went off smoothly. But suddenly, two hours later around 8.30 a.m., numerous groups of Falun Gong adherents either raised banners proclaiming truth, compassion, tolerance, or scattered leaflets, or started to do

qigong exercises, or just shouted out slogans like "Falun Gong is good".

Plainclothes and uniformed police rushed to suppress the visible dissent, kicking, pummelling and even stomping on the protesters whenever they caught them. But the police task was difficult given the huge crowd of which the Falun Gong loyalists were just a part. As one protest group were silenced, then another would start up elsewhere.

Eventually the reinforced police had to clear a large part of the square as hundreds of Falun Dafa suspects were detained and driven away in police vans and buses. Many bystanders in the crowd also got hurt in the melee and no doubt some of them were wrongfully arrested, too.

In one sense, Tuesday's demonstrations come as no surprise. Despite severe repression, with continued arrests and detentions of Falun Gong followers and long prison terms for suspected Falun Dafa organisers, demonstrations by the sect have been continuous since it was banned in July 1999. The "evil cult" has demonstrated amazing resilience in the face of China's extensive apparatus of political control.

The banning was the direct result of a protest which took the police completely by surprise by 10,000 followers outside Zhongnanhai, the Chinese leadership compound, in April 1999. What is remarkable is that demonstrations continue to take place, and to take the communist authorities by surprise, despite, and perhaps also because of, the 15 months of continuous suppression.

THE TIMES OF INDIA

4 OCT 2000

## 551 First Nobel for a 13910 Chinese writer



Gao Xingjian

STOCKHOLM, Oct. 12. — Gao Xingjian today became the first Chinese writer to win the Nobel Prize for Literature. The Swedish Academy said Gao won the Literature prize for “an oeuvre of universal validity, bitter insights and linguistic ingenuity, which has opened new paths for the Chinese novel and drama”. Gao (60) lives in France and will get 9 million kronors (about \$1 million).

In Beijing, the state-controlled Chinese media were silent after dissident Gao won the Nobel. Gao fled China in 1988 after being warned by the Communist government against his avant garde ideas. Despite his work, Gao remains almost unknown to most Chinese. He was born in 1940 in southeast Jiangxi province and studied French in Beijing in the early 1960s before becoming a full-time writer and avant garde theatre activist in the early 1980s.

The Chinese leadership targeted him in its 1983 campaign against “spiritual pollution” for his play, *Bus Stop*. It was soon banned and a few years later Gao left for France. — Agencies

THE STATESMAN

73 001 200

# China will never seek hegemony, <sup>china</sup> says white paper <sup>17/10</sup>

By Anil K. Joseph <sup>11-14</sup>

BEIJING: China on Monday pledged to the international community that it will never seek hegemony but warned foreign powers not to meddle in Taiwan affairs.

"The development and powerfulness of China will constitute no threat to anyone, but will rather promote world peace, stability and development. Never to seek hegemony is the Chinese people's solemn pledge to the world," a white paper on national defence, issued by the state council, China's cabinet, says. "China firmly pursues a defensive national defence policy and is determined to safeguard its state sovereignty, national unity, territorial integrity and security," the white paper said on Monday, the last day of a four-day military exercises, the biggest since 1964.

"The Chinese people know fully well the value of peace," the white paper, titled "China's national defence in 2000," assures China's neighbours who are apprehensive of Beijing's rising economic and military power. On the vexed Taiwan issue, the white paper says that its settlement is entirely an internal affair of China and stressed on the peaceful reunification of the motherland. At the same time, China will

not give up its right to use force against Taiwan to prevent the island declaring independence.

China views Taiwan as a rebel province that must be reunified with the mainland at an early date.

According to the white paper, China's annual defence expenditures in 1998 and 1999 were 93.47 billion yuan (\$11.26 billion) and 107.67 billion yuan (\$12.97 billion), respectively, and that for 2000 is 121.29 billion yuan (\$14.61 billion).

Overall, China's defence expenditure has remained at a fairly low level, it says. In 1998 and 1999, the proportion of defence spending in the total state financial expenditure was 8.66 per cent and 8.20 per cent, respectively, and that in 2000 is 8.29 per cent, all lower than in 1997 or earlier.

In terms of U.S. dollars China's annual defence expenditure in 2000 is \$14.60 billion, which is only five per cent of the U.S.'s defence spending, 30 per cent of Japan's, 40 per cent of U.K.'s, 48 per cent of France's, and 64 per cent of Germany's. In addition, the percentage of China's defence spending in its gross domestic product is lower than those of the U.S., South Korea, India, U.K., France and some other countries. (PTI)

THE TIMES OF INDIA

17 OCT 2000

# Hong Kong media lashes out at Zemin for tantrum

REUTERS  
HONG KONG, OCT 29

HONG KONG'S media lashed out at Chinese President Jiang Zemin on Saturday after he flew into a rage over questions they posed to him, making clear to the Chinese leader they were not going to swallow the insult. "Jiang Zemin throws tantrum, loses stature," the mass-circulated *Apple Daily* hit back with in its headlines.

Like the *Apple*, all other newspapers gave front page treatment to Jiang's tirade against the Hong Kong media on Friday, and many ran scathing editorials berating him over the incident.

"(Jiang's) condescending manner...shows the hollow-heartedness and arrogance of Chinese leaders," the *Hong Kong Economic Journal* said. The episode would harm Jiang's image, it added. The condemnations came after Jiang hollered at a group of Hong Kong journalists and television crew in Beijing when they asked him if Hong Kong leader Tung Chee-hwa was "The Emperor's choice" to serve another five-year term. The normally jocular Jiang lunged from his armchair and advanced angrily on the group to deliver a



A televised image of Chinese President Jiang Zemin's confrontation with the media in Beijing's Great Hall of the People on Friday — AP/PTI

shrill diatribe that lasted several minutes. Tung, whose term ends in July 2002, remained in his chair, grinning broadly, throughout the outburst. Apparently upset by the question's reference to imperial China, a visibly irate and emotional Jiang shouted: "The media must raise its knowledge, do you know that? Your questions are too simple, sometimes naive!" Jiang, who said he backed a second term for Tung, added: "When I say what I

say, it's not because I've chosen him...but it must still be done according to Hong Kong's laws."

While Tung was selected by a Beijing-picked committee of 400 people in 1996, China has always maintained the official line that the committee was representative of the wishes of Hong Kong's people and that Tung was fairly elected. The next chief executive will be selected by a Beijing-appointed committee of 800.

INDIAN EXPRESS

30 OCT 2000



**M**ORE than three years after becoming a Special Administrative Region of China, Hong Kong is in the midst of the gravest political, economic and social crisis since the 1966-1967 riots.

On its third anniversary on 30 June, demonstrations were staged by the middle class, demanding the ouster of Chief Executive Tung Chee Hwa.

The middle class, traditionally the stabiliser of any society, shows growing unrest because the basis of its stability — property ownership — has been eroded by the government's ham-handed housing policy.

The largest middle-class organisation, the Liberal Party, staged a 7,000-strong march in July, asking for protection of their property value. The lower class has reasons to complain as their lot has worsened. In 1997, there were about 8,600 families living under the poverty line have doubled to 17,800.

The upper class fears that the playing field is no longer level. A few policy decisions taken by the Tung administration lead one to suspect that favouritism may have played a part. For example,

## Misplaced zeal

the assignment of a piece of waterfront land earmarked for hotel purposes at dirt-cheap price to business tycoon Li Ka Shing upset the land price mechanism in Hong Kong. The

acquisition of land by his son Richard Li via the "cyberport" model upset the established land transaction procedure.

The bigshots are bewildered by such policies. Their dissatisfaction forced President Jiang Zemin to call a meeting of local tycoons in Beijing in June, persuading them to continue their support for the SAR chief.

It is rare to find any government adopting policies that antagonise the upper, middle and lower classes at the same time. Something must have gone seriously wrong.

Most analysts agree that the most obvious miscalculation Mr Tung and his team are guilty of is their zeal to rebuild Hong Kong, shorn of its colonial legacies, at an unrealistic pace. Too eager for a new Hong Kong rid of its colonial baggage, Mr Tung has ignored the traditional Chinese wisdom of *xiao gui cao sui*, or following established rules if they have proved sound.

His first and most devastating action after the handover, the revamping of the housing and property sector, is an obvious example. It is true that under British rule, Hong Kong's property prices reached exorbitant levels making for decreasing competitiveness and social hardship.

Yet any attempt to bring prices down had to be gradual to avoid a crash. The zeal to end colonial legacy blinded Mr Tung and his team to common sense. To bring property prices down, he set an aggressive annual production target of 85,000 housing units, a hectic increase of 23 per cent above the average annual production figure of 69,000 in the decade prior to the handover.

The government was to boost home ownership rate from about 50 per cent in 1997 to 70 per cent by 2007. It took Singapore twice that long to achieve a comparable rate of home ownership, although the latter has only half of Hong Kong's population.

**Tung Chee Hwa has ignored the traditional Chinese wisdom of following established rules if they have proved sound, says**

**CHING CHEONG**

One way to beat this ambitious target was to sell public housing at one-tenth of its market value to its tenants. The market responded with a precipitous drop in prices. In July 1997,

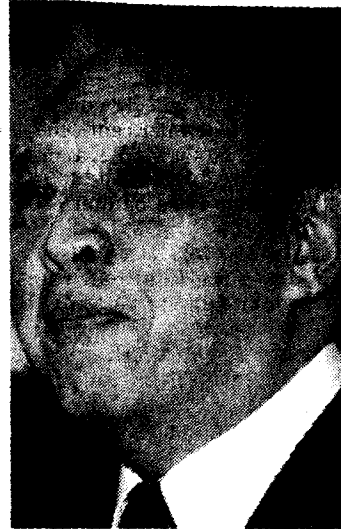
the price per square foot of floor space in Central, Hong Kong Island, was HK\$10,000. Now the price at the same location is reduced to HK\$4,200, a sharp drop of 60 per cent. This resulted in about 120,000 housing units becoming negative assets. The total loss is estimated to be HK\$ 120 billion. This had dampening effects on consumption, investment and government expenditure, the three major components of an economy's GDP.

For those property owners who could still service their mortgages, negative asset means that their loss would be spread over the future. Most of their future savings would be absorbed in covering the loss. At least three cases of suicide are said to be related to negative assets.

Most investors secured investment fund from the banks using property as collateral. With property becoming negative assets, investors are deprived of an important source of capital. This has led to a dwindling in investments. Property-related taxes and revenues used to contribute close to 30 per cent of total budgetary revenue before 1997.

The slump in the property sector has reduced government incomes, leading to a shrinkage in public expenditure. Hong Kong is the last of the four dragons to recover from the Asian financial crisis. The impact is not just economic.

Public indignation against the government's housing policy runs so high that in a rare move, the local legislature seized the opportunity of shoddy construction to pass a vote of no-confidence on Executive Councillor Rosanna Wong, who was also head of the Housing Authority. She was an obvious scapegoat. According to the Basic Law, the SAR's constitution, the legislature is so designed as to make it difficult for a majority vote to be passed. Yet the no-confidence motion was backed by almost three-quarters of the total votes



**Chief Executive Tung Chee Hwa:**  
Wrapped up in grandiose plans.

cast.

Although the Basic Law also ensures that any such vote has no binding power on the Chief Executive, and therefore cannot correct any wrongs, legislators still passed it — an indication of the extent of discontent. Some legislators threatened that a similar motion could be passed on the Chief Executive.

The people have been appealing for a review of the housing policy. Mr Tung chose to ignore them. He came up with suggestions to build up Hong Kong into centres for 15 major professions. A grandiose plan but remote to those suffering from his housing policy. This shows how detached he is from the public. It was not until the Bank of China, whose views usually represent those of Beijing, called for such a halt to the housing targets did Mr Tung change his mind.

After the BOC appeal, he called an impromptu press conference announcing the scrapping of his housing policy. The unwillingness to follow established rules also stemmed from the desire to prove to the world, especially Beijing, that they could outdo the British in running Hong Kong. The British ran Hong Kong on the basis of *laissez faire*, or "positive non-interventionism" in which market forces were allowed to hold sway.

The British colony was, in the eyes of Nobel Laureate Milton Friedman, the classic or purest Adam Smith model where market forces determine production, consumption and investment. They also allocate resources and distribute incomes. In such a model, the government's job is to ensure law and order, to see that there is a level playing field, and to redress the problems arising from the failure of market forces, like social disparity and environmental deterioration.

The new leaders, too eager to

make their marks in history, were loath to follow the same policy even though it had worked well in the past.

The new leading clique wants to project an image of potency, vigour, ambition and vision. But its priorities are questioned.

Even Mr Tung's supporters agree that the only way to redress mounting social unrest is to slow down these reforms. It is sad to see a visionary patriarchal ruler defeated by his own aspirations, though his intentions are sincere.

— *The Straits Times/Asia News Network*

# China warns party over corruption

FROM JEREMY PAGE

Beijing, Aug. 1 (Reuters): Details emerged of more high-level corruption scandals on Tuesday as China told Communist Party officials to consider a death sentence passed on former top lawmaker Cheng Kejie a warning to clean up their acts.

The party's discipline, propaganda and personnel offices issued a circular pledging to use Cheng's sentence as a "negative example and cautionary lesson" over the next few months, the People's Daily said.

Cheng, former Vice-Chairman of the Standing Committee of the National People's Congress (NPC), or Parliament, was sentenced on Monday for taking 41 million yuan (\$5 million) in bribes as head of government in the southwestern region of Guangxi.

He has 10 days to appeal. Most death sentences are carried out with a bullet to the back of the head.

If the sentence is carried out he would be the most senior Chinese official to be executed for corruption since the Communist Party took power in 1949.

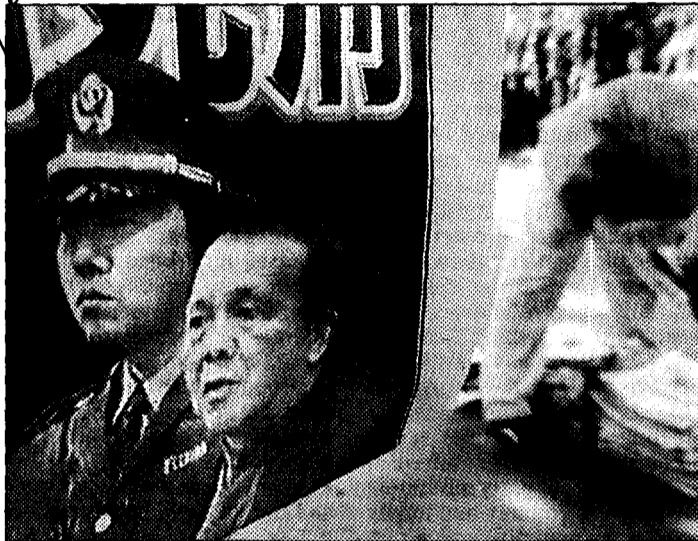
Analysts say Cheng's sentence portends further executions following the exposure of more high-level corruption scandals.

## Taxman under probe

The party's top graft-busting body, the Central Commission for Discipline Inspection, was now investigating provincial tax chief Li Zhen on suspicion of taking bribes worth several billion yuan, a local government official told Reuters.

"He was arrested in March this year for taking bribes of huge amounts of money," said the official of the head of the taxation bureau in the northern province of Hebei. "I have heard it was several billion yuan."

That would put it on a par with a three billion yuan (\$360 million) smuggling scandal unfolding in the southeastern city of Xiamen — China's largest smuggling scandal in five decades.



A Beijing news vendor grabs copies of a Chinese newspaper on Tuesday headlining the story of a fallen Chinese leader being sentenced to death for corruption. (AFP)

That case — involving smuggled firearms, cars and crude oil — has ensnared top Xiamen police officers, senior bankers, customs agents and the former wife of an ally of President Jiang Zemin in the powerful Politburo. She denies any wrongdoing.

The official said Li's case also involved other high level Hebei officials.

He declined to say who else was involved.

Li, 38, previously worked for former Hebei party secretary Cheng Weigao, now head of the Hebei People's Congress — the provincial legislature, the official said.

## Smuggling hotbed

So far this year, graftbusters appear to have focused their efforts on the southern and eastern provinces of Guangxi, Guangdong and Fujian, hotbeds of smuggling and drug trafficking.

Earlier this month, the NPC expelled Fujian lawmaker Xie Yongwu for his role in a smuggling case and police arrested three senior customs officers on smuggling and bribery charges.

Hu Changqing, the former vice

governor of eastern Jiangxi province, was executed for corruption in March.

And the deputy head of the Shenzhen legislature was also under investigation for graft, a local government official said.

But the anti-corruption drive appears to be moving towards inland areas and northern provinces.

Earlier this month, police in the northeastern city of Shenyang arrested Liu Yong, a member of the city's legislature, for running a gang which killed or injured more than 30 people to protect his business. Wei Jianxing, the party's top anti-corruption official, has also toured western provinces, including Yunnan.

THE TELEGRAPH

2 AUG 2000

# Chinese authorities crack down on Falun Gong

By JOHN POMFRET and MICHAEL LARIS

BEIJING: Thousands of adherents of Falun Gong poured into Beijing over the past few weeks to launch a quiet but stubborn challenge to the Chinese government's three month-long crackdown on their group, Falun Gong, the popular Buddhist-like spiritual movement.

In five straight days of silent protests in Tiananmen Square, and in thousands of trips to a small government office in western Beijing where citizens are allowed to complain, they have expressed, peacefully but determinedly, their refusal to accept the government's decision to ban their group on July 22.

So far, authorities in Beijing have arrested 3,000 Falun Gong practitioners since Sept. 30, when a handful of devotees suddenly appeared on the city's main political stage, Tiananmen Square, and were hustled off by policemen. The city government estimates that thousands more practitioners are in Beijing in small guest houses, private homes, on university campuses and in factories with friends, waiting to add their voices to this unusual defiance of a Communist Party decision.

China said Sunday that it had charged four "principal" Falun Gong members, setting the stage for the first trial in Beijing in the three-month-long crackdown. The four — Li Chang, Wang Zhiwen, Ji Liewu and Yao Jie — were charged with "organizing a cult to undermine the implementation of laws," the government's New China News Agency reported. Li, a former police official, Yao and Wang were also charged with violating China's state secrets law, a measure often used against political dissidents. Ji and Yao were charged with running illegal businesses, the report said.

Sunday's announcement marked another step in China's intensifying crackdown against Falun Gong. On Saturday, China's legislature passed a

was a "cult." The protests are a clear sign that, despite its ban and a subsequent crackdown, the Communist Party has failed to crush Falun Gong, which is reputed to have a strong but flexible organization and about 10 million adherents throughout China. The protests also underscore the willingness of many followers to endure jail sentences and rough treatment at the hands of police.

"It doesn't matter what they do to me," said a man named Richard, who is a university educated Falun Gong follower and also a member of the Communist Party. "My practice is legal. I never broke the law. My practice has helped me. I really don't know why the government is doing this."

The crackdown shows that the Communist Party is unwilling to bend on the question of its authority, even though its tough tactics appear not to be working. Many ordinary Chinese now refer to the crackdown as a "little issue made big" and scoff at the government's Cultural Revolution-style propaganda campaign against Falun Gong.

Already one Falun Gong practitioner, Zhao Jinghua, is thought to have died in police custody in Shandong province after officers beat her because she refused to renounce her beliefs. A police official in Heilongjiang confirmed that a second Falun Gong follower died in police custody, Chen Ying, 18, jumped out of a train while being taken from Beijing to her hometown of Jiayin, the official said, adding that Chen had traveled to the capital "to make trouble."

In a lightning raid Friday night, Chinese police struck a sharp blow against the most prominent members of the banned movement, capturing at least six Falun Gong leaders who were attempting to hide in a village on the outskirts of Beijing. "I love my motherland," said Wang Baogang, 25, a bank teller from Changchun who barely escaped the dragnet. "I



Falun Gong adherents practice breathing and meditation exercises during a protest outside the Central Government Offices on October 29, 1999, in Hong Kong.

law banning cults, opening the way for possible death sentences for Falun Gong leaders. Last week, China said it had determined Falun Gong

don't know why they are doing this. Everyone back home knows I am a good person. Our master says we have to take responsibility in society." Wang and another woman noticed undercover police waiting for them in the courtyard of a farmer's house and fled Fangshan, a county southwest of Beijing where they had been lured with a promise of safety. Wang's wife was one of the six leaders taken into custody. Also arrested was She Jingsheng, a police officer from the northeastern industrial city of Anshan, who in an interview Wednesday became the first member of China's public security apparatus to openly call for the Chinese government to end its persecution of the exercise and meditation group.

Chinese analysts in Beijing are split about whether the Falun Gong movement poses a serious challenge to the government. To analysts like Wang Shan, who runs a private research institution in the capital, Falun Gong is the first mass movement made up mostly of workers and not controlled by the party since the Communist revolution in 1949. As such, he said, Falun Gong reflects a deep-seated opposition among many of China's dispossessed who, over the last few years, have not benefited from economic reforms. "It represents their alienation from society," he said. "The fact that President Jiang Zemin and Premier Zhu Rongji want to suppress this movement is a sign that they back more economic reforms."

But other analysts, looking to the fact that Falun Gong's leadership in China is sprinkled with high ranking, retired military officers and party members, said they believe the movement represents a broader challenge. "Many people, especially older cadres, are bothered by the moral vacuum in China today," said a Western diplomat. "With its Chinese roots and its emphasis on clean living, Falun Gong has provided a convenient way to express opposition to the direction the party is taking -- toward patronage, corruption and seizure." (LATW/P. Svc)

# China steps up missile-related sales to Pakistan: CIA report

HT Correspondent  
Washington, August 9

1078  
CHINA HAS stepped up its missile-related sales to Pakistan during the past year, the *Washington Times* reported today, quoting the CIA's latest semi-annual report to the US Congress. The report also talks of Beijing continuing its supply of nuclear, chemical and biological weapons and missile goods to North Korea, Libya and Iran.

The CIA report, according to the newspaper, said it could not preclude that China has ongoing contacts with Pakistani nuclear weapons officials.

This, it was noted, was contrary to Beijing's pledge in 1996 to halt aid to nuclear programmes in Pakistan that were not under inter-

national controls.

The 11-page unclassified report is said to be the public version of a more detailed study the CIA is required to produce every six months under a 1997 intelligence law. It is based on intelligence reports of global weapons sales for the last six months of 1999.

The newspaper noted that the CIA document contradicted recent claims by the Clinton Administration's policy-makers that China's record of illicit arms sales was improving. It quoted National Security Adviser Sandy Berger's submissions to the Senate last month while lobbying against a legislation that sought to punish China for its numerous arms transfers to rogue States.

The CIA report has stated that in

addition to China, North Korea had also assisted the Pakistani missile programme. "Such assistance is crucial for Islamabad's efforts to produce ballistic missiles." The Pakistanis also purchased advanced fighters and anti-ship missiles from China last year, the report said.

Quoting sources, the newspaper said the Senate Intelligence Committee was investigating why additional arms proliferation activities by Beijing were left out of the 11-page unclassified report.

The CIA report makes a mention of India's nuclear weapons programme benefiting from Russian and Western European assistance. According to it, Russia and India are also discussing the leasing of some long-range bomber aircraft.

THE HINDUSTAN TIMES

10 AUG 2000

# Peasant revolt near

# Mao's base

FROM ANDREW BROWNE

Beijing, Aug. 30 (Reuters): In one of China's biggest civil disturbances in recent years, thousands of farmers are in revolt near the cradle of the Communist revolution in Jiangxi province.

According to local officials, paramilitary police were despatched to the region earlier this month after rampaging farmers smashed government offices and looted homes of the rich, highlighting a threat to the state from peasant discontent simmering around the country.

The officials largely confirmed a report yesterday by a Hong Kong-based human rights group, which said over 20,000 peasants had staged violent protests against harsh taxes. No deaths or injuries were reported, but scores of peasants were arrested and it took five days to bring the rioting and looting under control.

Ironically, the area around the city of Fengcheng is in mountainous territory where Chairman Mao Zedong and the Communist Red Army set up the first "revolutionary base" in the 1920s, drawing on support from downtrodden peasants.

The revolt by farmers armed with sticks and clubs quickly enveloped towns and villages over 10 days starting on August 13, the officials said.

"The farmers attacked government buildings, rushed into the offices and smashed up the furniture," said an official in the town of Yuandu, which has a population of about 100,000. But while order has been restored, the officials indicated that nothing had been done to address the root cause of the violence, and they saw little prospect of a solution.

The officials said farmers were still up in arms over being overrun by local authorities trying to fill tax quotas imposed by Beijing. "The farmers misunderstand us, and even hate us," complained an official in Xintang. "Our work is becoming more and more difficult these days, and we can see no signs of any change from the higher level policy-makers."

Rural discontent is spreading in China, due to stagnating incomes and a widening gap in living standards between city and countryside. Bumper harvests have driven down prices of grain.

This year, Jiangxi has been hit by drought and this month the region was battered by a powerful storm, which began as a super-typhoon that roared in from the South China Sea.

Despite this — and repeated promises by Beijing to lighten the burden on farmers by reducing a host of levies and fees — taxes imposed on peasants in Jiangxi are rising, officials said. One reason is that rural enterprises, once a powerful economic engine, are running out of steam due to lack of funding, poor management and backward technology.

"Taxes here are somewhat higher than what the central government has ordered," said the Xintang official.

# China renews attacks on Falun Gong

ASSOCIATED PRESS

BEIJING, July 17. — Anticipating protests by the banned Falun Gong spiritual movement, China renewed attacks on the group today, calling the sect's founder "a running dog" of foreign powers who was inciting followers to resist the government.

A commentary in the ruling Communist Party's People's Daily newspaper carried some of the harshest invectives in recent months in a year-old smear campaign against Falun Gong.

Its publication comes just before the first anniversary of the government's crackdown and ban on the sect.

A year ago on July 20, police arrested dozens of sect followers who they identified as key Falun Gong organizers.

Two days later, the government banned the group as a menace to public order.

Since then, tens of thousands of followers have been detained for short periods of time, thousands sent to labour camps and nearly a hundred leading members jailed.

Followers responded with large protests, and they are expected to do the same on the anniversaries. In recent weeks, Falun Gong members have begun streaming into the capital from around China, and at least one group activist from USA has also visited Beijing to meet local followers.

THE STATESMAN

18 JUL 2000

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5/1

## Exiled Chinese dissidents on fast <sup>China</sup>

WASHINGTON, JUNE 4. Chinese dissidents exiled in the United States launched a two-day hunger strike yesterday to mark the moment in 1989 when tanks rolled into Beijing's Tiananmen Square to crush mass pro-democracy protests.

Thirty activists, many of whom fled China after playing key roles in the protests, gathered outside the Chinese embassy here, chanting "We want freedom, we want democracy."

"We have to let the world know that the massacre of June 4 will not be forgotten," said Lian Shengde, a former political prisoner and prominent dissident.

"Chinese Government still denies there was a massacre, still denies that any students were killed," he said.

Soldiers of China's People's Liberation Army opened fired on unarmed protesters in Tiananmen Square 11 years ago on the night of June 3-4, killing hundreds, if not thousands, of demonstrators.

The protests, which called for greater democracy and an end to corruption and nepotism in government, have been labelled an "anti-revolutionary rebellion" by the Communist authorities.

Another dissident at the protest, Zhao Pingu, fought back tears as he remembered the events in Tiananmen square.

"I feel very very bad that there are still people from 11 years ago

in jail and labour camps," he said.

Activists planned to remain in a grassy grove opposite the U.S. embassy here throughout the hunger strike, which will include a candlelit vigil.

Meanwhile, the Dalai Lama on Saturday appealed to his "Chinese brothers and sisters" not to lose hope in the future of China, on the eleventh anniversary of the crackdown on the Tiananmen Square democratic movement, a report from Beijing said.

In a statement delivered via fax, the Tibetan spiritual leader paid homage to the memory of "those Chinese students who so bravely gave their lives on June 4, 1989."

"My main message to my Chinese brother and sisters is not to lose hope," the Dalai Lama stated. China "will have to change not only to meet the changing aspirations of the Chinese people but also to meet the demands of a dynamic economy which requires an open and transparent political system," he added.

Answering accusations of separatism levied by Chinese authorities, the Dalai Lama said he did not seek the separation of China and Tibet, but sought "a solution where Tibet's separate and distinct identity can co-exist and develop within the framework of an open and tolerant China." — AFP

THE HINDU

- 5 JUN 2000

# If the NKP can, why can't China?

579  
14/5

**L**AST month when some legislative councillors met visiting parliamentarians, the inevitable question of political reforms in China came up. I expressed my usual pessimism that I didn't think I would see democracy in China in my life time. One of my colleagues contradicted me by predicting that there could be major changes in the mainland within the next decade.

*The Economist* went ever further. In a "Survey of China" published on 8 April, the magazine said, "China looks set to change as much in the next five years as in the past extraordinary 20."

This may well be true and the pressure on China to become more open, liberal and tolerant will continue to mount, but this may not directly lead to democratic reforms. Since China is a vast, backward and poor country, the democratisation of its political system will necessarily take time.

One key impetus for change, foreign and local observers agree, is China's accession to the World Trade Organisation, which may come about later this year. The leadership in Beijing must recognise that closer integration with the world economic order could lead to profound changes in the country, including the political system.

Beijing is prepared to take the risk probably because it believes entry to the WTO will help sustain the momentum of economic expansion, thereby satisfying the people's expectation for a higher standard of living.

Lacking in the people's mandate, the Chinese Communist Party hopes to remain in power by suppressing opposition and keeping the people materialistically content.

However membership of the WTO is a double-edged sword. Apart from boosting trade, it will put pressure on China to adopt the rules of conduct of the international community and to alter its authoritarian structure of governance. The challenge facing the CCP is whether it can lead the country to change smoothly and successfully to an open economy while hanging onto the monopoly of power. Given its lack of mandate, there is concern over whether the CCP can command sufficient legitimacy to join the global economy.

Beijing may not be too worried since many countries are falling over themselves to trade with China, driven by the mirage of a market

With the advent of the age of information technology and rising expectations, the Chinese leadership cannot hope to completely wipe out the people's desire for information and freedom of expression, says EMILY LAU

consisting of over one billion people. Such enthusiasm has not been dampened by stark reality.

China's share of global trade is less than four per cent, which is no bigger than that of The Netherlands. Entry to the WTO may also bring tension and even chaos, as it will increase competition for the hundreds of thousands of State-Owned Enterprises, many of which are

on the brink of bankruptcy. The reform of the SOEs has exacerbated the problem of corruption, a cancer within the party and a major source of friction.

The CCP's determination to hang onto power has spawned a systematic, ruthless crackdown on dissent. Recent examples of lengthy prison sentences imposed on members of the China Democratic Party and the Falun Gong are harsh attempts to deter the

people from getting mobilised.

However, with the advent of the age of information technology and rising expectations, the Chinese leadership cannot hope to completely wipe out the people's desire for information and freedom of expression. The emergence of a civil society in China will be dependent on a new generation of leadership, which is better educated, liberal and tolerant and at ease with the outside world.

Entry to the WTO will help to foster the rise of the middle-class, a possible force in fighting for liberalism.

Some significant changes may take

place at the 16th CCP congress to be held in 2002. President Jiang Zemin has indicated he would step down, together with all but two members of the Politburo. But given the CCP leaders' habit of exercising power from behind the throne, the old guards' influence will not fade away.

Throughout this tumultuous process, Taiwan can serve as a model for peaceful transformation. The Taiwanese people have just elected a young and energetic President. They are eager to open dialogue with the mainland to improve relations. I hope the CCP will tone down its rhetoric and hostility against Taiwan. Better still, I hope the CCP can emulate the Nationalist Kuomintang Party by demonstrating courage to open up the political system to popular participation. If the KMT can do it, why can't the CCP?

(The author is associated with *The Frontier* in Hong Kong and contributes regularly.)



President Jiang Zemin should consider the Taiwanese model.



# China nervous over Falun Gong fortitude

10-17  
BEIJING, APRIL 21. China's State-controlled media has acknowledged for the first time the Government's persistent difficulty in stamping out the banned Falun Gong spiritual movement, even as fresh allegations emerged about police brutality toward its practitioners held in detention.

Three jailed members of the movement have died as a result of beatings or hunger strikes in the last month, according to human rights groups and family members, bringing the total number of deaths to 15.

The Government has been mostly silent about Falun Gong in recent months, and the State media has never openly acknowledged the sporadic silent protests by small groups of its members on Tiananmen Square over the last nine months.

For observers, it has been difficult to tally the frequency of such scattered protests, since the square is vast and the police have immediately whisked protesters away.

But on Thursday, the official New China News Agency acknowledged that the protests had been daily and sometimes very large.

"Since July 22, 1999, Falun Gong members have been causing trouble on and around Tiananmen Square in central Beijing nearly every day," the government news agency quoted a high-level official as saying.

"Some of the troublemakers were practising Falun Gong, some were protesting, banners in hand and shouting slogans, and some were even attempting to detonate explosives," the agency said. It added that a protest at the New Year holiday involved 1,000 members from China and abroad. Mr. Hongzhi, the Chinese founder of the movement, now lives in the U.S.

Though the quoted official contended that

10-22  
"the Chinese Government has won a decisive victory in its ongoing battle against Falun Gong," he added that "the cult group led by Li Hongzhi has not recognised their defeat and continues to cause trouble." The official was not named and was identified only as the person in charge of the State Council Press Office.

Falun Gong was widely popular in China until the Government denounced it as an 'evil cult' and banned it last July. Combining eastern philosophies and slow-motion traditional Chinese exercises, the group attracted international attention a year ago when 10,000 members staged a sit-in around a government compound to seek official recognition. The anniversary of that protest falls on Tuesday, and the Government is clearly nervous.

Since the ban last summer, most members have broken with the movement. But a group of devoted followers has remained, and the authorities have detained or questioned tens of thousands of people in connection with the practice, though many of them only briefly.

According to official statistics, there are 2,591 cases related to Falun Gong in the courts. Of them 99 have been concluded, according to the New China News Agency, leading to 84 prison sentences, some longer than 10 years. But human rights groups say that at least 5,000 more members are in 're-education' camps and many others are being held in lesser forms of detention.

Their harsh treatment in part led the U.S. to seek censure of China earlier this month at the U.N. Human Rights meeting in Geneva, but the motion failed. Many of the imprisoned practitioners have been mistreated, human rights groups say.

Three have died in the last month, according to the Information Center for Human

Rights and Democracy, a watchdog group based in Hong Kong.

They include Zhang Zhenggang, a 36-year-old bank clerk from Huai'an City in Jiangsu Province, who the Center said was severely beaten on March 25 and then lapsed into a coma.

Though he had been hospitalised on March 30, 60 policemen surrounded the hospital and forcibly took Zhang to a crematorium, the center said. "It is possible that Zhang was still alive when he was cremated," it said.

Two other followers died after they were detained for travelling to Beijing to stage protests, the Center said. Guan Zhaosheng, from Hunan province, was beaten to death, and Yi Yanhua died after a hunger strike at the Worker's Labour Reeducation Camp in the city of Nanchang.

Many protesters in Tiananmen Square over the last nine months have come from outside Beijing, and it has been government policy to return them to their home towns for 'education', a euphemism for punishment. A number of them defiantly returned to Beijing soon afterward.

But China's rural police have a long history of torturing recalcitrant prisoners to elicit confessions. Though the practice has been both acknowledged and sharply criticised by law enforcement officials in the central government, it continues.

While the Government has acknowledged that a few Falun Gong members have died in detention, it claims they died of natural causes or suicide. It has justified the intense crackdown on the group by saying that Falun Gong discourages people from seeking medical care, leading to the deaths of 1,500 Chinese. —

New York Times

# Jiang not to seek third term

REUTERS

HONG KONG, May 4. — The President of China, Mr Jiang Zemin will not seek a third term as Communist Party general secretary in 2002, the South China Morning Post reported today.

Citing a party source, the Post said Mr Jiang (73), did not include himself among two of the existing seven Politburo standing committee members who should remain in power in 2002.

He, had instead, urged Politburo members in a private talk to support Vice-President Hu Jintao (57), for the country's top position. Mr Li Ruihuan, chairman of the Chinese People's Political Consultative Conference, was the other senior member to remain in 2002, the paper quoted Mr Jiang as saying.

Mr Jiang, who sought his first term as general secretary in 1992 and his second in 1997, would remain President until early 2003.

China's constitution prevents senior officials from serving more than two terms or 10 years, but party positions are not subject to retirement rules and there were speculations that Mr Jiang would remain general secretary until the 17th party Congress in 2007.

The Post added that Mr Jiang had hinted he might hang on to chairmanship of the military commission, a position the late Chinese leader Deng Xiaoping occupied after stepping down from his party and state positions in the early 1980s.

THE STATESMAN

5 APR 2000

## **Chinese government detains Falun Gong activists for protests**

BEIJING: Dozens of China's Falun Gong sect followers were detained while demonstrating on Tuesday to mark the first anniversary of their mass protest that triggered a crack-down on the group, even as the government said it will crush the outlawed cult.

Witnesses said small groups of Falun Gong protesters emerged from the crowds of Chinese and foreign tourists at the Tiananmen Square to strike meditative postures of their faith or unfurl their yellow banners.

"The Chinese government has won a decisive victory in its ongoing battle against Falun Gong, but the cult group led by Li Hongzhi has not recognised their defeat and continues to cause trouble," Chinese foreign ministry spokesman Sun Yuxi told reporters here.

He side-stepped a question on the detention of Falun Gong practitioners on Tuesday, saying he was not aware of any arrests or detention and accused the group of becoming a political tool of anti-China elements in the West.

Since China banned the group last July, Falun Gong members have been causing trouble on and around Tiananmen Square in central Beijing nearly every day.

The group first captured world attention when over 10,000 followers staged a peaceful sit-in demonstration before the Communist party headquarters here on April 25 last year, protesting official harassment.

"This year in particular, the Falun Gong cult has collaborated with overseas anti-China forces and has become their political tool," Sun said in an obvious reference to the cult's teaming up with the U.S in pushing forward an anti-China motion on the 56th session of the United Nations commission on human rights. (PTI)

THE TIMES OF INDIA

26 APR 2000

# BREAKING CONSENSUS

## Dissident Activity In China

By SOUMITRO DAS

ON 20 April, China defeated a US resolution on its human rights record at the 53-member United Nations Human Rights Commission, in Geneva. The fact in itself is banal. The Americans have been doing this every year since Tiananmen Square, partly in order to satisfy domestic opinion and hardliners in Congress, partly because they feel moral pressure to do so. They probably know that such resolutions have little chance of being carried, given the use China makes of the allurements of its domestic market to drive a wedge into the liberal world.

There is, for instance, a \$ 700-billion investment in infrastructure planned over the next five years. Which is why, on this question, Americans find little support from European allies. There are those who play safe and then there are those who go along with China because their own human rights record is equally bad, if not worse. In any case, the Americans never push these resolutions beyond the point where they become central to their geopolitical stance. As Madeline Albright put it last year: "We determined some time ago that it was not a good idea to link human rights and trade and that we actually make better progress with both when they are not linked". Better progress, in human rights, is defined as

follows: out of 35,792 Falun Gong members and 18 activists of the fledgling opposition formation China Democratic Party detained nationwide last year, only three were released, out of which, again, two possibly as a gesture towards America.

### HOSTILITY

Last year was particularly bad. It began with a declaration by Jiang Zemin that the CPC would "crackdown sternly on all kinds of sabotage activities by hostile forces both at home and abroad, so as to ensure social and political stability". The CPC has been under all kinds of pressure ever since Prime Minister Zhu Rongji announced his modernisation plan in 1998. Large-scale restructuring of the state sector has thrown thousands of workers out of jobs. Government figures put unemployment at 15 million, but unofficial estimates that make educated guesses about rural employment and underemployment put the figure at a much higher 200 million.

How this directly affects the authority of the party can be seen in the activities of the now outlawed sect, Falun Gong: out of the 10,000 people who demonstrated outside the walls of the Zhongnanhai headquarters of the party, there were many peasants and workers. Besides, nobody really knows

*The author is Senior Leader Writer, The Statesman*

what is happening in the Chinese countryside, since so much attention is focussed on its spectacular manufacturing and trade effort.

One never hears of any efforts to modernise agriculture and one can imagine the kind of social and political tensions that are being bred on this score. There are complaints of arbitrary taxation, abuse of power, corruption and government indifference, all of which affect the authority of the party at the grassroots level.

But there is a much more serious problem, which is the ideological erosion that the party has suffered as a result of its own economic policies. It is becoming increasingly difficult for it to reconcile an advanced capitalist economic philosophy with political illiberalism. Liu Junning, a political observer, says, "Chinese society has already changed too much. It's no longer a society in



which everyone does what the leader says." According to him, it is impossible for the government to stop all dissident activity, whether political or intellectual.

A case in point is the China Democratic Party, whose leaders have received lengthy prison sentences on charges that include subversion and hiring prostitutes. In spite of which it announced the formation of 5 new branches, a national committee and an open conference in March last year.

### VACUUM

The Falun Gong too has made inroads into the CPC to the point where the party issued a circular warning members against having anything to do with the organisation. The organisation is said to have 70 million members in China alone — the CPC has a membership of 60 million — and vast resources at its command abroad. Above all, the eclectic mix of Buddhism and Taoism that it peddles as a panacea for spiritual distress not only draws upon native Chinese traditions, but also meets the psychological pressures generated by an open, competitive economy much better than Marxism-Leninism.

China is a country without a philosophy and the CPC is trying to fill this vacuum with money that, in any case, is ill-distributed, ferocious repression and certain reflexes retained from the ideological

era. For instance, the CPC is unable to even recognise the fact that any meaningful opposition to it can exist, that any serious thinking is being done outside its own ranks. Wang Lixiong, a dissident writer, was arrested in Xinjiang, for "revealing state secrets", while Peng Ming, like some of his other associates in the CDP, is imprisoned without trial for "consorting with prostitutes". Falun Gong leader Li Hongzhi is accused of trying to overthrow the state. Fang Jue, a bureaucrat who called for democracy, is imprisoned for illegal business activities. This is a way of refusing to take cognisance of the identity of the adversary, of denying the legitimacy of his intentions and the fact that the CPC no longer represents a consensus on what China should be.

It is not certain that this philosophical vacuum will be filled by liberal political dissent, any time soon. The majority of Chinese in the forefront of the country's manufacturing and commercial revolution are satisfied enough with their economic freedom not to bother about the more substantial ones. No wonder liberal political dissidents are having such a tough time finding mass support of the kind that would enable them to challenge the authority of the CPC. But, at the same time, thanks to the intangibility of the instruments

of communication now available — the internet, the fax machine, the e-mail — their activities cannot be entirely suppressed either. They will continue to be a chronic, and not inconsiderable, nuisance, for some time to come.

### REPRESSION

The Falun Gong, on the other hand, has been more successful in organising resistance. After the July crackdown last year, thousands of followers of the 'sect' attacked party offices throughout the country and many of them committed suicide in prison, either by refusing medical treatment or otherwise, rather than give in. It can match repression with blind faith, it can mobilise the masses. The Chinese also remember that the rebellions which ultimately brought down the last imperial dynasty were inspired by religious leaders.

The repression is likely to be maintained, or may even increase, as the Chinese try to bring the rest of the population into the market economy and keep, at the same time, firm control over social and political dislocations that will certainly occur, on a much larger scale than before, while in the already liberalised zones, foreign, that is, Western, influence, will win new adherents to liberal democracy.

The human rights situation in China will, henceforth, be defined by those who do not believe that it is glorious just to be rich.

6-2  
11-10-16  
NPC SESSION / LEADERS SEEK TO DEFLECT CRITICISM OF REFORMS

# Zhu calls for steps to fight corruption

By F. J. Khergamvala

TOKYO, MARCH 5. China began its annual 10-day session of the National People's Congress (NPC) in Beijing, with the Premier, Mr. Zhu Rongji, focussing his policy speech on economic policy but the leaders are also deflecting criticism by highlighting the anti-corruption drive.

News agencies and the Human Rights Watch-dog, Amnesty International, have said they expect the execution of Mr. Hu Changqing, a senior state official during the session of what is the Chinese mainland's Parliament. This high profile action would add a touch of the theatre to the platform of the Jiang Zemin regime at a time when the conservatives have rallied round the banner of opposing many quick-fire reforms, because, they partly foster corruption among officials.

Mr. Hu, a former deputy director of the State Council's Religious Affairs Office and a Deputy Governor of a province, was charged with taking bribes worth over \$ 600,000. He was sentenced to death. Prior to the opening of this annual session, China's NPC also expelled Mr. Cheng Kejie, a Vice-Chairman of Parliament's own Standing Committee. After the news was leaked weeks ago in the Hong Kong media, Xinhua confirmed Mr. Cheng's punishment for corruption.

As police kept the members of the Falun Gong cult at bay out-

side, inside the Great Hall of the People, Mr. Zhu gave his Government work report. He tip-toed over foreign policy issues and gave a not-too-strong warning to Taiwan to begin talks on "peaceful reunification." The Premier dealt mainly on the twin issues of economic reforms, including gradual privatisation of large state-owned enterprises and cracking down on corruption.

"China must adopt more effective steps and make unremitting efforts to fight corruption," said Mr. Zhu. He added, "We still fall far short of what the Central authorities expect of us." Mr. Zhu, the principal promoter and executor of the economic reforms over the past few years, has by virtue of becoming the Premier, also become the lightning rod for valid accusations that officials are demanding bribes from small and big private entrepreneurs.

In an economy where over 130 million farmers are still "looking for jobs" as China calls its unemployed, ongoing corruption scandals have provided conservatives the feedstock to demand a slowdown on the accelerating reforms. The Jiang regime's preference is to continue to run with state reforms while raising the profile of corruption cases, if and when politically convenient to those in power at the Centre and in the provinces.

To ward off a lengthy debate,

they have its say, on Friday the leadership released a speech delivered more than a month ago by the Communist Party's main anti-corruption official, the Politburo member, Mr. Wei Jianxing. He linked eradication of the crime to a "life or death political struggle for the party and the nation." All this suggests that social unrest still remains the principal concern of the party.

The smuggling case involving nearly \$ 9.5 billions worth of oil and goods through the Xiamen port city in Fujian province symbolises public disgust. The case is still unfolding after the city's Mayor was removed but reports indicate that because of the close links of some top bosses to those responsible, including some cronies of the highest in the land, the state media has not been fully forthcoming. Loud speeches at events such as the NPC and wide publicity to the trials of those already sentenced may be a white-wash substitute.

Other important aspects of this NPC session include setting out an investment programme for 10 backward provinces and regions which make up the majority of the vast country's land mass and where a quarter of the population lives. Yet, the investments have come mainly into the coastal areas, to which the farmers from these places in the hinterland have migrated in search of jobs or business opportunities.



The Chinese President, Mr. Jiang Zemin (left), and the Premier, Mr. Zhu Rongji, chat during the opening session of Congress in Beijing's Great Hall of the People on Sunday. — AP

# Pep talk & arrests as China People's Congress opens

ASSOCIATED PRESS *4-9*

BEIJING, March 5. — As China's national legislature opened its annual session on one side of Tiananmen Square, followers of the banned Falun Gong movement unfurled protest banners at the edge of the vast plaza today, only to be swiftly detained. Thirty-nine people were taken away.

Opening the National People's Congress session in the Great Hall of the People beside Tiananmen Square, the Prime Minister, Mr Zhu Rongji said the Communist government "took decisive measures against the Falun Gong cult" over the past year.

Shadowed by corruption scandals that have shaken China's political elite, Mr Zhu promised a tougher government campaign to punish corrupt officials no matter how powerful, and to soothe public anger.

He also warned that China will not "sit idly by" if Taiwan heads toward outright independence. But he tempered recent threats to attack Taiwan, offering negotiations for peaceful unification: "We place our hopes on the Taiwan authorities and even more on the Taiwan people."

In an overview of government policies, he promised a third year of deficit spending to pump growth. He supported a build-up of the politically influential military. He also said more money would be channeled to poorer Chinese and less-developed western China to lessen social tensions.

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With President Jiang Zemin and the rest of the Politburo on the dais behind him, Mr Zhu pledged more prosecutions of "evil cults". He cited the crackdown on Falun Gong as among last year's "great victories", along with protests against the US bombing of the Chinese Embassy in Yugoslavia and opposing provocative moves by Taiwan.

But he repeatedly dwelled on the corruption and abuses of officials that have eroded public confidence in Communist Party rule. From levying taxes to running state enterprises, he cited the need for probity. "Honesty in the performance of official duties is the minimum requirement for people at all levels. We still fall far short of what the central authorities require of us and what the people expect of us."

Mr Zhu demanded that leading officials "stay clean" and make sure their staff and relatives are too. "All major cases, no matter which department or person it involves, must be thoroughly investigated, without favoritism or leniency, and corrupt elements must be severely punished." Delegates applauded, one of the few times they interrupted Mr Zhu.

Outside the Great Hall, the police had sealed off the square. They took away at least 39 Falun Gong followers or suspected group members along the plaza's fringe during the morning session of the National People's Congress.

At least three of those detained unfurled banners,

some proclaiming "The Great Law of Falun", as they stood under the towering portrait of Mao Tse-tung which hangs on the Gate of Heavenly Peace at the square's north end.

The numbers arrested were far higher than during the Congress' opening in previous years. But this session is China's most public political event since Communist leaders banned Falun Gong as a social menace and threat to Communist Party rule more than seven months ago. They have ordered tightened security to prevent disruptive protests by the group during the Congress.

Police stopped many people along the square, a popular tourist site, to check bags and ask where they were from. In one case, an officer told a woman to say "Falun Gong is an evil cult." When she did, he let her go on her way.

In one case, officers surrounded two men and a woman and led the trio away, arms pinned behind their back, to a waiting police van.

In recent days, police detained 68 Falun Gong followers in Beijing's Fangshan district and were holding them at the Huangshandian Drug Rehabilitation Centre, a Falun Gong member said today. The 68 were on a hunger strike, some in their third day. Falun Gong drew millions of Chinese with its combination of slow-motion exercises and syncretic blend of Taoist and Buddhist cosmology and ideas drawn from founder Li Hongzhi.

# China hikes defence budget

ASSOCIATED PRESS

BEIJING, March 6. — China will increase military spending by 12.7 per cent this year, outstripping an expected economic growth rate of about seven per cent, the finance minister said today.

The hike in expenditure for the People's Liberation Army comes amid renewed tension over Taiwan and matches a 12.7 increase in last year's budget. China lavished double-digit budget increases on the PLA in the Nineties, reflecting the military's political clout and efforts to modernize the 2.5 million-strong force.

China's growing military might has raised concern among other Asian nations, some of which have territorial disputes with Beijing.

Announcing this year's budget to the national legislature, Mr Xiang Huaicheng said \$14.5 billion would be spent on national defence. The funds will mainly cover salary and allowance increases for troops and expenditure on garrisoning Macau. He, however, did not break down the military spending. Western analysts believe China's actual defence spending is three times more than the figure published. Purchases of sophisticated weapons at home and abroad are not included in the official figure. In his speech, the finance minister railed against wasteful spending. Money that China can ill-afford is being lavished on opulent hotels, office buildings and auditoriums and "high consumption", he said.

"Some local governments cannot even guarantee funds for performing their normal functions ... budgetary funds are seriously lost and wasted," Mr Xiang said, "this has aroused strong resentment among people."

The finance minister's comments expanded on an anti-corruption theme running through this year's annual 11-day ses-

sion of the National People's Congress. At yesterday's meeting, Prime Minister, Mr Zhu Rongji, promised a tougher government fight to punish corrupt officials, no matter how powerful.

The overall central government spending would be increased \$111.1 billion — a 12.3 per cent rise, Mr Xiang said.

Revenue will increase by 7.9 per cent to \$83.3 billion, leaving a deficit of \$27.7 billion, up from last year's deficit of \$21.7 billion, Mr Xiang said, attributed the deficit increase mainly to a change in the way the budget is calculated, for the first time including interest payments on government bonds. Spending on social security was increased 110 per cent last year to \$4.3 billion, much of it to support retired people and workers laid-off from state-owned factories.

Announcing a new policy to increase the wages and benefits of government employees, he said, this year the government will spend \$8.5 billion on social security. PTI adds: China has pledged to continue its fight against attempts to place human rights above sovereignty and maintain good relations with its neighbours.

"We will continue to maintain good neighbourly relations and consolidate, strengthen all-round cooperation with neighbouring countries," he said.

China resolutely defended the purposes and principles of the UN charter and the dominant role of the world body in maintaining world peace and development, the Prime Minister said.

Sino-US relations suffered a severe setback after the Nato bombing of the Chinese embassy in Belgrade, he said, but bilateral ties have improved after the Chinese President, Mr Jiang Zemin, and US President, Mr Bill Clinton, met in Auckland late last year.

THE STATESMAN

- 7 MAR 2000

# Falun leader jailed for 12 years

AGENCE FRANCE PRESSE

BEIJING, Feb. 6. — China has jailed for 12 years the organizer of a secret Falun Gong press conference held under Beijing's nose, the group said today, a day after staging another protest at Tiananmen Square.

Mr Jiang Zhaohui (35), was secretly sentenced to 12 years imprisonment by a Beijing court after being arrested on 22 November, less than a month after the press conference, sect member Ms Chen Dan said over phone from the USA.

Most of the other group mem-

bers who took part in the press conference have also been arrested, she said.

"We heard about the sentence from two practitioners in Beijing who were questioned by police who accidentally told them," she said.

But she had not been able to confirm the information and did not know when Mr Jiang was tried.

Another sect member, Mr Gu Linna, who also took an active role in organising the press conference, was arrested at the same time along with 15 other people as they were preparing

a group meeting in southern Guangzhou, Ms Chen said.

Mr Jiang, a former director of a foreign investment firm in southeastern Fuzhou, and Mr Gu organised the 28 October press conference along with 20 other people at a Beijing suburb, which was attended by about six western journalists.

They denounced Beijing's clampdown on the mystical Falun Gong which was outlawed in July after holding a silent protest of 10,000 people outside the Communist Party headquarters in the capital in April.



# Falun members on hunger-strike

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**ASSOCIATED PRESS**

BEIJING, Feb. 14. — One hundred and forty members of the banned Falun Gong sect have gone on a hunger-strike in the Daguang detention centre in Changchun, capital of northeast Jilin province. At least two of the members are already into their tenth day, without food.

Practitioners stopped eating from 4 February, to protest their detention and to demand they be released for the Chinese New Year, which began on 5 February, the Hong Kong-based Information Center of Human Rights and Democratic Movement in China said.

Some refused food for just three to five days. But at least two people who started their hunger-strike later, had by today not eaten for nine

China  
days, putting their lives at risk, said Lu Siqing, the centre's director.

Two officials at the Daguang centre refused to answer questions, although one denied that they were holding any Falun Gong adherents. An officer at the Changchun Bureau of Public Security said he had no knowledge of the case. Citing a recently released practitioner who refused food for eight days, the group said some adherents were detained for going to Beijing to protest or for practicing Falun Gong in public. Others were sent to the detention centre after they told police that they were still practicing Falun Gong.

Meanwhile, a court in the northern city of Shijiazhuang, 270 km southwest of Beijing, sentenced two local Falun Gong leaders today to prison terms of eight and six years. //

**THE STATESMAN**

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## CHINA IN TROUBLE

China's private sector has had its standing further enhanced. Mr Zeng Peiyan, chairman of the state development planning commission, recently declared his government would ensure there was a level playing ground in China for private business. In addition, he declared that except for "areas related to national security and those that must be monopolized by the state" all sectors of the economy would be thrown open to private investment. Over the past two years, the Chinese communist regime has been easing the once oppressive restrictions burdening the private sector. Last year the constitution was changed to elevate the status of China's private sector. Mr Zeng's announcement indicates the government would now follow this up with tangible policies that would, for example, give private sector companies equal access to capital markets. The planning commission head pledged that Beijing would "eliminate all restrictive and discriminatory regulations that are not friendly towards private investment and private economic development". Beijing is already shrink wrapping its loss making nationalized businesses. By the end of 1998, China's public sector workforce was pruned by 20 million employees. On paper, the economic component of China's present day communist ideology is nearly indistinguishable from social democratic capitalism.

If Beijing embraces private capital and free markets ever more tightly, it does so less because of ideology than because of pragmatism. Ever since the communist party began shedding its Marxist-Leninist garb, it has increasingly depended on rapid and steady economic growth to legitimize its monopoly on power. This was not too difficult when growth breached 13 per cent in 1993. Today, with growth figures struggling to stay above seven per cent, Beijing is in a bind. Two percentage points of growth last year was achieved by a massive \$ 24 billion binge of state infrastructure expenditure. Such debt driven injections of money are not sustainable in the long run — both the government and the nationalized financial sector are already knee deep in debt and bad loans. Mr Zeng's toast to the private sector is an acknowledgement of the impossibility of sustaining growth by throwing around government money. Particularly given the huge losses still being incurred by the public sector. If it continues to believe its survival depends on keeping the economic fires burning brightly — and there is little doubt among most party members that this is the case — Beijing by default must turn to the private sector to provide the sustainable growth it desperately needs. Mr Zeng admitted that 60 per cent of China's industrial output now comes from private and public-private joint ventures. But this hides the fact that only 10 per cent of gross domestic product comes from genuinely private companies. What Beijing is now publicly recognizing is that the economic future of China lies with this small but dynamic sector.

**THE TELEGRAPH**

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