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北京

BEIJING TO BECOME A MODERN CITY

A New, Equitable
International Order



Each follows his or her own bent (selected work from the Black-Diamond Photo Competition).

Photo by Wang Wenyang

HIGHLIGHTS OF THE WEEK

Beijing Review

VOL. 34, NO. 32 AUG. 12-18, 1991

An Ancient City Transformed

□ The last few years of construction have greatly changed Beijing's appearance. A ten-year development plan will transform the capital city of China into a metropolis of beauty and culture (p 12).

Call for a New International Order

□ At a recent seminar in Beijing, Chinese scholars on international studies stressed that the building of a new international order should be based on the Five Principles of Peaceful Co-existence. They said non-interference in other countries' internal affairs is a major ingredient of the new order (p. 8).

Role of Water Conservancy Works in Flood Control

□ The water conservancy projects built with 26.3 billion yuan in government funding between 1949 and 1988 demonstrated their crucial role by reducing losses from the floods which hit some parts of China in June and July by some 320 billion yuan (p. 25).

Special Political Activists

□ Many members of democratic parties and non-party people now hold leading posts in central and local government departments under the CPC's multi-Party co-operative and political consultative system. The Beijing municipal government has used the channel to involve democrats in the discussion and administration of state affairs by inviting them to serve as special supervisors. This report describes how they carry on their work and the experience they have gained (p. 22).

Foreign-funded Enterprises Do Well in China

□ Chinese customs announced July 30 that imports and exports by foreign-funded enterprises in China during the first six months of 1991 increased to over US\$11.67 billion, up 47.5 percent, making up 20.4 percent of China's total imports and exports (p. 5).

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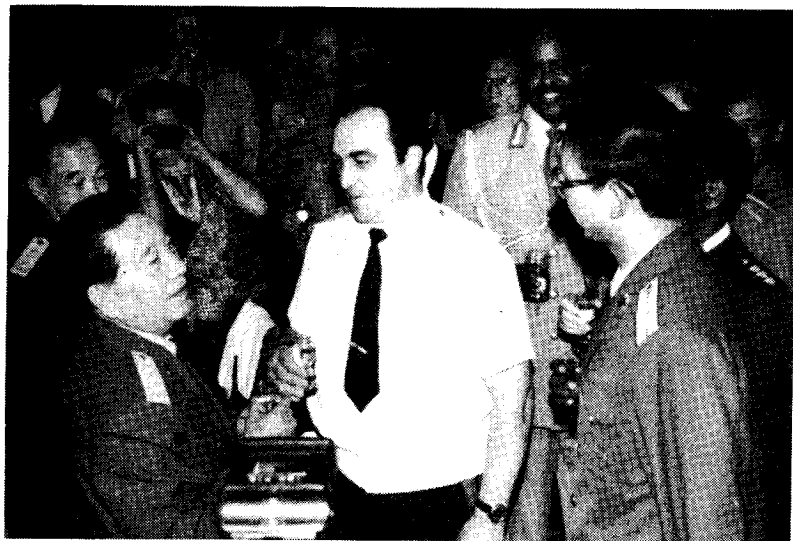
COVER: A new building complex
near Beijing's Sanyuanli.

Photo by Zhang Zhaoji

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LIU JIANGUO
 Defense Minister Qin Jiwei (left) toasting the PLA's 64th anniversary at a reception on July 31.

PLA's 64th Anniversary Marked

Defense Minister Qin Jiwei has praised the Chinese People's Liberation Army (PLA) for its active participation in the nationwide drive to promote economic growth and socialist culture and ethics and the enhanced unity between the army and the government, and between the army and the people.

Speaking at a Beijing reception in honour of the 64th anniversary of the founding of the PLA on July 31, the general pointed out that since early summer the PLA units have played a key role in fighting against the country's worst floods in decades and participated in numerous rescue operations in disaster-stricken areas.

The units have exhibited great valour during the battle, and have feared neither hardship nor fatigue, said Qin. They have contributed greatly to protecting state property and the people, and have thus won high acclaim from both the Party and the people.

Qin noted that the PLA has proven itself worthy of the Party, the people and socialism.

At the reception, Qin said China must further strengthen its national defense and the army should keep up military training, improve logistics and modernize its weaponry.

"We must work hard to transform the PLA into a modern, regularized and revolutionized army," Qin said.

The International Red Cross distributing biscuits to people in flood-hit Anhui Province.

YU JIE



He said that together with people of all nationalities in China, the PLA will make greater contributions to the attainment of the objectives of the second phase of China's national economic and social development, and to the realization of a peaceful reunification of China, as well as to the maintenance of peace and stability in the world. ■

Li Optimistic About Anti-Flood Work

The Chinese Party and government has a cohesive force to pull the nation through the disaster, said Premier Li Peng during a meeting with outgoing Spanish Ambassador E. Bregolat, the first Singaporean Ambassador to China Cheng Tong Fatt, and the new Colombian Ambassador F. Echavarría Olarte on July 30 in Beijing.

The premier told the ambassadors that although the losses caused by the flooding were serious, they were limited to only part of the country. "The people in the flood-stricken areas have followed the leadership of the

CPC and the government, and, in the spirit of hard work and self-reliance, are working all out to minimize losses, resume production and rebuild their homes," Li said.

"During the battle against the floods, we have received sympathy and assistance from the international community, to which I hereby express sincere appreciation on behalf of the Chinese people," Li said.

In another related matter, information from the Ministry of Public Health revealed that the incidence of diseases such as hepatitis is increasing in the disaster areas due to contaminated water and poor food hygiene.

State Councilor Li Tieying stressed at a national telephone conference on July 30 that in order to curb the incidence and spread of such epidemic diseases, at least 5 percent of the relief budget allocated by the central and local governments as well as 10 percent of domestic and international donations to each flood-stricken districts should be spent on disease control.

He urged the public health departments at various levels to spare no efforts in health work in the flood stricken areas and other areas where epidemic diseases might occur.

Chen Minzhang, minister of public health, reiterated the state policy of "prevention first," and asked for the strengthening of epidemic surveillance and reporting.

Cases of hepatitis, polio and typhoid as well as food poisoning should be reported to the ministry every day, Chen said, adding that the ministry will publish disease statistics from across the country every 10 to 15 days.

According to Chen, the ministry has dispatched specialists from the China Academy of Preventive Medicine to Jiangsu, Anhui and Hubei provinces.

About 7,000 medical and anti-

epidemic teams of 80,000 medical personnel have been dispatched to nine provinces including Anhui, Jiangsu, Hubei and Henan.

To further strengthen leadership, the State Council has set up a national leading group for disaster rescue and disease control. Headed by State Councilor Li Tieying, the group will help work out a national strategy and coordinate actions among state departments.

The Ministry of Public Health and health administrative departments in each province will be responsible for disease treatment and control. ■

Foreign-Funded Firms: More Imports, Exports

Imports and exports by foreign-funded enterprises in China during the first six months of 1991 increased by 47.5 percent to over US\$11.67 billion, and the figure accounted for 20.4 percent of China's total imports and exports, according to the Chinese customs.

Customs statistics show that exports by enterprises with exclusive foreign investment amounted to US\$880 million, up 97.5 percent over the same period last year; while exports of co-operative enterprises with Chinese and foreign investment recorded a 47.4 percent increase; and exports of Sino-foreign joint ventures were up 52.5 percent.

Exports of goods processed with imported materials rose and accounted for the largest proportion of the total exports by these enterprises.

The report said that among the overseas-funded firms, export items, including machinery, textiles, clothing and shoes, witnessed a marked increase. Exports of electrical machinery exceeded US\$1.62 billion, up 58.8 percent. At the same time, tex-

tiles and shoes reported hefty increases of 53 percent and 93.1 percent respectively.

In imports, these enterprises bought goods valued at over \$US3.9 billion, up 70 percent, which consisted mainly of electrical machinery, equipment, electronic devices, raw materials and chemicals, and material for the textile and garment industries.

The export and import volume of China's five special economic zones, Shenzhen, Zhuhai, Shantou, Xiamen and Hainan, totalled US\$8.3 billion, of which 48 percent, US\$3.98 billion, was earned by foreign-funded enterprises.

These zones export 59 percent of their electronic devices, textiles and garments to Hong Kong, Japan, the United States, Singapore and Taiwan also imported products from the zones. ■

Forum Emphasizes Water Conservation

A forum on the Water and Soil Conservation Law opened on July 23 to discuss how to control and protect water and soil resources by drawing on the lessons from the severe floods that have stricken South China since summer set in.

The law, which was issued recently, emphasizes prevention in overall planning, comprehensive harnessing of the waters and the strengthening of government control in this field.

Yan Keqiang, vice-minister of water resources, said that in China, one of the biggest country in the world, the water and soil erosion has grown so serious that it has endangered economic construction, especially rivers, lakes and water conservancy facilities.

According to Yan, each year several billion tons of sand enter the rivers throughout the country, of which 1.4 billion tons silt

up reservoirs and irrigation areas, undermining the flood draining capability of rivers and the regulating and depositing capability of lakes and reservoirs.

If water and soil conservation is not improved in the upper reaches of rivers, flooding will be more serious at the middle and lower reaches, an expert at the forum said.

Another expert said that water and soil conservation is a main factor in running a state as well as a potential way to help raise mountain areas above the poverty line. It can also reduce surface runoff, retain excessive water and lessen the incidence of landslide.

For example, in the three flood-stricken counties in the suburbs of Beijing, places where water and soil conservation work was well done were able to ward off the threat of flood and mud-rock flow.

The forum concluded that enhanced public awareness is essential to the implementation of the Water and Soil Conservation Law. Middle and primary schools should include such topics in their geography classes, and professional personnel trained in colleges and universities.

The floods in South China have spurred 145 counties in

nine provinces in the upper and middle reaches of the Yangtze River to a new wave of tree-planting, according to the Ministry of Forestry.

The ministry planned for 700,000 hectares of trees to be planted. Seeds would be sown from planes and tree seedlings are being raised in the rainy season.

Some 90 percent of the year's plan has already been accomplished and local officials are preparing land for next year's planting. ■

Preserving Old Glory In Construction Boom

Among new buildings constructed in Beijing in recent years, a new flat at Juer Alley in downtown is the most conspicuous.

With a slanting roof, a courtyard surrounded by houses, and a floorspace of 2,700 square metres, the three-storey building sits in harmony with the quadrangles around it. The lighting, water supply and sewer systems are much improved.

While residents in the neighbourhood admire the roomy flats, experts say that it satisfies people's desire for larger living space and at the same time keeps the features of quadrangle. Hence the nickname "quasi-

quadrangle."

Wu Liangyong, the designer of the building project, is an architect and professor at Qinghua University. He said that his contribution is only a patch to the old dress of Beijing.

Wu described Beijing as a precious dress, and said it will be worn out as time passes by. "We should not discard it because of this. On the contrary, we must patch it up," he added.

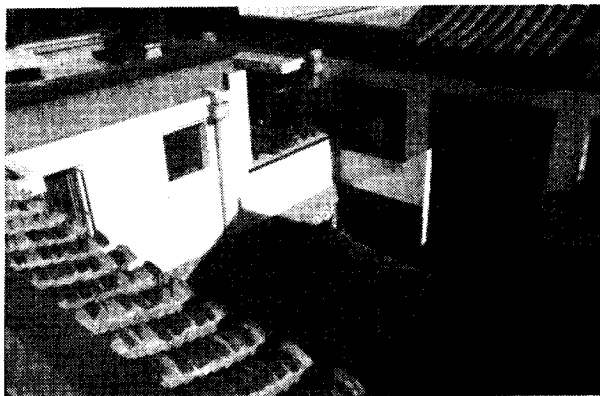
Beijing, having served as a capital city for more than 3,000 years, was known as *Dadu* (Big Capital) during the Yuan Dynasty (1271-1368). Since the founding of the People's Republic of China in 1949, a principle of combining building reform and protection has been adopted in the city's urban development. Palaces, temples, quadrangles and historical sites have been preserved while the city wall has been demolished and buildings constructed.

A few years ago, the municipal government issued a regulation regarding the height of buildings within the city. According to the regulation, the area around the Forbidden City and other key protection zones should be kept in its original style, and high buildings are forbidden.

In central Beijing today, there are still some 3 or 4 million square metres of old and dilapi-

left: Part of the "quasi-quadrangle;" *Right:* A traditional quadrangle that still can be seen in many places in Beijing.

LI HAIBO



dated houses. To date, the municipal government has given the go-ahead to rebuild more than 30 areas with such houses.

Wu said that the reform must be arranged in good working order and maintain a high-standard design. ■

Cotton Shortage Holds Up Textile Industry

As one of the world's largest cotton-producing countries, China is still running short of cotton. Even a bumper harvest last year can not help much. Some of the textile mills may find it tough going because of raw material shortage.

According to Wu Wenyong, minister of textile industry, profits of 1,334 state-owned textile plants surveyed declined by 38 percent in the first five months this year compared with the same period in 1990, with 46 percent of them in red.

The main reason for this, Wu said, was raw material shortage, which has left many textile plants running at half capacity.

At the same time, stockpiles of textile products are growing. Statistics show that cloth kept in stock in the first half of this year was 12 percent more than in the same period last year, a great portion of which was of poor quality.

At a recent national conference on the textile industry, it is suggested that losing enterprises should suspend production rather than continue piling up their stocks and incurring further losses.

The conference was told that the state does not plan to impose production quotas on state-run textile enterprises during the latter half of this year.

China's textile industry, a pillar of the national economy, is among the largest in the world. It employs more than 8 million

workers and boasts about 40 million spindles.

Last year, China harvested 4.31 million tons of cotton after five consecutive lean harvests. In the same year, it raised the price of ginned cotton 27 percent to seven yuan per kilogramme to encourage more farmers to grow the cash crop. As a result, farmers in the country are estimated to have planted 6.6 million hectares of cotton this year, nearly 20 percent more than the previous year.

Even with a promising harvest in sight, some experts predict, the domestic demand for cotton will be hard to meet, since the textile industry only consumes about 5 million tons yearly.

Minister Wu said rural cotton mills, which have mushroomed throughout the country over the past few years, have been vying with state plants for raw material.

The rural cotton mills, mostly run by farmers, have a total of 11.4 million spindles, consuming about 1.75 million tons of cotton annually, nearly half the country's total yield.

"We cannot obtain enough cotton to meet the demand in the near future," Wu said, adding that much of the country's limited cultivated land have been used to produce food for the country's 1.13 billion people.

To tackle the cotton shortage, experts say, the textile industry should turn to the chemical fibre market. The country's chemical fibre output last year reached 1.47 million tons, nearly 30 percent of the total raw materials needed by the industry.

In order to improve per-unit cotton output, the country will have to increase its investment in the development of new strains and pesticides, and devise more effective measures to treat and prevent diseases of cotton plants, experts suggested.

by Staff Reporter Shuang Yu

Guangdong Declares People's War on Drug

Guangdong will launch a "people's war" against drug trafficking and abuse, a provincial official of south China's Guangdong Province said on July 10.

The official said that Guangdong will go all out to crack down on drug trafficking and abuse and gradually eliminate the domestic drug-consumption market within a year or two.

In recent years, these problems have become rampant in the province. The official noted that Guangdong has become one of the important channels for international drug trafficking, adding that overseas drug traffickers have been transporting drugs produced in the "Golden Triangle" in Southeast Asia through Guangdong to international markets.

During the ten years since the province issued a temporary provision on drug trafficking and abuse in 1981, a total of 1,000 cases have been exposed, over 2,500 drug traffickers arrested, and nearly 400 kilogrammes of heroin and 1,400 kilogrammes of opium and other drugs seized.

In 1989, the provincial security department cracked a drug ring in co-operation with the United States, Canada and Hong Kong police. Some 14,500 grammes of heroin were seized and 18 criminals were arrested in Guangdong in that operation.

Since last May, Guangdong has given top priority to the crackdown on drug trafficking and abuse.

On July 11, a quantity of illegal heroin and opium was burned in Guangzhou, capital of the province, for the first time in the history of the People's Republic. ■

Building a Just World Order

by Zhang Zhenhuang

Recently, about 50 renowned Chinese experts and scholars were invited to a seminar, sponsored by the China Institute of International Studies, to analyse the historical background and discuss contents and prospects pertaining to the establishment of a new international political and economic order. This story reflects some of their main viewpoints.

Early in 1988, Chinese leader Deng Xiaoping pointed out the necessity to build a new international order and proposed some ideas for its construction. Since the Gulf crisis, US President George Bush talked about the basic goals and principles of establishing a new world order and the US role in it. The Soviet Union, the European countries and Japan also aired their views, while the third world countries have long cried out for changing the old world.

Different Views

Since the Gulf crisis, American personages in office or in the public sector have repeatedly voiced their opinions on the formation of a new world order. The US leaders underscore the United States' leading role in the process. Specifically, the United States believes it is the only superpower in the world and wants to position itself well for the next century, an "American century." It stresses partnership with its Western allies and advocates strengthening their co-ordination through power sharing. At the same time, it pays attention to the leverage of international organizations such as the United

Nations and regional organizations. The US is concerned with the spreading of American values, ideology, political and economical models in the world. Backed by military forces, it will build a new world security structure to ensure stability and control arms proliferation, eliminating practical or potential threats to the interests of the United States. To safeguard its strategic interests, the United States, if necessary, will not hesitate to resort to force.

Other Western countries, though sharing similar views with the United States, have their own motives in building a new world order. Britain stresses European conformity with the United States and British-US special relations while advocating the doctrine of a European centre and a greater democratic league extending from the Atlantic to the Urals or even beyond.

France enthusiastically pursues a European federation as a balance. It accentuates the North-South question, supports a new order based on North-South unity and stresses the leading role of the United Nations.

The German-proposed "world peace order" is based on equality, respect for human rights and

self-determination for all countries. It wants an equal partnership and strives to spread the models of the European Community and the Conference on Security and Co-operation in Europe.

Japan seeks a new world order based on dialogue and co-ordination manipulated by the tri-polar "US-Europe-Japan" structure. It also attaches importance to power diplomacy centered on the Asian-Pacific region and wants to play a dominant role in the establishment of a new Asian-Pacific region.

Western Europe and Japan share similar views with the United States in maintaining prosperity and stability of the global capitalist system and in transforming the world with Western views and values. But they tend to stress an equal partnership of Western alliance and a co-ordinating system which would ensure a joint Western control of the world.

The Soviet Union wants to build an international order based on the established norms and the general principles of state-to-state relations. It looks for a comprehensive international security system and holds that equal security should be established on balanced interests. It desires to realize non-ideological state-to-state relations and to solve international disputes through political means. It also supports each country's sovereignty, independence, equality and freedom to choose its social system, holding that national economic security should be based on equality and mutual benefits. It supports a UN role in maintaining peace and promoting development.

The broad third world countries have many common points in building a new world order. While stressing sovereign independence, they oppose external interference and global hege-

mony. They advocate equality among countries irrespective of their territorial size. They emphasize the urgent need to establish a new international economic order. For example, the experts at the seminar said, Indian President Ramaswami Venkataraman said that a new world order should be democratic, multi-lateral, just and fair. Indonesian leaders called for upholding the UN Charter, abiding by the ten principles of the Bandung Conference and opposing foreign aggression and interference. Salim Ahmed Salim, secretary-general of the Organization of African Unity, argues that African countries should choose their democratic form in accordance with their concrete national conditions. He opposed the big powers' imposing their will on others. Bolivian President Jaime Paz Zamora held that the world's democratic forces could prevent a mono-polar world. He pointed out that it ran counter to the history to exercise hegemony in modern times. The Male Declaration of the fifth summit meeting of the South Asian Association for Regional Cooperation expressed serious concern over tariff barriers, huge foreign debt and outflow of funds which are unfavourable to developing countries. It strongly advocated improving the economic situation in developing countries and building a reasonable international economic order through pooled efforts and North-South dialogues.

The different views on building a new international order reflect various current and long-term strategic interests of different countries. The international order is not, therefore, an abstract existence beyond every country's interests; instead, it reflects the change in the balance of power in the world and the interest demand of different forces.

A Sound Basis

Historical and realistic experiences indicate that a new international order established on the basis of the Five Principles of Peaceful Coexistence (mutual respect for sovereignty and territorial integrity, non-aggression, non-interference into each other's internal affairs, equality and mutual benefit, and peaceful coexistence) will be fundamentally different from the old one characterized by hegemony of big powers. It conforms to the fundamental interests of the people of all countries and is conducive to world peace and human progress.

The Five Principles of Peaceful Coexistence as the basis of the new international order have the following features: (1) Scientific character. The five principles summarize the most fundamental principles of the international law, conform to the purposes and principles of the United Nations Charter and reflect the essential feature of new international relations. (2) Compatibility. The five principles do not contradict with nor repel other generally recognized principles of international law. They supplement each other and are compatible with each other. (3) Stability. Since China and some other Asian countries initiated the Five Principles of Peaceful Coexistence in the mid-1950s, their vitality has been tested by the changeable situation of the world for more than 30 years. According to incomplete statistics, the treaties, communiques, declarations and statements China has signed with more than 90 countries have all recognized the five principles. This shows that more and more countries have agreed that the five principles are correct norms in dealing with state-to-state relations and basis for the establishment of a new international order.

Concrete Contents

The nucleus of the new international order should be that all countries are independent and equal members of the international community no matter how big or small, strong or weak, rich or poor they are. That all countries, big or small, are equal does not contradict the important role, special duties and responsibilities shared by big countries in establishing and safeguarding the international order. Countries of the world are either big or small, strong or weak. This is an objective reality. The equality here, in a strict sense, refers to "sovereign equality" or legal equality among all the nations. This means that big nations must not suppress small ones, the strong must not maltreat the weak and the rich must not bully the poor in international relations. World affairs should be participated by all the countries and resolved through consultations. However, this does not deny the important role and influence of the big nations. Their position requires that they share special duties and responsibilities for maintaining world peace and stability, reducing arms, promoting the development of all the countries and protecting the environment. To recognize the special duties and responsibilities shared by big nations is not equal to recognizing their "special privilege" to monopolize world affairs.

With regard to non-interference in internal affairs, the UN Charter stipulates: "Nothing contained in the present Charter should authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state." The principle of non-interference in each other's internal affairs refers mainly to: (1) No country has the right to directly or indirectly interfere in

another's internal and diplomatic affairs for any reason; (2) No country should use or encourage the use of economic, political or other means to force another country to submit, or benefit from it; (3) No country should organize, help, fund, instigate or connive at subversive, terrorist or armed activities which are intended to overthrow the government of another country by violent means, or incite internal disorder of another country; (4) No country should deprive and prevent another country from choosing and pursuing its own political, economic, social and cultural systems.

However, now some persons ignore these principles stipulated by the international documents, using various pretexts to intervene in other countries' internal affairs and violating the principle of non-interference in internal affairs.

The world today is diverse. The situation for each country is greatly different. Each one has

the right to independently choose its social, political and economic system and development road in accordance with its own conditions. Any country, particularly big powers, should not intervene in other countries' internal affairs, or impose their own values, ideologies and development models on others. This is important if a new international order is to be established.

The establishment of a new international economic order is of urgent significance at present and is indispensable to a new international order. Although the Special UN General Assembly adopted the declaration on establishment of a new international economic order and programme of action in 1974, the economic situation in the developing countries has remained unchanged. Instead, the rich have become richer and the poor grown poorer. The differences between the North and the South has been widening. At present the economies of various countries are

becoming increasingly interdependent and economic factors are playing a more important role in international politics. A new international political order cannot be set up on the basis of the old international economic order. It is necessary to reform the old international economic relations and to replace them by a just, reasonable, equal and mutually beneficial new international economic order which guarantees exchange of equal values.

The experts present at the seminar also expressed their views on how to bring into play the UN's positive role in establishing a new international order, which is a long and difficult task. China as a socialist country and an important member of the third world wishes to make persistent efforts in establishing a just and reasonable new international order, safeguarding world peace and promoting human development with other peoples of the world. ■

Moscow Summit Cements US-Soviet Co-operation

by She Duanzhi

Soviet President Mikhail Gorbachev and US President George Bush signed the Strategic Arms Reduction Treaty (START) July 31 that for the first time reduces long-range nuclear missiles and bombers at the end of a two-day summit meeting in Moscow.

The document, about 700 pages long, took nine years to

negotiate. It lays down stringent conditions for checking and verifying the destruction of about one third of the superpowers' strategic nuclear arsenals.

Under the treaty, to be carried out over seven years, the Soviet long-range nuclear bombers will be cut by 35 percent overall and the United States by 28 percent.

The Soviet Union will cut its

10,800 warheads to 8,000, while the 12,000 US warheads will be reduced to 10,400.

At the signing ceremony, Gorbachev said, "The document before us marks a moral achievement and a major breakthrough in our countries' thinking and behaviour."

"It represents a major step forward for our mutual security and the cause of world peace," Bush said, adding, "By building trust, we pave the path to peace."

The Moscow summit, originally scheduled for February 11-13, was postponed to June because of the outbreak of the Gulf war, the independence crisis of the Soviet

Baltic republics, and US-Soviet differences over interpretations of the Treaty on Conventional Forces in Europe, and then was put off again. On July 6, foreign ministers from the two countries settled the key differences on strategic arms reductions in their talks in Washington. On July 17, at the London summit of the G-7 industrial nations, Gorbachev and Bush finalized the date for their Moscow summit.

The signing of the START treaty during the summit meeting, although a significant event, was largely symbolic and a matter of formality. More importantly, the treaty does not prevent the superpowers from improving the quality of their weapons. The real significance is that the summit set the basic tone for US-Soviet relations in the 1990s — from stressing arms control talks to economic and political co-operation and regional conflicts.

"This summit marks a new beginning: the prospect that we can put an end to a long era as adversaries, write a new chapter in the history of our two nations, forge a new partnership and a sturdy peace," Bush said in a speech delivered at the Moscow Institute for International Relations.

The two countries issued a joint statement on the Middle East in which they promised to co-sponsor a Middle East peace conference in October and do their utmost to promote peace process in the region.

In another joint statement, the two presidents stated that the issue of Yugoslavia should be settled by the various nationalities in Yugoslavia "through peaceful talks and constructive dialogues."

Gorbachev, while toasting to "new frontiers of Soviet-American relations," demanded, "Co-operation between the superpowers should bring economic improvement to the people

of the Soviet Union."

Economic Aid

As at their meeting in London, Bush reaffirmed US support for Gorbachev's bold economic and political reform. "We stand with you," he said.

However, Bush warned against any expectation of direct financial help to the Soviets. "A shortage of foreign capital is not what plunged your economy into crisis, nor can your economic ills be cured by simple infusion of cash," the US president said.

He said US aid will depend on the Soviet "democratic and market reforms." Specifically, he said the next step for the Soviet Union is to develop an economic plan with the International Monetary Fund and World Bank to move from a centrally-controlled economy to a free-market system.

At the opening of the Moscow summit July 30, Bush awarded Gorbachev the long-sought economic prize — the most-favoured-nation trade status (MFN).

Praising a new Soviet law drastically easing emigration, Bush said, "As a consequence, when I return to Washington, I will submit to Congress the US-Soviet trade agreement we signed one year ago."

"Then we can grant the Soviet Union most favoured nation trade status," Bush said.

A series of agreements were signed during the summit. One pledged US assistance to improve food distribution, transportation, oil exploration, conversion of military plants and economic education in the Soviet Union. The White House said Bush would ask Congress for up to US\$20 million for the programme.

Bush also announced that he would urge US lawmakers to repeal restrictions limiting credits

and trade for the Soviet Union and would accelerate efforts to conclude agreements on taxation and investment.

Game of Balance

During his stay in Moscow, Bush also met Boris Yeltsin, president of the Russian Republic and other noted figures of different political backgrounds. Yeltsin and Bush had 40 minutes of talks. The Russian president said he was grateful to Bush "for giving such impetus in such a speedy way to promote our understanding."

"I'm satisfied," Yeltsin said.

"So am I," Bush said.

The meeting indicated that Bush hopes to strengthen US influence on Moscow by establishing personal relations with local Soviet leaders and the opposition.

Commenting on a protocol for technical and economic co-operation signed between the two countries, a US official said a key feature was that it allowed Washington to deal directly with all levels of government in the Soviet Union, including the individual republics.

However, Bush was careful to maintain the balance — encouraging and respecting the emerging "democratic forces" while supporting Gorbachev.

While the summit meeting was conducted in a co-operative atmosphere, some disputes remain. Bush urged Moscow to end subsidies to Cuba, reduce defence spending and grant freedom to the Baltic republics of Latvia, Estonia and Lithuania. Washington and Moscow also differed on the Kurile Islands that are occupied by the Soviets but claimed by the Japanese. Bush mentioned on two separate occasions the Soviet-Japanese dispute and linked the resolution of the issue with the provision of large-scale Western investments and aid. ■

Beijing's development blueprint for the 1990s is now being put into execution. The target is to transform the capital of China and the nation's political, cultural and international centre into a metropolis of beauty.

BEIJING PROFILE (I)

A City Marching Towards Modernization

by Our Staff Reporter Zhang Zhiping

The most noticeable change in Beijing over recent years has been the continued improvement in the city's appearance. The multi-complex high-rise buildings, the stylish flyovers spanning traffic hubs, and the direct-dial telephone service reaching all parts of the world have added a modern flavour to the ancient city. According to Chen Xitong, mayor of Beijing, the city in the past decade has completed housing construction of 90.84 million square metres, 4.5 times the total floor-space available in the city in 1949. Moreover, in the 1990s, the city is expected to begin urban construction efforts on an even larger scale.

The Beijing West Railway Station (see sketch), the capital's

first large project to be undertaken during the Eighth Five-Year Plan period (1991-95), will require 2.35 billion yuan (US\$440 million) in investment to develop more than 300,000 square metres of floorspace. Scheduled to break ground this year, the new railway station will have six platforms and 13 parking lines and will be able to accommodate 60 pairs of trains daily. A supporting project, a two-storey modern service building, will also be built.

In the next five years, the Beijing municipal government plans to build more than 30 additional key infrastructure projects with a total investment of more than 20 billion yuan, an increase of 43 percent over the previous five-year plan period.

Major Projects

The 1980s saw rapid construction of Beijing's infrastructure through the use of 15.84 billion yuan in investment, two times the total of the previous 31 years. Compared with 1980, the city's water supply ability rose 32 percent in 1990, reaching 2.151 million tons daily; and its installed electrical capacity increased 17.9 percent to 2.079 million kw. The residents' utilization rate of cooking gas rose from 62.5 percent to 84 percent, and the city's concentrated heat supply area rose 2.86 times to reach to an area of 16.1 million square metres. More than 3,000 km of highways and 73 flyovers were built. The city has also greatly improved its telecommuni-

cations facilities with domestic direct-dial service reaching 767 cities and international direct-dial service to 185 countries and regions. The city is now China's largest telecommunications hub and information centre.

A total of 90.84 million square metres of structure were completed in the past ten years, including 50.718 million square metres of apartment buildings spread throughout more than 70 residential districts. The satellite towns and county seats, construction for which has taken initial shape, have begun to alleviate the transportation and housing burden from the downtown area.

According to the municipal planning department, the plan for overall urban and rural construction of the capital over the

next decade is as follows:

—Control the city's expansion and improve infrastructure facilities in the downtown area, highlight its function as a political centre, protect the city's traditional architectural style, and expedite renovation of the city's southern district.

—Develop the urban district's peripheral areas. A new 4-square km residential quarter named Wangjiing will be built to the north of the Jiuxianqiao area, and construction of the Lugu Residential Quarter in the Shijing-shan District will be completed.

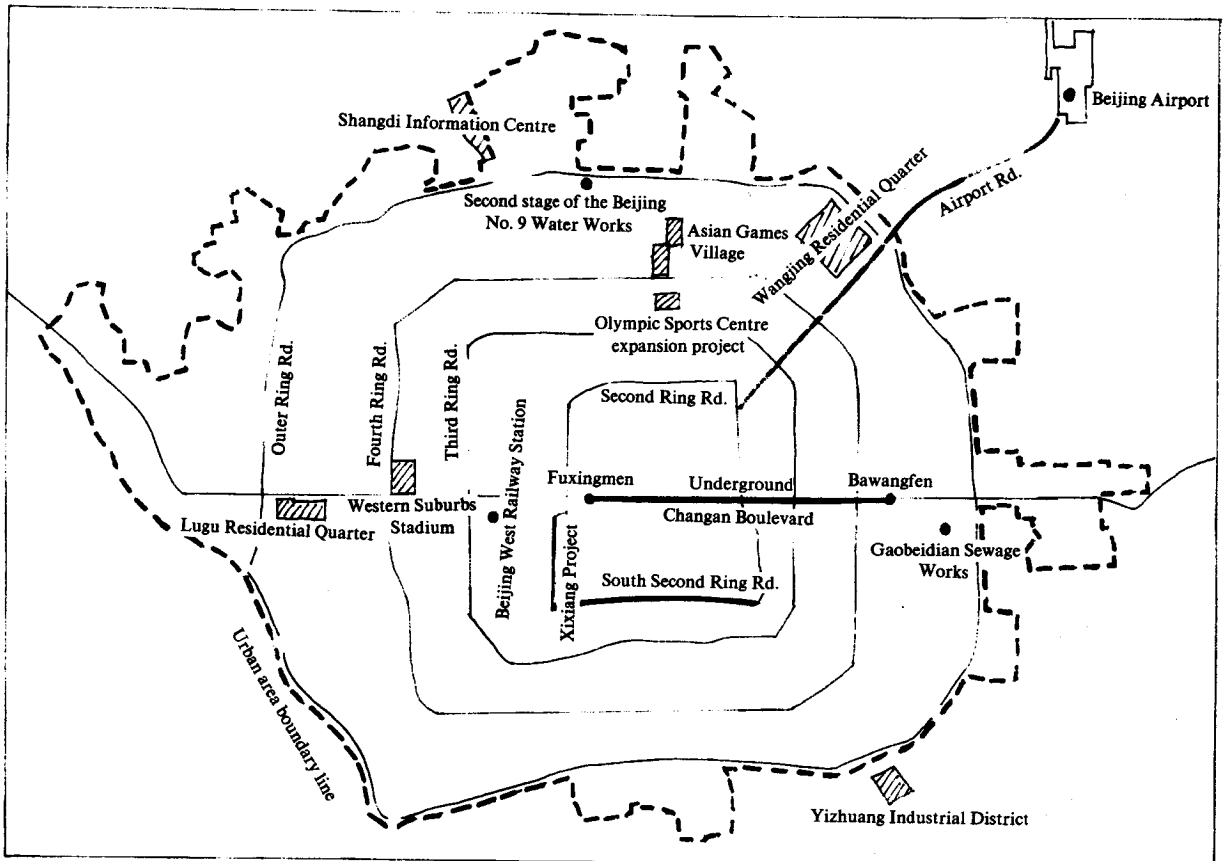
—Stress development of the suburban areas. The city will build a 2-square km industrial district in the Yizhuang area by the Beijing-Tianjin-Tanggu Express Way and between Beijing's first and second ring roads. The

district is slated for development of export-oriented enterprises and will be gradually turned into a satellite town. Several other such satellite towns and a number of market towns with complete public facilities, beautiful settings and local character will be built. Construction of the four major satellite towns of Huangcun, Tongzhen, Changping and Yanshan will be given special support in order to curtail the influx of the rural population into the downtown area and attract city residents, thus easing the pressure on the urban area.

—Build another batch of industrial township districts and improve prospects for the rural area.

—Continue to give priority to such urban infrastructure construction as water, gas and heat

Sketch Map of Major Projects for 8th Five-Year Plan



supply systems, transport and communications, and environmental sanitation, making sure that the projects keep pace with other construction projects.

Regarding transport and communications, in addition to the Beijing West Railway Station project, the city also plans to expand the Beijing Airport, widen the airport road and complete the Xixiang project in west Beijing. This last project includes an 11-km road, nine flyovers and 60 km of underground water and gas pipes and power, telecommunications lines and cables. Construction to complete the south section of the Second Ring Road is scheduled to begin next year, and a 13.5-km underground railway from Shijingshan to Ba-wangfen is expected to be completed by 2000.

The second phase of construction of the Beijing No. 9 Water

Works, a project which will add 500,000 tons to the city's daily water supply, is under way. The Gaobeidian Sewage Works will raise the city's waste water purification rate from the present 10 percent to 22 percent when it is completed by the turn of the century. Other projects include the Ming Tomb Power Station and the Gaobeidian Thermal Power Plant with a combined installed capacity of 2.82 million kw. The completion of the Gaobeidian and Shijingshan thermal power plants will raise the city's thermal power plant-heated area from the present rate of 20 percent to 40 percent by the end of the century, and increase heated floorspace by 27 million square metres. The gas production projects of the Beijing Iron and Steel Co. and the Beijing Coke Works are expected to supply an additional 1.3 million cubic metres of

gas daily.

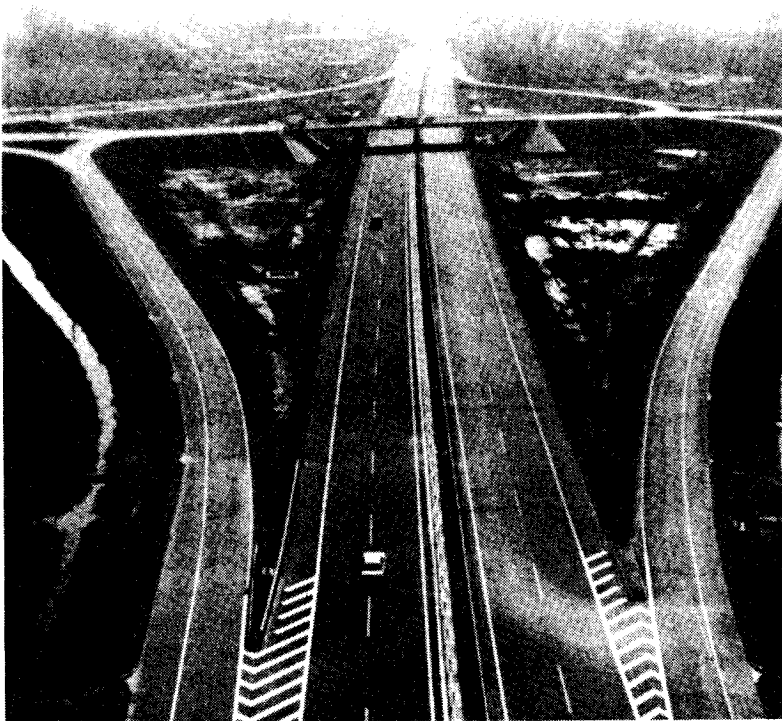
Housing construction will be quickened by combining construction of new living quarters with the renovation of old, dilapidated houses. According to the planning department, no less than 5 million square metres of housing are expected to be built annually, raising urban per-capita living space from the present 7.7 square metres to around 9.5 square metres in the year 2000. At the same time, 500,000 square metres of old, dangerous housing will be renovated annually. The first stage of the project will include 37 blocks of old housing covering an area of 340 hectares, pull down 1.6 million square metres of dilapidated houses and build 5.3 million square metres of new ones. The goal is to basically eliminate the critical shortage of housing.

Beautification

Beijing's sand storms were once such a nuisance that, in the early days of liberation, the staff of one embassy requested relocating the embassy to avoid the problem.

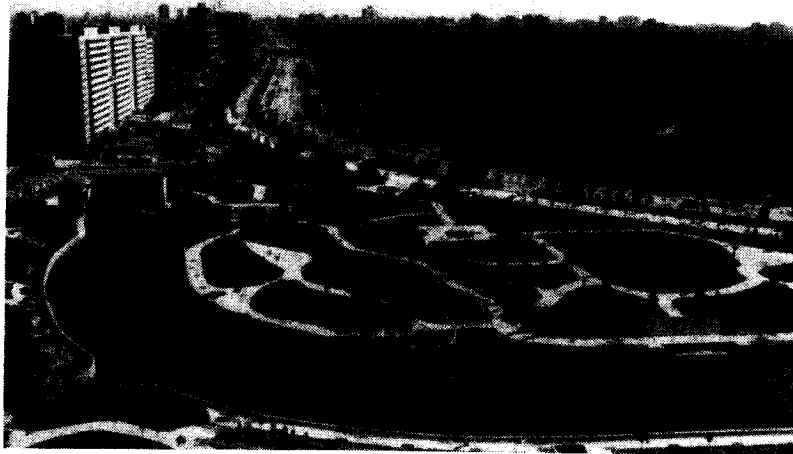
Over the past decades, however, particularly in recent years, Beijing has made much headway in its afforestation and environmental beautification efforts. Compared with the Sixth Five-Year Plan period (1981-85), the city's annual number of windy days during the Seventh Five-Year Plan period (1986-90) dropped from 100 to 76 days, sand storm days from four to three days, and the dusty days from 74 to 45 days. The city's ecological environment was thus greatly improved and the damage caused by wind and sand reduced.

In the past decade, 188 public commons were built in the urban area, greatly increasing the city's per-capita plant- and tree-covered land area, some 5.14



A section of the Beijing-Tianjin-Tanggu Express Way.

SONG LIANFENG



SONG LIANFENG

This landscaped garden in Beijing's Dongzhimen area used to be a sewage ditch.

square metres and 20.1 percent respectively in 1980. The rate of land planted to trees in the suburban area has increased from 16.6 percent to 28.2 percent. The city is now greened by an ecological forest to its north, shelterforests in the remote mountains, cash-crop orchards in the suburban hilly areas, tree belts skirting the farmland on the plains, and public gardens and commons studding the urban area. The importance attached to such ecological protection is helping to curtail pollution by waste water, waste gas and industrial residue, and has brought noise pollution under initial control.

In the next ten years, the city will give priority to afforestation of surrounding hilly areas. Tree belts will be built in areas stricken by sand storms while the suburban hilly areas will be turned into fruit production bases. The main roads and rivers will be flanked by trees and more public gardens and commons will be built in the city proper to ensure that the city has flowers blooming three-quarters of the year and lush trees all year round. In addition, a number of specially landscaped parks will be built.

Regarding environmental pro-

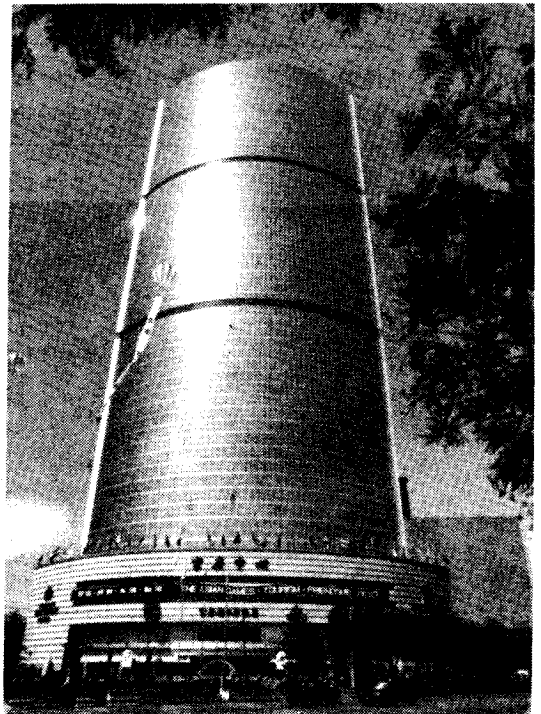
tection, priority will be given to preventing and treating air pollution, protecting sources of drinking water and controlling industrial residue and noise pollution. Along with the construction of the Gaobeidian Sewage Works, some small and medium-sized sewage works will be built on the upper reaches of rivers flowing across the city. The most seriously polluted sections of the Tonghui and Liangshui rivers, for example, will be dammed, and an enclosed urban refuse recycling and transport system and pollution-free garbage disposal facilities will be introduced.

This year, the Beijing municipal government plans to complete ten environmental protection projects, including soot control in suburban areas. While the soot control rate in the urban area will be

maintained at 100 percent, the rate in the outer suburbs and county towns is expected to be raised from the present 50 percent to 60 percent. Efforts will also be made to popularize the use of cooking briquets in the rural areas, further control motor vehicle exhaust pollution, establish two low-noise districts in the East District's Beixinqiao area and Xuanwu District's Taoranting area, continue to force seriously polluting industrial enterprises to shut down, suspend production, merge with other businesses, shift to other products or relocate, and renovate 50 enterprises, major sources of pollution, within a specific period of time.

Socialist Culture

Socialist culture and ethics are an important factor in Beijing's overall modernization plan. The

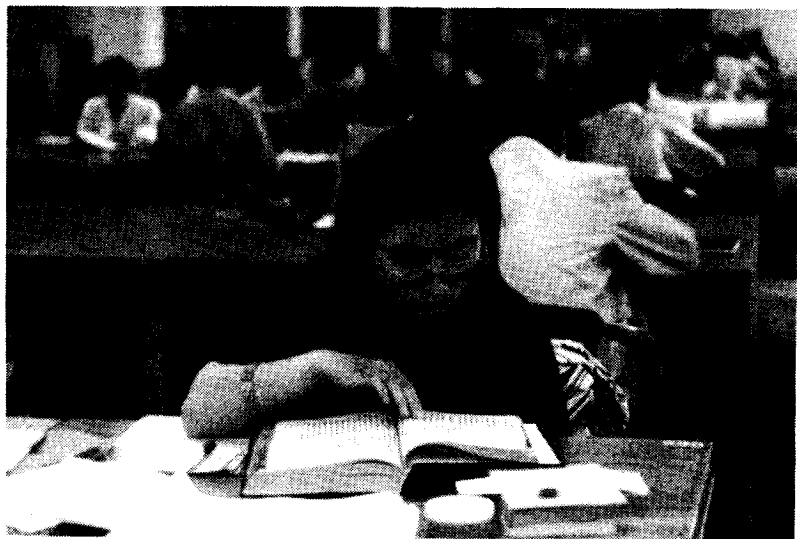


CHEN ZONGLIE

The Jinguang New World Hotel in Hujialou area, Beijing.

Beijing Socialist Culture and Ethics Leadership Group, founded prior to the 11th Asian Games and headed by Mayor Chen Xitong, is a permanent organization of the municipal Party committee and the municipal government and is authorized to guide the work of building socialist culture and ethics in the city. Corresponding organizations have been established in all districts, counties, enterprises and institutions under the municipal government.

In 1991, the Beijing Socialist Culture and Ethics Office will provide educational programmes for citizens in patriotism and socialism with an eye to enhancing the public's ideological and ethical level, creating a more attractive environment, maintaining social order, and providing quality service.



ZHANG XU

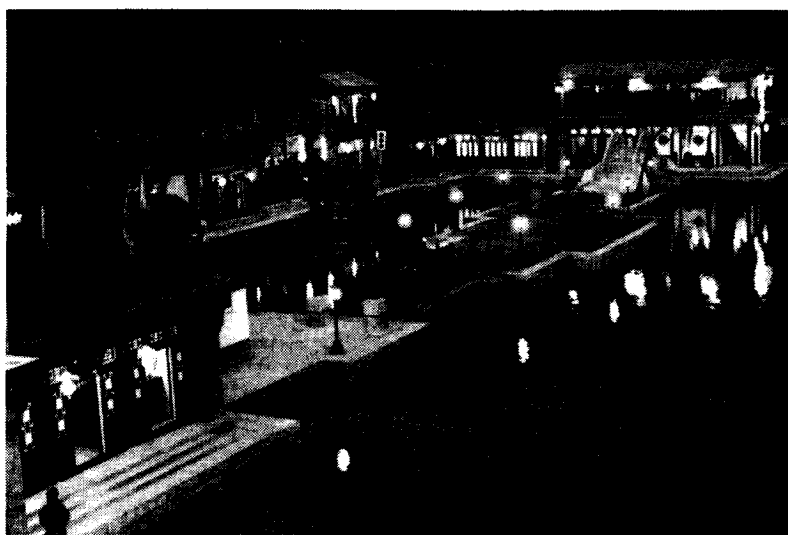
The Beijing Library in the western suburbs receives 5,000 readers daily.

Activities emulating Lei Feng, Jiao Yulu and other exemplary personnel will continue to be car-

ried out in order to foster a positive attitude among the public. A cultured, healthy and scientific life style will be encouraged and continuing efforts made to do away with vulgar, unhealthy and backward habits.

Since the public has an ever-increasing demand for cultural diversity, the city will increase its support for the construction of cultural facilities during the Eighth Five-Year Plan period, including the construction of municipal archives, completion of the Capital Library and the municipal children's library. Beijing will maintain its television and radio coverage rate at over 98 percent, build the China International Broadcasting Centre, complete construction of the Beijing Television Station and rebuild the Jin Dynasty (1115-1234) moat gate and the museum which houses remains from the Shang and Zhou dynasties (1600-221 BC). The city will also continue to expand its people-to-people cultural exchange while increasing its governmental cultural exchanges and ties with sister cities and friendly overseas organizations. ■

	Rate of Tree-Covered Land		Urban Afforestation Rate	Per-Capita Urban Commons
	Plain	Hilly Areas		
1990	15.3%	35.9%	28%	6.14 sq. m
1995	16.5%	41%	30%	6.50 sq. m



WANG CHENGXUAN

In the evening, the brightly lit Suzhou Street in the Summer Palace turns into a busy night market.

BEIJING PROFILE (II)

More Investment Opportunities Open

by Our Staff Reporter Zhang Zhiping

Beijing's import and export trade will reach US\$15.6 billion in the next five years, an increase of 56 percent over the 1986-90 period. During the same period, the city will attract US\$2.5 billion in foreign investment to expand the technological and intellectual imports.

Beijing is an important indus-

trial city in China and its gross national product reached 49.6 billion yuan in 1990, second only to the nation's leading commercial city of Shanghai.

The opening up to the outside world over the last decade has brought about a rapid development of the city's trade, economic and technological cooperation with other countries.

In 1990, Beijing's exports brought in US\$1.32 billion in foreign exchange, a 120 percent increase over 1980. The city also attracted US\$2.17 billion in foreign investment, built 834 foreign-funded enterprises (Sino-foreign joint ventures, cooperative and solely foreign-owned enterprises) and imported 1,600 items of new technology

High-rise buildings near the Jianguomenwai Flyover in Beijing.

DAI JIMING



and equipment during the same period. The last decade also saw new development in overseas enterprises and in the export of technology and labour services abroad.

Chen Xitong, mayor of Beijing, when addressing a session of the city's people's congress last April, said that it is both necessary and possible for the city to open its door wider and enter the international market at a more rapid pace.

Foreign-Funded Firms

This year, the first year of the Eighth Five-Year Plan period (1991-95), Beijing has reported increased use of foreign investment.

In the first half of this year, the city approved the establishment of more than 200 foreign-funded enterprises, bringing to more than 1,000 the number of such enterprises, which involve hundreds of businessmen from 30 countries and regions. Contracted investment totalled US\$5 billion, including US\$2.27 bil-

lion in direct foreign investment.

By the end of the year, 530 foreign-funded enterprises will begin operation, accounting for 63 percent of the total number approved for establishment before the end of last year.

Total output value produced by these foreign-funded enterprises is expected to top 6 billion yuan and their foreign exchange earnings from direct product exports will total US\$118 million, both an increase of 15 percent over 1990.

During the 1991-95 period, Beijing will continue to develop technology-intensive and export-oriented foreign-funded enterprises, with emphasis on small and medium-sized businesses. Some 616 or 73.6 percent of the foreign-funded enterprises approved during the Seventh Five-Year Plan period (1986-90) are production-related projects and 221 or 26.4 percent are hotels, restaurants and other services.

These foreign-funded enter-

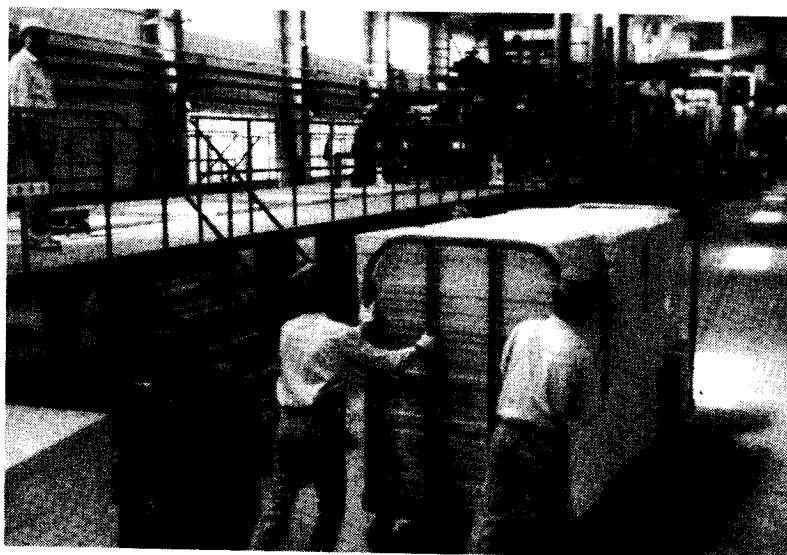
prises are playing an increasingly important role in Beijing's economic construction. At present, they make up about 9 percent of the city's total industrial output value. Of the city's increased output value last year, about 60 percent was produced by foreign-funded enterprises.

To further develop foreign-funded enterprises, Beijing will continue to improve its investment environment. It will try to run foreign-funded enterprises more efficiently, provide both construction and operational assistance and, at the same time, fully implement all preferential policies, administering and supervising them according to the law.

Technological Imports

During the Eighth Five-Year Plan period, Beijing will maintain an appropriate scale of imports, readjust import product mix and concentrate its foreign exchange reserves on importing advanced technology and equipment in order to further expand economic and technological co-operation with other countries. Foreign investment and economic and technological co-operation will mainly involve the construction of urban infrastructure facilities, the electronic industry, light-duty automobiles, foodstuffs, light industry and textiles, printing and pharmaceuticals. Advanced foreign technology will be imported in order to update metallurgical, chemical, machinery and building material industries, agricultural production and livestock breeding.

During the 1991-95 period, Beijing will set aside 106 billion yuan for economic construction, including US\$2.5 billion in foreign investment



The Beijing Glass Products Factory, which turns out 20 products using domestic raw materials.

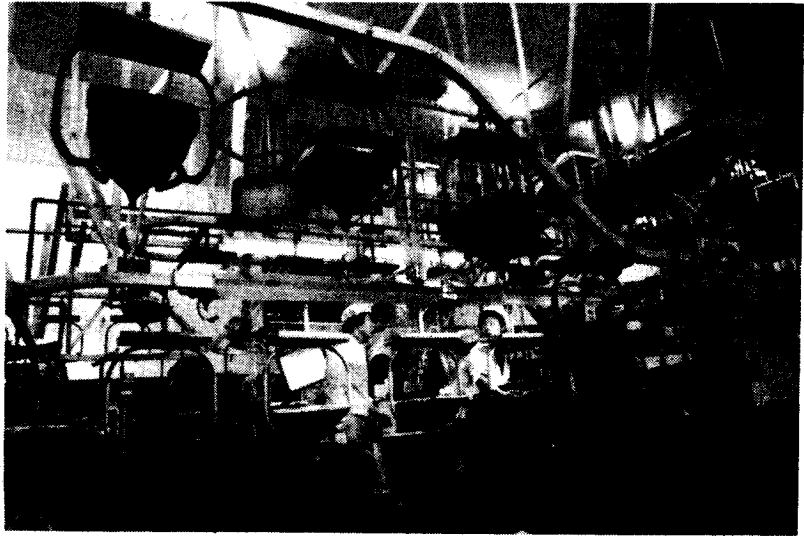
WANG CHENGXUAN

and loans.

Major construction projects include the following fields: electronics, automobiles, hi-tech industries, introduction of scientific and technological achievements in agricultural production, import of advanced cultivation and breeding skills, biological engineering technology, processing techniques for farm, sideline, animal and forest products, construction of several modernized shopping centres, retail and wholesale markets and construction of 30 infrastructure projects. A total of US\$500 million in foreign investment will go to such infrastructure facilities as the second phase of No. 9 Water Works, a gas project, a power station, a heat-supply project, a communications project, a sewage treatment project, a garbage disposal project, the expansion of the Capital Airport, a project to add a 600,000-channel telephone exchange and a project to lay a pipeline to ship natural gas from the northwest area to the city.

According to an official of the Beijing Municipal Foreign Economic Relations and Trade Commission, the city has announced some of the projects requiring the import of advanced foreign technology. They include four large chemical projects, including the 115,000-ton ethylene decomposition project which will cost US\$200-300 million, and 53 small and medium-sized industrial projects requiring US\$130 million in foreign loans--20 involving automobiles, 15 involving light industry and textile goods, four geared towards machinery, ten chemical projects and four public service projects.

In all, Beijing received



YU HUIRU

A workshop of the Japanese-funded Beijing-Matsushita Colour TV Kinescope Co. Ltd.

US\$6.8 billion in foreign government loans and donations by the end of last year. Of this amount, US\$1.7 billion was used to import 1,700 pieces of advanced foreign technology and key equipment over the last decade, thus facilitating infrastructure construction and the development of energy, communications and other industries.

Foreign Trade

While upgrading the quality and variety of its traditional export goods, the city will optimize its export product mix by emphasizing development of machinery and electronic products during the Eighth Five-Year Plan period.

By 1995, Beijing's export value will reach US\$2 billion, a 51.5 percent increase over 1990 and an average annual growth rate of 8.7 percent. The figure will reach US\$2.6 billion by the year 2000.

The city's export volume has gone steadily up in the last decade, increasing from US\$285 million in 1978 to

US\$1.16 billion in 1989, a four-fold increase or an average annual growth rate of 13.6 percent. The composition of export goods has also improved. In 1989, the export of primary products accounted for only 9.94 percent of the total, gradually being replaced by finished products. In 1989, the export value of each of 22 commodities exceeded US\$10 million. This is a dramatic increase from the five commodities in 1978.

Beijing has established trade relations with 122 countries and regions. Of these, Hong Kong, Japan, the European Community and the United States are the four biggest importers of the city's goods.

While consolidating and expanding its existing markets abroad, Beijing will also develop its Soviet, Australian, New Zealand, Middle East and Southeast Asian markets during the Eighth Five-Year Plan period and, at the same time, resume market operations in Latin America and Africa. ■

BEIJING PROFILE (III)

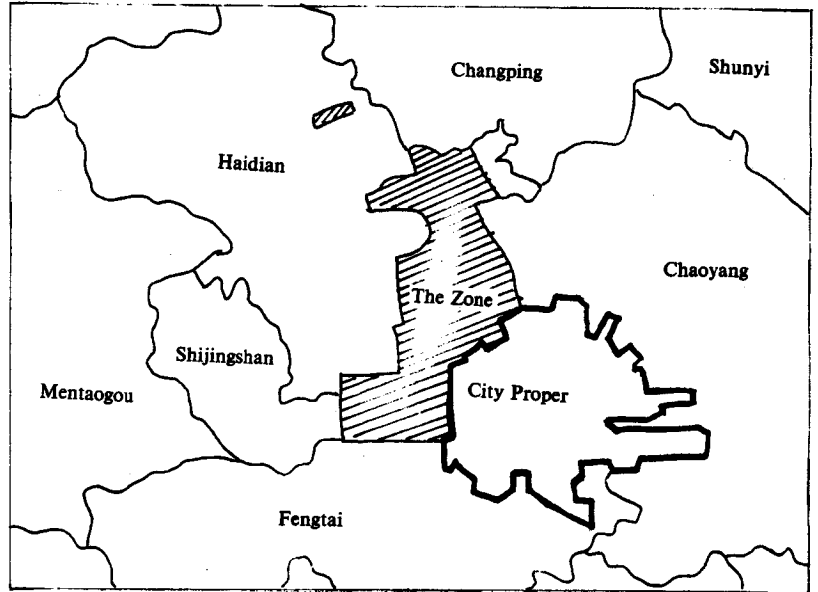
A Flourishing Development Zone

By Our Staff Reporter Zhang Zhiping

By May 10, this year, the Beijing Zhongguancun New Technology and Industrial Development Zone had gone through three years. The inauguration of the Scientific and Technological Trading Centre held that day marked a breakthrough in the pattern of the original "Electronic Street" and a new step taken by the zone towards its goal of industrialization.

Located at the southern end of the experimental zone, the trading centre is the first specialized market in China for high technology and has a building area of 15,353 square metres and 80 separate exhibition halls. Together with the shops on the electronic street of Zhongguancun, the Shangdi information industrial base and the Yongfeng experiment base, the centre brings a new look to the experimental zone.

The Zhongguancun New Technology and Industrial Development and Experimental Zone is located in northwestern Beijing, covers an area of 100 square kilometres, and is China's first new technology and industrial development and experimental zone. In the zone's heartland is Zhongguancun, known as the "City of Science," where 50 institutions of higher learning and 138 research institutes are based, boasting 80,000 scientific and technological personnel. The zone is a major force in scientific and technological research and possesses advanced scientific instruments and information. Al-

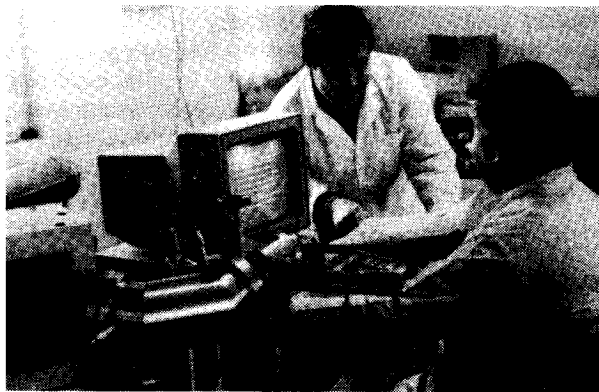


ready, many scientific and technological achievements have been made which can be put to industrial use.

Making use of its abundant intellectual resources and with the help of the 18 preferential policies provided by the Beijing municipal government, the zone has rapidly developed in the past three years. At present, it has 1,033 technological enterprises with a total workforce of 38,000 people, 70 percent of whom have received a college education. Some 2,027 new technologies and new products have been developed and popularized, and the total value of technological, industrial and trade income has reached 5.68 billion yuan, industrial output value increase at an average annual rate of 58 percent. In the past three years, it

has earned US\$88.5 million in foreign currency, an average annual increase of 139 percent. The enterprises are continuing to increase their scale of development. By the end of 1990, the industrial output value of 14 enterprises each exceeded 10 million yuan while that of 70 enterprises each topped 5 million yuan.

The experimental zone has currently evolved into an area of multi-structural industry, among which electronic information makes up 46 percent, biological engineering, 5 percent, photo-electric-mechanization, 21 percent, new materials and new energy, 16 percent, and other technology and products, 12 percent. The zone also yields a large amount of cross-field technological products and undertakes key



BAI LIANSUO

left: Huang Qingwen (right), a senior engineer at the Beijing Stone Co., who has successfully developed an ionic mass analyzer that can directly analyze ionized particles in solution. It can analyze particles as small as 1g/million; right: The Beijing Nuclear Power Station Training Centre of Qinghua University located in Zhongguancun, known as the "City of Science."

LI JILU

projects involving many technologies.

The experimental zone adheres to an operational mechanism which is market-oriented and based on new high technology and integrates technology, industry and trade. In the past three years, 107 of its products have won international or national awards, 171 have won ministry or city-level awards and 259 have been granted state patent rights.

The experimental zone is also one of the key bases for the implementation of China's Torch Programme (projects to promote the establishment and development of high and new technology industries). In 1989, the zone was commissioned with 23 state-level Torch projects, some 62 percent of total projects in Beijing and 9.8 percent of all Torch projects nationwide.

Since its establishment, the experimental zone has carried out a policy of "importing advanced technology and exporting products" in order to develop an export-oriented economy. Over 100 foreign enterprises, Sino-foreign joint ventures and Sino-foreign co-operative enterprises are eventually planned for the experimental zone, 72 of which have already begun operation. A

group of foreign-funded enterprises with high market coverage, large-scale production, modern management and a stable increase in foreign currency earnings have appeared in the zone. These include the Stone Office Technology and Equipment Co. Ltd. and the Longyuan Electronic Co. Ltd. The Stone Office Technology and Equipment Co., Ltd, a Sino-Japanese joint venture, yielded 220 million yuan in total output value in 1990, realizing an average per capita output of 1.12 million yuan and an average profit of 60,000 yuan per-capita, the highest earnings among joint ventures in Beijing.

In 1989 and 1990, the zone held nine exhibitions, sent some 200 delegations abroad and established co-operative relations with enterprises in 30 countries and regions. At the end of 1990, the World Scientific and Technological Garden Association formally granted membership to the Beijing New Technology and Industrial Development and Experimental Zone.

During the Eighth Five-Year Plan, the zone will enhance its overall development of new high technology industries and strive to bring in a total income of 5 billion yuan by 1995. The indus-

trial output value of new high technology products will reach 2.5 billion yuan, generate US\$140 million in foreign currency and earn 600 million yuan in profits and taxes. The experimental zone will advance towards its target to commercialize scientific and technological results, engage in large-scale commodity production and develop industries towards the international market.

In the next five years, the zone will make breakthroughs in four fields: Enterprise size—the number of big enterprises with an industrial output value above 10 million yuan will be expanded to 40 by the end of 1995. Large scale capital construction—there will be a focus on the construction of enterprise headquarters, workshops and apartments for the workers. Development of an export-oriented economy—by the end of the Eighth Five-Year Plan, the zone's export value will reach US\$120 million and the number of foreign enterprises and Sino-foreign joint ventures and co-operative enterprises 150. Finally, in the field of scientific management—there will be a breakthrough in the conscious reliance on and promotion of local economic development. ■

Under the CPC's multi-party co-operation and political consultation system, many democratic party members and non-party people have been appointed to leading positions in the government and have thus been able to directly involve themselves in political affairs. Beginning in 1989, the Beijing municipal government has appointed a number of non-party people to act as special governmental workers, providing new opportunities for them to participate in the administration and discussion of the city's affairs.

China's Political Activists

by Our Staff Reporter Wu Naitao

November 29, 1989 was a day of special significance for Ye Weizhen, a senior engineer to the Beijing General Petrochemical Industry Corp. On that day, Ye, a member of the China Democratic League, received a letter of appointment from Beijing's executive deputy mayor Zhang Jianmin. Along with 12 other democratic party members and non-party personages, she became one of the first group of special supervisors of the Beijing Municipal Bureau of Supervision.

"I had mixed feelings of excitement and worry when I received

the appointment. I was excited to see that our government had taken a step forward to strengthen democratic supervision; but I felt apprehensive about whether or not I could do the work well," Ye recalled.

"On the one hand, I was willing to do something for the people and for democratization in China; on the other hand, since the founding of New China, the relationship between the CPC and democratic parties has had its ups and downs due to the influence of ultra-leftist ideology, therefore, I was not sure whether the Party can trust us

and conduct sincere co-operation with us. Despite the uncertainty, however, I accepted the appointment," she continued.

In March of last year, Ye received a signed letter, which accused a township cadre in Fangshan County of not only abusing power for his personal gains but of also illegally using handcuffs. With the close co-ordination of the local supervisory staff, Ye put together an investigative team, interviewing more than 70 people and soliciting 54 pieces of evidence in order to resolve the case, the first she handled since her appointment. The township

cadre was removed from his post.

In just over a year's time, Ye, according to her own account, has been able to successfully resolve many cases.

"My co-operation with the members of the Communist Party of China (CPC) has enhanced our working relationship, deepened our mutual understanding and enabled me to see that the Party is sincere in allowing us to participate in the administration of government affairs."

The Beijing Municipal Bureau of Supervision now has appointed 25 special supervisors. Other government departments have followed suit with the appointment of special auditors, educational inspectors, industry and commercial supervisors, etc.

Not a Formality

Li Hanwen, a member of the China Democratic National Construction Association and an adviser to the Beijing Federation of Industry and Commerce, thought it was simply a matter of formality when he was appointed a special supervisor.

"The facts changed my mind," Li said after a year on the job.

The Beijing Municipal Bureau of Supervision, he continued, has carefully arranged its members' work, sending them to a variety of districts, counties and bureaus to investigate the work of building a clean government. Magistrates and heads of districts reported personally to the supervisors on their work and solicited their opinions. They also attended a conference on supervisory work and participated in investigations and analyses of the most important cases. They spoke directly with Chen Xitong, mayor of Beijing and Wei Jianxing, minister of supervision. Their powers and functions as special supervisors were respected in their handling of specific cases. For example, Li was

told by a visitor that his private housing property was not being dealt with according to government policy and he asked a staff supervisor to investigate. The supervisor actively contacted the relevant departments, asking the department leaders to look into the matter. In a short time, they resolved an eight-year old case.

There are more than 10,000 democratic party members and distinguished non-party people in Beijing. Among them are more than 250 people who have been appointed special government workers at the city, district and county levels. They usually take on jobs related to their aptitude. For example, special educational inspectors are mostly from Beijing's educational circles and many of the special auditors are senior accountants. But this is not always the case. For example, special supervisors include lawyers, research fellows, professors, senior engineers, advanced accountants and imams of Islam. Although they knew little about supervisory work initially, the relevant departments did their best to provide them with the necessary support. For instance, they provided seminars to help them master the relevant policies and situations; they also provided them with study materials including relevant laws, regulations and a limited circulation publication *Supervision Information* and subscriptions to the *China Supervision* magazine. Although they all are busy in their own business, the special supervisors waste no time in studying the relevant documents and books and become familiar with supervisory work. In doing so, they become an important force in Beijing's supervision work.

Clean Government

Anti-corruption is a hot topic among the Chinese people and the supervision bureau is an im-

portant tool to keep government officials honest and efficient. Compared to the special personnel of other governmental departments, the supervisors' work appears to keep them busier and often seems more eye-catching. For example, when they participated in the investigatory work of "building a clean government" of the various departments of the Beijing Municipal Government and in its counties and districts, they were free to choose their preferred area and trade for investigation. Because of their special status, the leaders of the investigated units paid them particular attention, reporting to the supervisors personally on their work and soliciting their opinions and suggestions. The work of building a clean government was thus enhanced.

Special supervisors directly participate in the investigation of cases. Last year, the Beijing Municipal Government's Report Centre received a letter signed by 1,780 residents in Shuanyushu Residential Area which said that due to dilatory and buck-passing workstyles of public institutions, the residents of the area were unable to use piped gas even after the project was completed. More than 2,000 families were affected. Lawyer Liang Wenqian and professor Xia Jiajun joined in the investigation of the case, faithfully carrying out their duties by visiting residents, inspecting the site and holding meetings. With their supervision and earnest efforts by all sides concerned, a problem which had gone on for ten months was resolved within ten days.

Many of the supervisory personnel are experts in a certain field. Skilled and familiar with the situation, they can be quite efficient in dealing with many problems. For example, the democratic party members who participated in the general check-up on taxation, finance

and pricing in Beijing discovered that more than 7 million yuan has been defrauded through the fraudulent sale of imported chemical fertilizer when they examined a company affiliated to the China Research Association for the Welfare of the Elderly People (CRAWEP) in Haidian District. Some of the perpetrators had been arrested but the chief swindler was still free. The supervisors analysed the case and put forward a notion to close down the CRAWEP and affix responsibility for the crime on the mastermind. The relevant industry and commerce administration and judicial department reviewed the case, closed down the association and issued a wanted circular for the chief culprit.

Fan Zhichang, vice-chairman of the Beijing Municipal Committee of the Jiusan Society and a member of a special investigative team organized by the relevant supervision department, has been in Zhuzhou, Hunan Province, for a long time, investigating problems in the circulation of non-ferrous metals. The province is the "home of non-ferrous metals" in China. Zhuzhou has a large-scale smelting plant and more than 70 licenced business units which are authorized to conduct trade in the industry. It's quite common therefore that a bill of lading will change hands several times, thus raising prices and earning considerable sums for brokers. After a month's investigation, the group recommended establishing a monopoly and setting price ceilings and even other proposals which were adopted by the State Council. Particular cases of fraud discovered in the course of their investigation have been transferred to the judicial department for further investigation and punishment.

Building a Bridge

After the names of the first group of special supervisors were published in *Beijing Ribao* (Beijing Daily), they were contacted by so many people that they were overwhelmed. In order to help them with their work, the Beijing Municipal Bureau of Supervision picked Wednesday as the day on which the special supervisors would deal with individual complaints. In a year's time, they received more than 400 visits and letters, 290 cases of which fell within the business scope of the supervision bureau. The cases were then submitted to the bureau's staff for further investigation and resolution. The Beijing Municipal Bureau of Supervision has drafted temporary regulations on how special supervisors handle letters and personal visits. The regulations specify the time limits within which the cases reported by special supervisors must be handled.

Probably because of her profession, 60-year-old lawyer Liang Wenqian has been among the most frequently visited special supervisor. Despite the fact that she was busy with many other matters, she dealt with the letters seriously, sometimes working late into the night.

"People have high expectations of us. Also, the government is sincere in doing something beneficial to the masses. I would like to become a bridge to enhance communication between them," says Liang.

Li Gengshao, vice-chairman of the Beijing Municipal Committee of the Chinese Peasants and Workers Democratic Party, is another special supervisor. Within a year's time, he has participated in many investigations, directly receiving personal visits as well as letters and has thus expanded his understanding of how a clean and honest government works. He believes corruption

does exist and that it directly harms the interests of the people. As soon as such cases are known, the news gets around fast, the facts are exaggerated and scandals are created. On the other hand, he says most of the hard-working and honest cadres are not well known to the people. This has created an unbalanced view of cadres. As a special supervisor, since he is not only obliged to report people's opinions, he is also responsible for telling the truth to the people. In order to do this, he not only talks about corruption but also provides examples of the work of honest officials and of the government's determination to punish corruption and strengthen the work of building a clean and honest government. He says that as long as the facts of a case are proven and the case is submitted by special supervisors, the Beijing Municipal Bureau of Supervision responds promptly. His own work has earned Li the trust and understanding of the people.

Xia Jiajun, Shi Kunbing and three other special supervisors are all members of Beijing People's Political Consultative Conference (BPPCC). At a joint speech delivered at a meeting of the BPPCC, they said, "Although we heard people talk about how excessive corruption was, we realized after a thorough investigation that most of our Party and government cadres are honest. It's clear that the Communist Party of China and our government are seriously concerned about building a clean and honest government and that they wholeheartedly rely on democratic parties and the people. Their ideas are in line with ours." They have spoken at many other meetings of democratic parties and on other occasions to make their opinion known, thus helping to keep society stable and promote economic construction. ■

Water Conservancy Projects Evaluated

by Our Staff Reporter Li Ning

When some areas of China were hit by floods in June and July, various water conservancy projects built over the past 40 years stood the severe tests to which they were put and played a major role in limiting the loss of life and the damage to property.

According to statistics of the water conservancy authorities, the state invested 26.3 billion yuan in flood-prevention projects between 1949 and 1988, projects which reduced the losses caused by flooding by at least 320 billion yuan. Such a return on investment is quite high.

Huaihe River Valley

In Minister of Water Resources Yang Zhenhui's words, the Huaihe is a river hard to harness. According to historical records, in the 500 years prior to 1949, there had been 350 fairly large floods and 280 droughts in the Huaihe River valley. In the area, a little rainfall would create small disasters, moderate rain medium-sized disasters, and heavy downpours destructive calamities while a drought would occur when there was no rainfall. The 1931 severe floods caused the overflow of the main streams and

tributaries of the Haihe River and a death toll of 75,000 people and inundated 5.1 million hectares of land.

Since 1950, more than 30 large reservoirs and 4,000 small and medium-sized ones have been built on the upper reaches of the river, more than ten flood storage and detention projects were built on the middle reaches by making use of natural lake areas and low-lying land, and new sea and river entrances opened (the Huaihe became a river of scourge after its entrance to the sea was closed off by the Yellow River when the latter changed its course in 1194).

This year, when the Huaihe River valley was slashed by a torrential rainfall, the severity of which is second only to that occurred in 1954 since the founding of the People's Republic in 1949, the reservoirs on the river's upper reaches, serving as the first defensive line, stored 3.8 billion cubic metres of flood water, thus limit-

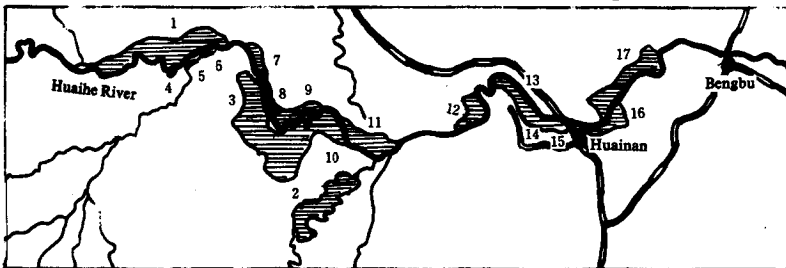
ing the damage to the lower reaches. The low-lying land and lakes on the middle reaches, which stretched 200 km from Huaibin to the Hongze Lake, served as the second defensive line and stored 3 billion cubic metres of flood water, thus saving the Huaihe River Dyke and 700,000 hectares of farmland.

Minister Yang noted that if these reservoirs and flood water detention and diversion projects had not existed, the flow rate of the flood crest of the Huaihe's main stream would have surpassed 10,000 cubic metres per second. If this had occurred, the Huaihe River Dyke would not have remained intact and there would not have been any security for the railways, mines and thermal power stations along the river.

The Huaihe River Dyke did not burst, nor did the dams of more than 4,000 reservoirs in the river valley collapse. The flooding, Yang noted, was chiefly caused by excessive rainfall and weak drainage capacity.

Generally speaking, the escape canals dug by farmers on the vast Huaihe Plain can only cope with the type of large rainfall which occurs once every five years. This year, the storm was the first to strike in the last 30 to 40 years and even the last 50 to 100 years in some places. The amount of flood water thus far exceeded the capacity of existing drainage projects. Given its existing facilities, the Huaihe River valley is only

Sketch Map of the Huaihe River and the Flood Storage Areas



1. Mengwa Storage Area 2. Chengdong Lake Storage Area 3. Chengxi Lake Storage Area
4-17. The 14 flood diversion and drainage areas on the banks of the Huaihe River contributed to releasing floods from June 15-July 10.

able to deal with potentially small disasters, conquer most of medium disasters, caused by moderate rainfall. It is unable to deal with the amount of rainfall which fell this year.

The Huaihe has always been given top priority in China's efforts to harness large rivers. Over the past 40 years and more, the central government has invested 9.2 billion yuan, the four provincial governments in the river valley pooled 18.1 billion yuan, and the local farmers put in 20.3 billion yuan worth of labour in order to harness the river. It is estimated that the return on investment has topped 100 billion yuan.

Chuhe River Valley

Located on the north bank of the lower reaches of the Yangtze River, Chuhe is a small tributary of the Yangtze which is crossed by the Tianjin-Pukou trunk railway. A section of the river lies between the double-line railway and thus poses a great threat to the railway during times of flood-

ing. During the three floods in 1954, 1975 and 1987, the Chuhe River water washed away the railway and bridges, stopping railway traffic for a month. The two floods this year all surpassed the record level of the past 40 years. The railway, however, only stopped traffic for one or two days due to the many reservoirs and flood diversion projects.

While commenting on this year's flooding, Qian Zhengying, vice-chairman of the Chinese People's Political Consultative Conference and former minister of water resources, confirmed the great contributions made by the water conservancy projects in preventing greater damage by this year's floods. She cited the Chuhe River as an example.

She noted that the Huanglishu and Shaheji reservoirs on the upper reaches of the Chuhe River contributed greatly this year to the flood storage capacity. When the flood water rushed down the river, the maximum capacity of the flow into the Huanglishu Reservoir was 1,500 cubic metres per second while the largest capacity

of water flowing out of the reservoir was 142 cubic metres per second, cutting the flood peak flow rate by 90.5 percent. In addition, the Simashan and Machahe flood diversion passages built in recent years on the main stream of the Chuhe River diverted 2.35 billion cubic metres of the 3 billion cubic metres of flood water to the Yangtze River. The 12 dykes built by local farmers also helped to store and detain 210 million cubic metres of flood water. All this greatly reduced the Chuhe River's threat to the Tianjin-Pukou Railway.

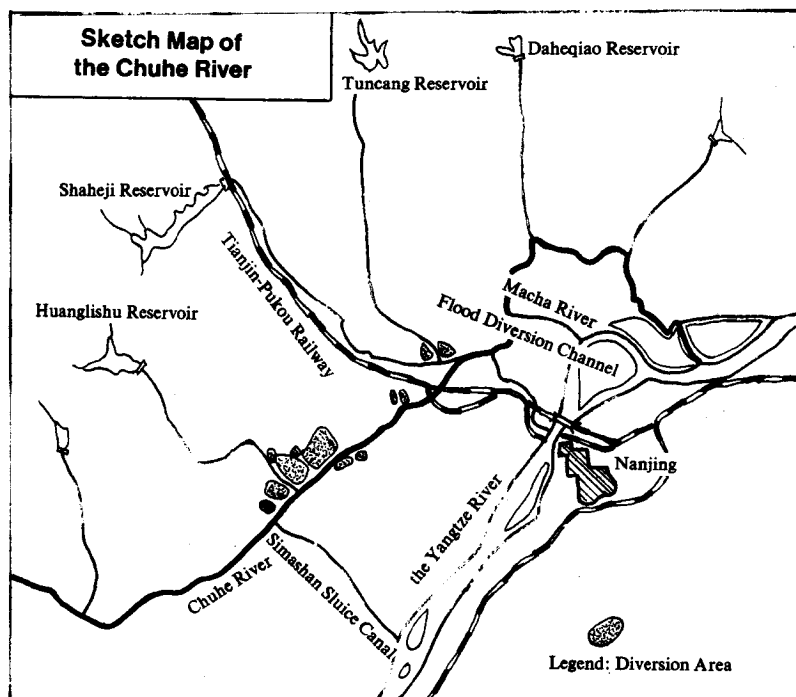
The Taihu Lake Valley

According to some water conservancy experts, the recent flooding in the Taihu Lake valley was the worst in the past 100 years. There was 800-1,300 mm of rainfall in less than 60 days, three or four times the normal precipitation.

"The disaster would have been more serious if the diversion and drainage projects had not been in place," said Dai Yukai, deputy director of the Jiangsu Provincial Department of the Water Resources.

The Jiangsu provincial government put aside 18.8 billion yuan for the construction of water irrigation works in the last 40 years, thus establishing an irrigation and drainage system which can prevent damage from floods, tides and droughts. A total of more than 5,000 km of embankments have been built around lakes and along the rivers and sea coast and 420 waterways have been dredged. At the same time, a number of big and medium-sized sluice gates have been built or reinforced and more than 2,000 pumping stations constructed with an irrigation and drainage power of 4.77 million kw.

The flood peak hit the Yangtze and Huaihe rivers in mid-July. The flooding in Jiangsu Province was held in check by the



5,000-km-long embankments. The section of the Yangtze River in Jiangsu withstood the third highest recorded water level in history, with no embankment and reservoirs breached, thus freeing many cities, mines, factories, railway lines, airports and other facilities from the threat of inundation.

Yang Zhenhuai, minister of Water Resources, said the diversion and drainage works in the Taihu Lake valley have played an important role in the following three ways.

Drainage of floodwater. The Jiangdu Irrigation and Drainage Station and the Jianbi Pumping Station in Jiangsu Province and 12 other diversion and drainage facilities on the banks of the Yangtze River discharged 3.7 billion cubic metres of floodwater into the Yangtze River while the Changshan Harbour Waterways in Zhejiang Province drained 600 million cubic metres of floodwater off into Hangzhou Bay.

Additional storage capacity of Taihu Lake. The construction of the circle embankment increased the storage capacity of the lake by 3.2 billion cubic metres.

Drainage through the Taipu River. The Taipu Sluice Gates were lifted for the first time in 33 years to discharge the floodwater to the Huangpu River through the Taipu River.

Yang pointed out that the average per-capita acreage was decreasing as the local population rapidly expanded. When low-lying areas as well as river and lakeside areas are turned into crop fields, it blocks the drainage of rainwater. The flow of floodwater which struck the area was similar to flooding in 1954, but the water level was much higher. It was thus a lesson for both the government and local residents.

Constructive Ideas

Qian Zhengying said there were some weak points in the flood

prevention and control system.

The administration of water resources should be improved. The previous lack of torrential rainfall lowered our guard against flooding. The use of some watering areas into crop fields has decreased floodwater drainage capacity.

There should be fixed investment in water irrigation and drainage works.

Flood-prevention facilities should be a part of city and enterprise developments. In these floods, 10,000 rural and township enterprises were inundated, causing serious economic losses.

Huang Xuanwei, chief engineer from the Administrative Bureau of the Taihu Lake valley under the Ministry of Water Resources, recalled that in the 1954 flood, the Yangtze River was breached, the Huaihe River burst, the traffic of the Beijing-Guangzhou Railway Line suspended for 100 days and 16 million hectares of farmland inundated. The flood caused great losses in lives and property in the Taihu Lake valley. After 1954, some water irrigation projects were built in the Taihu Lake valley and embankments constructed or reinforced around rivers, ponds, lakes and along the sea coast. But, lacking an overall plan, some waterways were blocked by crop fields, thus causing a decrease in the lake's storage and drainage capacity.

In 1985 some experts proposed a plan to bring the Taihu Lake under comprehensive control. They also suggested dredging the Taipu and expanding the Wangyu rivers and renovating the Hongqi Diversion Works and seven other projects. Even though the facilities were still under construction when the floods hit the area, the half completed projects helped to limit the damage. The Taipu and Wangyu rivers, currently being dredged, discharged 300 million cubic metres of floodwater in 20 days, reducing the water level in the Taihu Lake by 12 cm.

Three-Gorges Project

In any discussion of China's water irrigation and drainage works, it is necessary to say something about the Three-Gorges Project.

The recent experience in fighting the floods has strengthened the central government's determination to increase investment in the construction of water works and to bring under control the Huaihe, the Taihu Lake and other rivers in the coming winter and spring. The construction of the Three-Gorges Reservoir on the middle reaches of the Yangtze River is now a matter of concern to the people.

Yang Zhenhuai believes that if the torrential rain had hit the Yangtze River valley, it would have caused even more damage there than in the Huaihe River valley even though many reservoirs were built along the river. The reason for the increased damage would have been that the Three-Gorges Reservoir was not in place. The Three-Gorges Reservoir will free the Jiangnan Plain, the Dongting Lake Plain and the areas along the upper reaches of the Yangtze River or west to Wuhan of the threat of flooding. These areas include 1.7 million hectares of farmland and 15 million people and are particularly vulnerable to floods.

The construction of such a big reservoir demands a substantial investment. A saying applies to our current situation, "Don't make a rain coat when it is raining and don't dig a well when you are thirsty." Half of the country has just been threatened by flooding and the public realizes more efforts are needed to speed up construction of water diversion and drainage works construction.

The water resources departments are now meeting to discuss the comprehensive harnessing of the Huaihe River and Taihu Lake. The overall control of the Yangtze River, China's longest river, is also under discussion. ■

Imports Up In First Half of 1991

Imports, which increased slowly over the past two years, have begun to pick up, along with a general improvement in the economic environment. According to Ye Rugen, spokesman of the Ministry of Foreign Economic Relations and Trade, in the first six months of this year the value of China's imports reached US\$19.38 billion, an increase of 16.4 percent over the same period last year.

China's imports from ASEAN countries increased by 30.3 percent. Equivalent figures were 24.7 percent for Japan, 17.1 percent for Australia, 20.9 percent for France, 17.6 for Italy, 10.9 percent for Germany, 18.1 percent for the Soviet Union and 6.2 percent for the United States. At the same time, the mainland's imports from Hong Kong went up 21.6 percent. Prospects for expansion are bright.

According to Ye, China's foreign exchange reserves exceed US\$30 billion. In the future, China will use foreign exchange earnings to guarantee the repayment of foreign debts and make more imports. Priority will be given to the introduction of advanced technology and key equipment.

Ye pointed out that at present some countries have strengthened controls on sales of technology to China. As a result, the value of Chinese contracts for technical know-how and equipment sourced from the West has dropped 54 percent. "We hope such countries will adopt sensible policies and build no artificial obstacles to China's import of commodities and technology, thus placing themselves in an favourable position in terms of competitiveness," he added.

Along with the increase in imports, there has been rise in ex-

ports. In the first half of this year, China's exports increased 17.5 percent over the same period of last year, reaching \$US28.25 billion. This includes the export of US\$510 million worth of technology, an increase of 88 percent respectively. ■

Nanjing to Hold 1991 Autumn Symposium

According to a Nanjing government official, the Nanjing Cultural and Art Festival and 1991 Autumn Symposium will be held from September 25 to October 5 in Nanjing. For the occasion, the city will organize activities such as trade talks, cultural and art exchanges, and trips to scenic spots.

Nanjing is an important business metropolis on the lower reaches of the Yangtze River. In the area of economic trade, the city will offer nearly 200 investment projects involving electronics, chemicals, machinery and special local products. It will open an exhibition of export goods, hold talks on imports and exports and organize visits to foreign-funded enterprises.

Nanjing is also a famous historical and cultural city. During the symposium, the city will put on an autumn lantern show, a food festival, a display of marriage customs, and trips on the Qinhuai River in gaily painted pleasure-boats. There will also be a dragon-boat competition, folk songs and dances, folk art performances and costume shows of different dynasties plus seminars on mainland and Taiwan poetry.

For sightseers, the city will arrange visits to mausoleum of Sun Yat-sen, an pioneer of the Chinese democratic revolution; scenic Xuanwu Lake; Xiyuan Park; and the Zhonghuamen ancient castle. After the sympos-

ium, it will also organize tours to famous mountains and rivers in other provinces.

Nanjing municipal government has decided to hold the autumn event annually. At the first symposium last year, more than 600 overseas clients participated and signed a number of contracts. ■

Welcome Investment in Zhangzhou

Located in the open triangle area in southern Fujian, Zhangzhou City offers preferential treatment to overseas Chinese and Taiwan compatriots as well as foreign businessmen wishing to invest in the Lantian Industrial District.

Possessing favourable transport facilities, the district is five km to the east of Zhangzhou, 50 km from the Xiamen International Airport and 59 km from the Xiamen Dongdu Harbour. Equipped with water and electricity supply system and telecommunication equipment, it is suitable for the operations of foreign companies.

The industrial district is to use an area of 3.4 square km to develop machinery and intensive processing, electronics, pharmaceuticals, light industry and small, medium and large projects with low environmental impact.

A Zhangzhou municipal official said that overseas Chinese, Taiwan compatriots and foreign businessmen are permitted to set up enterprises owned solely by themselves and also to engage in joint ventures with the Zhangzhou Municipal Development Co. The Chinese side will provide land if the foreign partner offers funds for the construction of infrastructure facilities. The Chinese partner will take a one-third share of each venture, with

the remainder to be contributed by the foreign consortium.

The city stipulates that land development be conducted in the Lantian Industrial District on a 50-year lease basis. During the development and construction period, businesses will be exempt from land tax for three years. Enterprises in the district may court bids from abroad and invite investors to set up joint-operation factories there. Once firms complete their development targets in accord with stipulations, they are allowed to transfer their land-use rights and engage in public undertakings or the construction of industrial factories and living quarter facilities as well as other buildings. At the same time, they will be authorized to engage in active transfer and leasing deals. ■

China, Japan Inspect Co-operative Projects

To further promote government-to-government and private-to-private funding and technical co-operation between China and Japan during the Eighth Five-Year Plan (1991-95), the Chinese Development and Research Centre of the State Council and Japanese Embassy in China have organized a joint inspection group to conduct on-the-spot surveys of some projects under construction with Japanese funds and assistance. Personnel from both sides conclude that the construction is smoothly under way with great achievements.

Japan is a big grantor of government loans, aid and direct investment to China. From 1979 to the end of 1990, Japan gave loans and donations to the tune of 1056.53 billion Japanese yen to the Chinese government. Of the figure, 63.104 billion yen was

outright donations. The loans were all invested in 32 nationwide and regional economic and infrastructure projects involving communications, telecommunications and agricultural development. Donations were used in 44 non-profit schemes including medical care, education, culture and environmental improvement, all of which directly improve the people's standard of living.

The survey, which is the first of its kind, aims to sum up experience and resolve problems in order to further improve the investment environment and raise economic and social benefits of investment. ■

First Sino-Soviet Joint Venture in China

On July 12, the first Sino-USSR joint venture, the Kamaz Automobile Maintenance Co. Ltd. was established in Hailar City, capital of Hulun Buir League, Inner Mongolian Autonomous Region.

The venture was co-founded by the Hailar Regional Transport Co. in China and the Kamaz Automobile Maintenance Centre in Buryat, the Soviet Union. The Chinese side is providing the factory, office buildings and ordinary maintenance equipment for automobiles, while the Soviet Union is offering some special maintenance equipment for vehicles along with all maintenance spare parts and components. Of the total investment of 3.54 million Swiss francs, China has contributed 53.25 percent, with the remainder coming from the Soviet Union.

The new company will engage mainly in maintenance, caretaking, after-sales service, training personnel for automobile maintenance and management.

It plans to undertake complete repairs on 75 automobiles and 500 small and medium-sized vehicles and cars per year. Total revenue is expected to reach 10 million yuan. The profits gained by the Soviet Union will be provided with products permitted by China.

The Chinese general manager Liang Lu and the Soviet deputy general Manager Muxau Waha-pob have expressed their satisfaction at this co-operation between the two countries.

At present, China has about 10,000 Soviet-made Kamaz automobiles including more than 300 in the Hulun Buir League.

by Feng Jing

Bids for Levelling Land for the New HK Airport

Tenders will be invited in November for the levelling of land for the new Hong Kong airport. The project will take 30 months to complete.

The chief of the temporary administration for the airport has announced that some 70 percent of the planning for the new airport has been completed and its design is nearing completion.

The levelling of land will require an investment of more than HK\$ 8 billion. The upper part of the Chek Latkok Island must be lowered by about ten metres so as to accommodate various types of aircraft with different loading capacities. Narrow straights will be left between the airport and adjacent Dayu Hill, so as to allow the flow of sea water. In the future, bids will be invited on other projects such as the aircraft parking area, runway and airport buildings.

Criterion for selecting contractors include their capacity, efficiency and construction costs. All these must meet practical requirements. ■

Contributions of Township Enterprises

JINGJI CANKAO BAO
(Economic References)

In the 1980s China's township enterprises made great contributions to the nation's economic growth and attained a far-reaching impact on development prospects for the country's economy.

First, township enterprises have become an important channel to relieve unemployment pressures. In the 1980s they provided work opportunities for more than 92 million rural surplus labourers. They are expected to help consume another 160 to 200 million excess workers in the 1990s.

Second, they have contributed to expediting the modernization process in China's rural areas. The development of township enterprises has ended an era of isolation for provincial society. Farmers have begun to open factories, run businesses, and purchase boats and planes. They have equipped themselves with telephones and computers. Township enterprise has become a golden road for Chinese farmers who are striving to achieve progress, and its development is hastening the process of modernization in China.

Third, they have improved the unitary and backward rural economic structure that has long been a crucial factor keeping Chinese farmers in poverty. The rise of township enterprises has greatly changed the rural area's economic structure. The output percentage of non-agricultural products increased from 31.1 percent in 1980 to 51.6 percent in 1990. An economic structure enabling an all-round development of agriculture, forestry, animal husbandry and fishery, and comprehensive management of agriculture, industry and commerce

has taken shape in most of China's rural areas. It has laid the foundation for China's modernization of agriculture in the future.

Fourth, they have contributed to an improvement in the quality of Chinese farmers. With the rise of township enterprises, modern industrial civilization has infiltrated backward and out-of-the-way towns and villages. This has broadened the horizons of farmers, increased their social contacts, kicked off their drive for prosperity and created the stage for the farmers to give a full play of their creativity. They have also fostered millions of entrepreneurs, economists, engineers and accountants, thus helping enhance the standard of Chinese farmers as a whole.

Fifth, they have promoted economic restructuring in China. Since their very beginning, township enterprises have been oriented towards market regulation and carried out experiments in contractual management, shareholding systems, partnership businesses, leasing and reselling. Responsible for their own profits and losses, they face acute competitions, with survival only of the fittest. Their numerous management styles have provided an inspiration for the reform of industrial enterprises in Chinese cities.

Sixth, they have contributed to the decrease of differences between the urban and rural areas. The country enterprises have changed the economic structure of agriculture and urban industry. They have become a bridge for exchange between the cities and the countryside. More than one million technicians, engineers and managers from cities have come to serve the rural enterprises. The exchange has had a far-reaching impact on the nar-

rowing of gaps between urban and rural areas.

Seventh, they have promoted markets of production factors. Since the emergence of township enterprises, they have challenged the traditional system of resource allocation. In the 1980s, township enterprises buffeted conventional assignment system of industrial and agricultural resources and enlarged the percentage of resources under market regulation. This has promoted the development of the market of production factors and speeded up the process of economic restructuring.

Eighth, they have hastened the process of urbanization. Rural enterprises have fostered the prosperity of small towns. In the 1980s, more than 10,000 towns were created and prospered due to the development of township enterprises.

Ninth, they have broken down the traditional agricultural social structure and created a rural industrial work force of nearly 100 million. These farmers, after breaking out of the constraints of traditional agriculture, began to challenge conservative agricultural social patterns. With fresh ideas, insights and forms of behaviour, they have created new social relationships which are suited to the commodity economy.

Tenth, they have become an important factor in transforming a just coping Chinese society into a well-off one. Now China boasts 18.2 million large and medium-sized rural enterprises with an annual output value of 700 billion yuan. They have staffed themselves with more than 1.3 million technicians. According to the forecasts of experts, at today's speed of development, rural enterprises will share an equal percentage with state-owned enterprises by the end of this century and play a significant role in the great transformation of Chinese society.

(April 25, 1991)

Difficulties in Enterprise Reform

SHANGHAI GONGYE JINGJI BAO
(Shanghai Industrial Economic Post)

Some entrepreneurs argue there are many difficulties in implementing further reforms in Chinese enterprises. The following are the main points:

First, reform efforts have not been synchronized. Due to either the experimental nature of the reform in the initial stages, and the difficulty or lack of reform efforts, the decade-long restructuring has resulted in a complex situation. While enterprises have initiated improvements, their higher-level administrative organs have not. In other cases businesses have been revamped but various regulations and documents have remained unchanged. Various undertakings have moved on to the path of reform but others lag behind. This has led to some enterprises having to carry on their fight for progress in isolation.

Second, there is no consensus on how to carry out the reform. Some people are enthusiastic about and support the reform only because it leads to an increase in personal incomes. They take a cool attitude to or are even against the reform when it calls for personal sacrifices (including those of material returns, social status and environmental conditions).

Third, the reform climate inside enterprises has changed. Some entrepreneurs have been so busy with the struggle for the survival of their businesses and the welfare of their staff that they have spared no time for reforms.

Fourth, some enterprise leaders are susceptible to short-term planning. Faced by constraints

of time, they incline to take a cautious attitude and lack the pioneering spirit. They prefer to follow rather than to lead and the present to the future.

(May 31, 1991)

Cadres: Younger and Better Educated

WENHUI BAO
(Wenhui Daily)

In accordance with the principle put forward by the CPC Central Committee that the official ranks should be "revolutionized, and made more youthful, knowledgeable and specialized," 15 million people have since 1978 been promoted to leadership at various levels. As a result, the total number of cadres throughout the country reaches 33 million, 90.7 percent more than 1978.

A great number of cadres promoted since 1978 are activists who cut a brilliant figure during the reform and opening up.

Of those promoted since 1978, people with college level education or above account for 32 percent of the total. The proportion of young leaders has grown greatly. Those with special technological training are up to 24.37 million.

(June 7, 1991)

Elders Enjoy Priority in Kunming

ZHONGGUO FUNU BAO
(Chinese Women Weekly)

Early this year, the municipal government of Kunming City, located in China's southwest Yunnan Province, released a notice which said citizens reaching 70 year of age can apply for "priority certificates." The service includes:

Immediate registration at hos-

pitals along with medical advice, prescription and hospitalization;

Use of parks and city recreational facilities free of charge;

Shopping advice in stores;

Regularly deliveries of grain and coal;

Home posting of annuities;

Help in the purchase of transport tickets;

Now, the lower echelons have begun the service according to the notice.

(April 22, 1991)

China to Develop High-Speed Railways

SHENGHUO BAO
(Livelihood Newspaper)

Construction of a 200-km per hour high-speed railway has already been set as a key technological project for the Eighth Five-Year Plan (1991-95) by China's Ministry of Railways.

According to experts, presently it is necessary to start research and development of railways providing for speed of over 200 kilometres an hour and to strive for the building of the first segment of such a high-speed railway in the year 2000. The work should be based on China's basic conditions, such as its natural resources, human population and the potential strength of the economy to transform the existing backward state: shortage of rail way transport facilities with their low load capacity.

The specialists propose the first 200-km an hour line should be from Beijing to Shanghai. China's Ministry of Railways has, in recent years, already begun to transform the 160-km per hour quasi-high-speed rail line between Guangzhou and Shenzhen as a foundation for high-speed railway construction.

(June 2)

Omani Cultural Week in China

This year's July 1 saw the tenth anniversary of the sailing from the Sultanate of Oman to Guangzhou in 1981 of the *Sohar*, a full-scale replica of an ancient wooden ship. To mark the event, the government of Oman sent a cultural delegation headed by Faisal Bin Ali Al-Said, minister of national heritage and culture, to China to hold an Omani Cultural Week and a series of activities in Beijing and Guangzhou.

On November 23, 1980, the *Sohar*, named after *Sohar* City, one of the most prosperous trade ports in ancient Oman, started its 6,000-nautical mile adventurous sea voyage at Muscat, the capital of Oman. After over 220 days it finally reached Guangzhou on July 1, 1981.

This historic voyage was sponsored by the Omani government. The *Sohar* sailed along ancient navigation routes to test the plausibility of the story related in the classic *One Thousand and One Arabian Nights* about Sinbad the sailor's journey to Guangzhou.

Such an idea was first conceived by Sim Severin, an Irish writer and explorer who became the captain of the *Sohar*. The ship was fastened by ropes, without the use of a single nail. The crew included 32 people, most of whom were seamen from Oman. They were required to eat a diet similar to that of the seaman of earlier times such as Arab cakes and native fruits. A detailed and fascinating account of the trip can be found in Sim Severin's *The Sinbad Voyage*.

Oman, located in the low-end of the Arab Peninsula, played an important role in the history of the international sea trade. Formerly it had a flourishing ship-building industry and boasted of the most pow-

erful fleet in the Indian Ocean, consisting of as many as 1,000 ships. *Sohar* City used to be called the Gateway to China. At the Omani Arts Exhibition in the Hall of the Working People's Cultural Palace, Chinese viewers can glimpse the navigational and ship-building past of Oman, and see models of the *Sohar* and the *Sultanah*, which in 1892 was the first Arab ship to reach the United States.

The exhibition also displays Omani publications, handicrafts, manuscripts of the Holy Koran and aromatic gum. An air of mystery emanates from the exhibits and the Omani folk songs and dances.

Faisal Bin Ali Al-Said was warmly received by the late Chairman Mao Zedong and Premier Zhou Enlai when he visited China in 1959. At the Omani Cultural Lecture this year, he made a speech on exchange between China and Oman. Yuan Lulin, former Chinese ambassador to Oman, also gave a detailed report on Omani culture.

The beginning of Sino-Omani trade can be traced back to the eighth century when the commercial ships of Oman carried goods to Indian ports from where Chinese ships would transport them to Guangzhou. According to historical records, during the period from the seventh to the 12th century, numerous Arab merchants including many from Oman reached Guangzhou and other areas in southern China. The Huaisheng Mosque and the Qingjing Mosque in Guangzhou are two architectural structures erected by Arab Muslims of the time. Sheikh Abdulla of *Sohar* who spent a decade in China as head of a trade mission in the 15th century was received by the Emperor Shenzong of the Song Dynasty. The monarch presented

him with a white horse and saddle on his departure from China. The great Chinese navigator Zheng He of the Ming Dynasty (1368-1644) ventured to the Dhofar area three times.

A number of Omani place names such as Dhofar and *Sohar* appear in the *Description of Foreign States* written by the Chinese historian Zhao Rushi of the Southern Song Dynasty (1127-1279). The work contains detailed descriptions of the life of the Omani people. During the Tang Dynasty, China began to import large quantities of aromatic gum to be used in ceremonies and religious activities. The gum was produced in the Dhofar region in southern Oman where large and strange-shaped aromatic trees can still be seen. The ancient route for aromatic transport was called the Gum Road, and was as famous as China's Silk Road.

Before 1970, Oman had no diplomatic relations with other countries. Even in the capital, people stuck to their traditional life styles. When Qaboos bin Said Al Said, who was educated in the West, became Sultan, he gave first priority to the establishment of government links with China. In 1978, Oman and China established diplomatic relations and later the two countries signed a number of cultural, health and press co-operation programmes. China offered to build a textile factory and a porcelain plant for Oman and sent experts to supervise the construction and operation of the two projects. Faisal said he was deeply impressed by the talent and hard work of the Chinese experts.

This October, He Jingzhi, acting cultural minister of China will pay a visit to Oman at the invitation of the Omani government. A Chinese folk art troupe will accompany him. Also scheduled are visits of other Chinese artistic troupes.

by Lou Linwei

China Holds Spanish Film Retrospective

The first Spanish Film Retrospective Show in China, sponsored by the China Film Library, is touring several major Chinese cities including Beijing, Shanghai, Guangzhou and Changchun in July and August.

This show presents 20 feature films including *Mujeres al borde de un ataque de nervios*, *Mama cumple cien años*, and *Demonio en el jardín*. According to Fu Yuchen, deputy-director of the Foreign Film Section of the China Film Research Centre, who was responsible for the selection of the movies, the great majority of the 20 films represent Spanish works of the 1980s. The sponsor has given priority to films that depict important social events and those that have won international awards, especially movies directed by such Spanish film giants as Luis Bunuel, Carlos Saura and Pedro Armador. Their works provide the audience with an outline of the development of the Spanish film industry.

Spain has a film production history of nearly a century. Owing to the efforts of several generations of outstanding film makers, Spanish film has made great progress in many aspects including form, subject, language, philosophy and aesthetics. In the past ten years, the Spanish film industry has begun to exert an increasing influence on world cinema.

However, most Chinese know little about Spanish films. Although there was a Spanish film week in China several years ago, ordinary Chinese are more likely to associate Spanish culture and art with the passionate flamenco dance, the bravery of bullfighters, and the paintings of Goya and Picasso. Teng Jinxian, director of the Film Bureau of the Ministry of Radio, Television and Film, said, "Spain is the third biggest movie producer in Europe and its films can teach us a great deal. This re-

trospective show offers us a good opportunity and benefits both Chinese film makers and ordinary audiences." Teng continued that since the implementation of the reform and open-door policy, Chinese films have begun to enter the world and become more influential. "We must continue to expand our contact and exchange with our foreign counterparts, introducing worthy foreign films to China and good Chinese films abroad," Teng added.

Over the past ten years, the China Film Library has held retrospective shows covering over a dozen countries including Britain, France, the United States and Japan.

by Hong Lanxing

Promising National Ballet

The three-act ballet performance *Wild Geese Fly South*, presented recently by the Central Ballet Ensemble, greatly entranced audience.

Thematically, this is a modern ballet set in the War of Resistance Against Japan (1937-45). A country widow, Yuzhen by name, saves a wounded armyman Wei Desheng. The two fall in love. However, instead of becoming absorbed in their affair, the soldier returns to his regiment to aid the driving out of the Japanese invaders from China. The lovers agree to meet when peace returns and when the northern wild geese fly back from the south.

Compared with *Ode to Yimeng Mountain*, a ballet on a similar theme produced by the same ensemble in the 1970s, *Wild Geese Fly South* gives fuller play to the sentiments between the hero and the heroine.

The performance is not lacking in beauty. Both the *pas de deux* and the solos of the leading dancers are exquisite and graceful. And, while the male group dances were forceful, the performances of women display great delicacy in,

for instance, the prologue, "Dance of Snowflakes." "Mountain Flowers in Full Bloom" in the first act when Yuzhen is longing for love and "Girls of Red Maple Leaves" in the epilogue reveal the feelings of the main characters and give a special romantic atmosphere to the presentation.

The action shifts in time and space. In the prologue, as Yuzhen is pulling the wounded soldier on a sleigh through the heavy snow, the semi-conscious Wei thinks he is still on the battlefield. At the same time, two platforms showing different times and places appear on the stage. One shows the present and the other the illusion battlefield. The natural use of this technique successfully strengthened the performance's dramatic effect.

A sharp contrast of colours helps the build up to the climax. The prologue is set in the whirling snow of a severe winter. The first act is an enchanting spring scene in Yuzhen's house. The second act is the gruesome ground where the Japanese enslave their captives. In the third act and the epilogue, the lighting changes to a bright but slightly melancholy autumn.

The music, written by the well-known ballet composer Liu Tingyu, is another element in the performance's success. For the soldier there is a firm and unyielding march rhythm while for Yuzhen, the tone is melodious and unsophisticated.

Wang Caijun and Wang Shan played the hero and heroine. Before the *Wild Geese*, they had danced the roles of Chinese and foreigners in many traditional and modern ballets.

Li Chengxiang, head of the Central Ballet Ensemble and one of the drama's playwrights, said, "Compared with foreign ballet or ballet on mythical themes, modern Chinese ballet is more difficult to produce." However, he thinks the national ballet is promising, adding "the success of *Wild Geese* has consolidated our confidence."

by Feng Jing

Dream Has Come True

On July 13, in the morning mist, 26 members of the Spanish Madrid Deaf-Mute Association reached the Great Wall, fulfilling a long-held wish.

It is said that you won't be considered great if you have not been to the Great Wall. The 26 persons divided into five groups and in no time mingled with the human wave on the Great Wall. The wall has a long history of over 2,000 years stretching from when it was first constructed in the 7th century BC to its completion in the 16th century. If all the sections built by past dynasties were added together, the total length would stretch to over 50,000 km, or

one full circle round the equator, so it is called the "10,000-li Great Wall" (two *li* equals one km).

Statistics show more than 2 million people, including over 200,000 foreign tourists, visit the Great Wall at Badaling annually. Nearly all state leaders and noted figures from abroad take in the grandeur of the Great Wall there.

At 1:30 pm the 26 members once again gathered at the foot of the Great Wall. Although they were hungry and tired, they showed by hand gestures that they were still full of zest.

Margarita Sastre, host of the "Deaf-Mute" programme on Spanish TV said, "Before I came to China I imagined that the several-thousand-year-old Great Wall of China must be

very beautiful. After today's climb, I know it really lives up to its reputation." Another deaf-mute woman expressing her feelings through an interpreter said, "It surprises me that the wall is so long I can't see the end."

Miguel Jimenes, one of the members, signed with beautiful hand movements, "This is the first time a Spanish deaf-mute tourist group has visited China. While here we have received an excellent reception and the people are very courteous. When we return to Spain, we will organize more deaf-mutes to visit China." He said that after touring Beijing they would go to Xian, Nanjing, Shanghai, Hangzhou, Guilin and Guangzhou.

by Kou Zhengling

2nd Beancurd Festival

The 2nd China Beancurd Cultural Festival will be held on September 15-17 in Huainan, Anhui Province. It is sponsored by the Ministry of Commerce and Anhui provincial government.

According to historical records, beancurd was invented by Liu An, King of Huainan 2,100 years ago. He produced beancurd accidentally when he was concocting "immortality pills" for eternal life. Last year, people on both sides of the Taiwan Strait held the First China Beancurd Cultural Festival simultaneously in Beijing and Taipei. They decided to make September 15

the annual occasion for the China Beancurd Cultural Festival in honour of the inventor who was born on that day in 1791.

Today, this food has spread far and wide over the world causing a "beancurd craze." It is reported that Japan sells over 100 million kg of beancurd annually. The United States sold US\$682 million worth of the product in 1988. The US *Economic Outlook* has predicted that in the coming ten years, the most successful market product would not be automobiles or electronics, but beancurd. More and more people acknowledge that beancurd is one of the most beneficial foods for health.

Huainan is an up-to-date coalmining city with many

historical spots and relics. Other events during the beancurd cultural festival, apart from a beancurd cultural symposium and the *Huai Nan Zi* Academic Exchange Meeting, (*Huai Nan Zi* is a collection of eclectic works by Liu An and his followers on mainly Taoist thought), there will be a China Bean Products Fair, Golden Autumn Lantern Festival, Evening Fireworks Gathering, and trade technology business talks. At the same time, the beancurd origins tour, a Huaihe River cruise, and visits to Liu An's Grave, the Pearl Spring, the Maoxian Cave and other scenic spots will also be of interest to tourists.

by Jing Wei



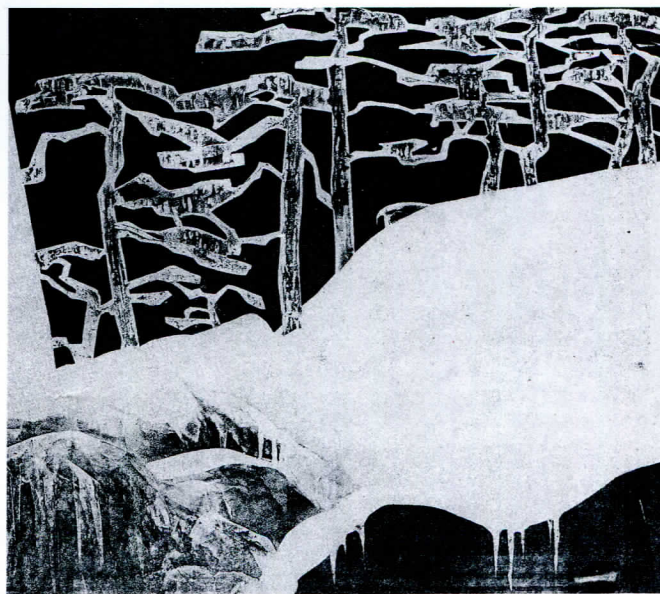
Huangshan Mountain.



Riverside Village.

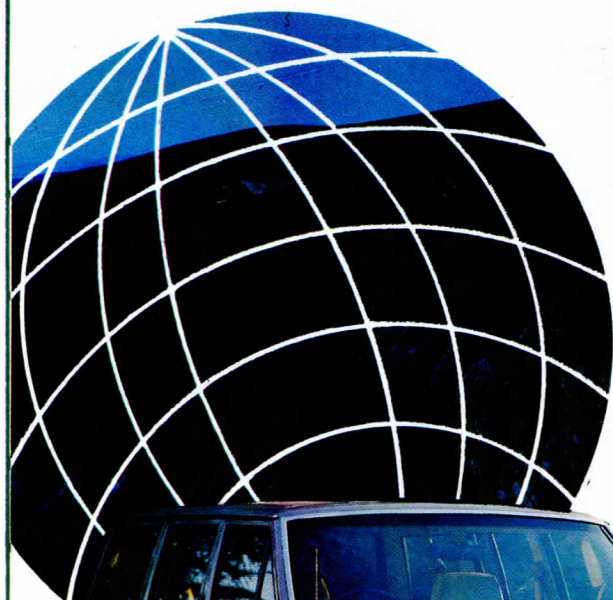
Ni Jianming's Paper Engravings

Ni Jianming, born in Shanghai in 1944, now works at the Wuhu Studio of Art and Calligraphy of Anhui Province. He not only specializes in paper engravings, but endeavours to create new techniques for his compositions.



Ice and Pines.

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