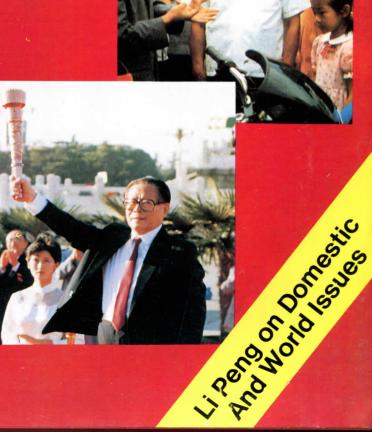


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THE CPC: 70 YEARS PROGRESS

July 1-7, 1991









"Maintaining close links with the masses" is a fine tradition of the Chinese Communist Party and an effective weapon for the Party's success. Top: General Secretary Jiang Zemin has a heart-to-heart chat with farmers in Yanan, Shaanxi Province. Bottom: Li Peng, member of the Standing Committee of the Political Bureau and premier of the State Council, calls on workers at Zhongyuan Oilfield in Henan Province, one of China's largest oilfields.

Photos by Bei Xingong

HIGHLIGHTS OF THE WEEK

CPC: Seven Decades of Contributions

□ In the 70 years following the founding of the Communist Party, China has undergone tremendous changes. The CPC led the Chinese people in the overthrow of imperialism, feudalism and bureaucrat capitalism and founded New China, bringing about independence, democracy, peace and stability to the nation and ensuring the country's all-round economic, cultural and social progress (p. 9).

Premier Li Taiks to Mexican Newspaperman

□ Chinese Premier Li Peng commented on a wide range of topics including domestic and international issues during an interview with Mario Vazquz, president of the Mexican newspaper the *Sun Mexico*. Sino-Mexican relations were also discussed at the Beijing meeting not long ago (p. 23).

Conference on Environment and Development

□ In today's world, the environment and development has become an issue of common concern for all countries. In order to find out an effective way to keep the environment clean, officials from 41 developing countries recently held a ministerial conference in Beijing, aiming to reach a common Third World agreement on international environmental affairs. Participants stressed and called for further co-operation in this field among developing countries and between developing and developed countries (p. 4).

EC After German Unification

□ The unification of Germany will produce a negative impact on the integration process of the European Community in the short term. But in the long run, a unified Germany will strengthen the EC and promote European co-operation (p. 8).

Beijing Review

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COVER: Top: Chairman Mao at the grand New China founding ceremony (October 1949). Centre: Deng Xiaoping inspects the Tianjin Economic and Technological Development Area (August 1986). Bottom: General Secretary Jiang Zemin lights the Asian Games' torch (August 1990).

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CULTURE/SCIENCE

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Declaration Calls for Better Environment

The Beijing Declaration adopted on June 19 at the two-day Ministerial Conference of Developing Countries on the Environment and Development has been hailed as an important contribution of the developing countries to the 1992 United Nations Conference on the Environment and Development and a historical document guiding world environmental protection and development.

"The conference discussed a wide range of issues such as coordination between developing countries in environmental protection and economic development, co-operation between developed and developing countries, the role of developing countries in global environmental protection and sustained development, and fund and technology transfer to developing countries," said Song Jian, minister of China's State Science and Technology Commission and chairman of the conference, at the closing ceremony.

He said that the declaration reflected the developing countries' profound understanding of and deep concern with the world environment and development.

The ministerial conference was attended by officials from 41 developing countries along with observers from eight developed countries and representatives from 12 international organizations. Its aim was to reach a third world consensus on international environmental affairs.

Speaking at the conference's opening ceremony, Chinese Premier Li Peng said that environ-



Premier Li Peng at the opening meeting of the conference on the environment and development.

EI SHENGNAN

mental protection and economic development are an important part of the new international order.

All countries, big or small, rich or poor, have a part to play in world environmental protection and development, he said, and developed countries have special responsibilities and obligations in this regard.

He said that every country has the right to decide its strategy for economic development and environmental protection in line with its own conditions, and enjoys permanent sovereignty over its natural resources and living species.

Developing countries should redouble their efforts in environmental protection, while at the same time the international community should offer funds and technology to fundamentally strengthen their capability in the global cause for environmental protection and development.

Li said that at present, developing countries are facing the twofold task of economic development and environmental protection, but many of them are stuck in chronic poverty and

backwardness.

They sell raw materials at low prices and buy industrial products at high prices, and as a result, money keeps flowing into the coffers of developed countries. The natural resources of the developing countries are consumed and their environments seriously damaged, Li said.

Only when the unreasenable economic order is changed can poverty be wiped out and development promoted; only thus can developing countries; protect their environments and better co-operate with the rest of the world in environmentaliprotection.

Li noted that large-scale wars and regional conflicta not only threaten existence of mankind but are also highly destructive to the environment.

"Historical and present facts tell us that it is necessary for all countries to have a peaceful and stable international situation in developing economy and protecting environment," he added.

Environmental protection is one of China's basic state policies, said the Chinese premier, and the nation is striving for a co-ordinated development of economy and environmental protection.

But the premier admitted that like many other developing countries China is also facing an arduous task in environmental protection and development.

During the last decade of the century, China will spare no efforts to raise its environmental protection work to a new level while developing its economy, said Li.

"Meanwhile, we will strengthen wide-ranging co-operation and exchanges with other countries and regions in this field and make our own contributions to the global environmental protection," added the premier.

Housing Reform High on Agenda

ousing reform, which began in China three years ago, is now again high on the government's agenda, with the focus on commercializing public housing as a means to reactivate a sluggish housing market.

In a nationwide circular issued recently, the State Council asked 450-odd cities in the country to work out specific housing reform programmes.

Chen Jinhua, minister of the State Commission for Restructuring the Economy and head of the newly formed Housing Reform Office under the State Council, said in Beijing on June 18 that the current social and economic situation in China is favourable for carrying the housing reform through.

During the reform, which was aimed at improving the living condition of the over 300 mil-

lion urban residents, the current excessively low rents will be raised to cover maintenance costs, and some newly-built residences will be sold to individuals.

Chen said that many urban citizens welcome the housing reform programme.

"What's more," he said, "they now have huge amounts of cash in hand."

It is estimated that there are about 800 billion yuan (US\$152 billion) of personal bank savings or private savings in China, and government officials hope that the new housing business would absorb much of this huge pile of idle cash.

Twelve cities, 13 counties and 300 townships have adopted various housing reform programmes.

Shanghai, China's largest city, initiated the country's first comprehensive housing reform programme last year, and brought it into force on May 1 this year.

According to newly appointed Minister of Construction Hou Jie, China will have to build an



XUE CHAC

Chen Jinhua, minister of the State Commission for Restructuring the Economy and head of the Housing Reform Office.

additional 1.65 billion square metres of housing floorspace so that by the end of this century per-capita urban housing space will reach eight square metres.

And in the next five years, about 150 million square metres should be built every year, he said.

Statistics show that over the

Using funds from the state, collectives and individuals, the local government of Shantou, Guangdong Province, has over the past seven years built nearly 20,000 flats, totalling 1.1 million square metres in floorspace, for 18,000 families.

ZHENG YONGJI



past decade China has constructed housing totalling 1.5 billion square metres in its urban areas, more than double it did in the previous three decades.

China has invested more than 280 billion yuan in urban housing construction in the last decade, and the living space per capita in urban areas rose from 3.6 square metres in 1978 to 7.1 square metres in 1990.

But, Hou pointed out, much remains to be done as about 8 million households need to be improved.

In addition, there are 50 million square metres of houses to be reconstructed and 600 million square metres to be improved.

He said that the state, collectives and individuals should all be involved in fund-raising for housing purposes. Real estate business should also be boosted.

Bangladesh Prime Minister in Beijing

The international community should pay more attention to improving relations between North and South and take practical measures to solve the growing economic disparity between the two areas.

Chinese Premier Li Peng made the appeal on June 19 in talks with visiting Bangladesh Prime Minister Begum Khaleda Zia, who arrived in Beijing on June 18 for a three-day visit. Zia was elected prime minister in March this year.

Li said the world situation is in a volatile period, the economic disparity between North and South is widening, and that the difficult economic situation



General Secretary of the Chinese Communist Party Jiang Zemin meeting with Bangladesh Prime Minister Begum Khaleda Zia on June 20.

that many developing countries find themselves in has given rise to many problems.

Li said he hoped that consultations would be held among developing countries and between developing and developed countries on improving North-South relations and on narrowing the North-South economic gap, and that all countries would make contributions to the establishment of a just and reasonable new international order.

Li called on the international community to "show enough concerns and adopt concrete measures" to improve North-South relations.

On Sino-Bangladesh relations, Li said that China attaches great importance to its relations with Bangladesh, and that "it is the consistent policy of China to be friendly to Bangladesh."

The Chinese premier believed that Zia's current visit would enhance the already existing friendly ties between the two countries.

Zia said that regarding the international situation, Bangladesh holds identical views with China and that Bangladesh

wishes to develop friendly ties with all nations.

Briefing the Bangladesh delegation concerning China's domestic situation, Li said that great achievements have been made since the policy of reform was introduced 12 years ago.

However, Li admitted that the country is facing many difficulties and that implementing reform was a difficult task.

Chinese President Yang Shangkun met with Zia the next day.

During the talks, Yang said that the Sino-Bangladesh relations have been very good and such relations will not be affected by any changes in the international situation or in the domestic situation of their respective countries.

He hoped the two countries will continue their close cooperation on the basis of mutual respect, equality and mutual benefit.

Yang said that the Chinese people had deep sympathy with the Bangladesh people suffering from the recent cyclone calamities.

He hoped the Bangladesh peo-

ple, under the leadership of Prime Minister Zia, would overcome the difficulties caused by this disaster, adding that China's assistance to Bangladesh, though limited, is a token of its sincerity.

Zia said that she came to China for the furtherance of the friendship between the two peoples, and that the assistance China had offered to her country indicated a kind of friendship which could only be shared between tested friends.

She noted that the Bangladesh government attaches great importance to increasing production, especially in the field of agriculture. She said that Bangladesh hopes to learn from the Chinese experience in this regard, so as to promote its economy.

The same day, Jiang Zemin, general secretary of the Chinese Communist Party, held talks with Zia and spoke highly of the contributions the late Bangladesh President Ziaur Rahman made to establishing and developing Sino-Bangladesh friendship. He said that the frequent exchanges of visits by top leaders of the two countries have promoted bilateral relations.

Labour Export To Be Expanded

hina must improve management and adopt favourable policies towards those who work overseas if it is to improve its position on the world labour export market, according to an article in the Beijing-based *Chinese Labour Gazette*.

China has a huge surplus workforce, which by the year 2000 is expected to increase to

200 million in rural areas. Yet, its labour exports still lags far behind that in other populous countries.

China's labour export earnings in the past nine years were a mere US\$1.1 billion, compared with a general export revenue which exceeded US\$50 billion in 1990 alone.

The gazette attributed this situation to poor strategic planning. The underdevelopment in labour export is also because of poor management which had caused bad co-operation between labour export organizations.

To remedy the situation, the gazette suggests: first, goals for labour export within a given period of time should be specified; second, the focus should be placed on labour-intensive projects before shifting to technology-intensive projects since the quality of China's labour force is yet to be improved and funds are inadequate; and third, diversify labour export outlets to serve different market needs and put the labour force to best use.

The gazette also suggests that the government establish a functioning body to manage, supervise and co-ordinate labour export from a macroeconomic point of view. Training centres, it says, need also be set up to improve the quality of workers going abroad.

Financial Markets Thrive in China

hina's financial business network is taking shape rapidly, according to financial sources.

The bond market, for exam-

ple, has been increasingly brick. By the end of the year, a total of 175.7 billion yuan (about US\$33.2 billion) of various bonds, including national treasury bonds, had been issued. Meanwhile, the business volume of bonds transactions had increased steadily, reaching 13.58 billion yuan last year.

All of the country's provinces, autonomous regions and municipalities, with the exception of Tibet, have established inter-bank capital markets. Inter-bank loans throughout the country totalled 227.2 billion yuan last year.

The business volume of foreign exchange markets has also increased, and more than 90 cities have set up foreign exchange circulation centres. By the end of last year, the total business volume on these markets reached US\$27.99 billion.

The gap between the market price and the state-set exchange rates is narrowing.

At the same time, enterprises experimenting with the stock system issued a total of 4.6 billion yuan worth of shares, 1.8 billion yuan of which were sold publicly.

Other financial markets, such as those for short-term bills and various other commercial papers, have also developed rapidly in the country.

It is estimated that more than 300 agencies from 46 companies have been in bond business in China.

In accord with the development of the financial markets, the People's Bank of China recently established a national financial information centre in Beijing. And sources say that a unified financial market is expected to form in the country this year.

Germany Wields Influence on EC

by Wan Shuyu

October 3, 1990 made a notable impact on international politics and economics, but the European Community is the region most affected.

The former West Germany was one of the six founding members of the European Economic Community in 1957. Together with France, it served as the engine of European construction. It shouldered the biggest share of EC budget — 27 percent — and its trade with the EC accounted for more than half of its total. Now, with its eastern and western parts united, Germany naturally has greater influence on the EC.

The influence of unification, seen in the short term, will in the main be negative. First, Germany will reduce its support for the construction of a European Monetary Union and cut its aid for underdeveloped EC member states because it has to spend huge amounts of energy and financial resources to absorb the former East Germany. Western experts estimate that it will take about five years for the unified Germany to update the former East German economic structure to the level of the western part. During this period great social and economic turbulence will occur in the eastern part and 70 percent of its 8,000 enterprises will face bankruptcy. It is estimated that an annual 75-100 billion West German marks will be spent as unemployment relief, social securities, wage increases and reconstruction fund. It will take ten years to upgrade the economic development level of the east German region to the average EC level and will cost about 1 trillion West German marks.

This shift of funds will impede EC efforts directed to its less developed member states for a duration of at least five years. Furthermore, following unification, the eastern part of Germany now receives about US\$4.8 billion annually in subsidies from the EC budget, but 80 percent of that amount is borne by the western part. This will consequently lead to a cut in German contributions to the EC. The establishment of a single European market, scheduled for the end of 1992, will of course not be affected by German unification, but the subsequent establishment of an economic and monetary union, scheduled for 1994, will be slowed down.

Inflation has deteriorated after Germany's unification, and the exchange rate mechanism within the EC monetary system is thus affected. There is a great gap between the East and the West German mark, which is 8:1 on the black market but officially 1:1. At present, eastern residents' savings deposits amount to 180 billion East German marks. If that amount of money is exchanged at the official rate, the western part will be seriously threatened by inflation — the volume of money in circulation will increase by 10 percent. This will trigger a chain reaction in other member countries and thereby damage the fixed exchange rate structure. This, in turn, will adversely affect the community's efforts to cut the fluctuation span among major currencies. The weakened West German mark will then give way to the US dollar. To prop the mark, Germany may insist upon stabilizing its currency and hesitate in pushing forward the construction of the monetary union.

The unification of Germany also makes it difficult for the EC to implement its agricultural policy. The abundant farm products from the eastern part of Germany will only add to the already glutted EC farm product market. The EC will have to increase its subsidies for farm products to support the prices. At the same time the EC will have to spend 1-3 billion more European Currency Units — about one tenth of the EC's agricultural budget to subsidize and transform the former East German agriculture.

From the medium- and long-term point of view, however, the German unification will provide a dynamic impetus for the economic integration of the EC. German economic might increases by one tenth after unification. This naturally strengthened the EC. Although the reconstruction of eastern Germany has consumed huge amounts of money, it has also stimulated investment and trade in western Germany and other EC countries.

It has been Germany's strategic goal to promote European integration. On the other hand, fearing that a unified, powerful Germany will break away from the EC and threaten their security. other EC member states believe that only by corralling Germany within the EC can it be effectively restrained. Besides, these countries want to take advantage of the unified Germany's gigantic financial power and technology to develop their own national economies. In light of the worldwide trend towards regional cooperation in the world economy, European countries have realized that a single country will have difficulty surviving in the world of severe competition; only by joining hands can they establish their position in the world. This shared desire makes the expansion of the EC a reality.

CPC: Seven Decades of Contribution

by Sun Dali*

Seventy years have elapsed since the founding of the Communist Party of China (CPC) in 1921. What have these 70 years meant for China?

From a Semi-Colony to An Independent Nation

From the mid-19th to the early 20th century, most of China's vast territory was reduced to imperialist "spheres of influence." Tsarist' Russia occupied five provinces in north China; Germany seized Shandong; France took hold of Guangxi, Guangdong and Yunnan: Britain seized six provinces and Shanghai in the Yangtze River valley and part of Tibet, Henan and Guangdong; and Japan occupied Fujian and Taiwan. The United States, flaunting the banner of an "open door" policy, forced China to provide it with the same privileges "granted" other imperialist powers. In the 60 years between 1845 and 1904, imperialist powers seized more than 30 concession areas, turning them into "states within a state." These imperialist countries controlled China's most important harbours and ports where the flags of these countries were hoisted. Imperialists enjoyed political, economic and military privileges in their

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Glorious History, Grand Objectives (poster picture).

YANG GUCHANG

respective spheres of influence and deprived the Chinese people of their human rights and national dignity at will. For example, the French Concession Park in Shanghai (now Huangpu Park) even put up a sign at the gate saying "No Entrance to Chinese and Dogs."

During China's battle for independence and liberation, many people with lofty ideals rose up against imperialist oppression, striving to find a new road for the nation. However, none succeeded in leading China to the road of independence. The Communist Party of China, founded in July 1921, led the Chinese people to wage 28 years of arduous struggle and finally established the People's Republic of China in 1949, for ever ending imperialist control and the oppression of

China, abolishing all imperialist privileges in China, and achieving complete independence for the Chinese nation.

The Mainland: Finally United

In the 38 years beginning with the rule of the Northern Warlords after the collapse of the Qing Dynasty in 1911 and ending with the rule of the Kuomintang (KMT), large and small warlords each set up a seperate regime, and the country was never truly unified. For instance, during the rule of the Northern Warlords, warlord Duan Qirui controlled Anhui, Shaanxi, Shandong, Zhejiang and Fujian provinces; warlord Zhang Zuolin controlled the three provinces in northeast



At the Third National People's Congress held in 1965, Premier Zhou Enlai put forward the goal of turning China into a powerful socialist country with modern agriculture, industry, national defence and science and technology.

China; and warlords Feng Guozhang, Cao Kun and Wu Reifu controlled Jiangsu, Jiangxi, Hubei and Zhili. In addition, warlords from other factions occupied Yunnan, Guizhou. Guangxi Guangdong, and Hunan. During the rule of the KMT government, some provinces in southwest and northwest China were still under the control of different warlords and many decrees of the central government could not be carried out. The feudal warlords levied taxes, issued bank notes, mobilized armies and set up a pass system to strengthen their control over specific areas, even varying the width of railway gauges. It was not until 1949 when the CPC led the Chinese people to found New China that this history of separation by the regimes of feudal warlords on the mainland ended and genuine unification was achieved.

In modern China, imperialist invasion and the constant scrambling for power by feudal warlords had brought about a succession of wars. Between 1840 and 1926, about 35 major wars broke out in China. Under the rule of the KMT, wars between new warlords became more frequent. In the three years between 1927 and 1930, seven major wars brought several million people

into conflict and spread over more than a dozen provinces.

In a bid to bring an end to war, many kind-hearted people campaigned for peace. Yet, the war intensified. It was not until the Chinese Communist Party led the people to win the victory of the new democratic revolution and found New China that the turmoil of war finally came to an end in the country's mainland and peace and social stability which China never experienced in the previous 100 years achieved.

From Autocracy To Democracy

Without exception, every reactionary government of old China claimed that it represented the people and practised democracy. None, however, ever dared to grant the people a genuine right of democracy. In 1913, anxious to become president, Yuan Shikai declared an election even before a constitution was formulated. Moreover, he sent armed plainclothed police to surround the National Assembly in order to prevent members of the assembly from leaving the hall before a president was elected. Deprived of food, the members were forced to elect Yuan as president

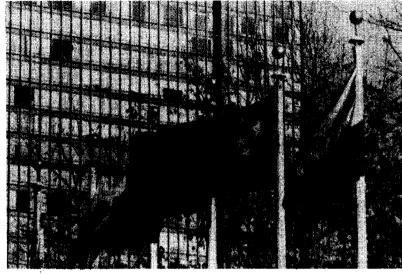
after the casting of three votes between eight o'clock in the morning to ten o'clock in the evening. In 1923, in an attempt to ascend the presidential "throne." warlord Cao Kun tried to purchase the votes of assembly members by offering to pay each one from 5,000 to 10,000 silver dollars upon his election. In April 1948, an election was held in the National Assembly of the KMT for the posts of president and vice-presidents, an election which was touted as the first of a democratic nature since the KMT took power. In their competition for votes, however, the "deputies to the national assembly" brutally attacked one another and even smashed the National Salvation Daily. At that time, ordinary citizens did not have the right to vote at all.

A truly general election by the Chinese people was held only after the CPC founded New China. The Constitutions of New China all clearly prescribed that every Chinese citizen who had reached the age of 18 had the right to vote and stand for election. In all elections for the people's deputies after liberation, the number of people casting votes exceeded 97 percent of the electorate. The people's deputies directly elected by the masses of people can participate in the discussion of major state affairs and elect state and government leaders according to the people's will.

7% of Land for 22% of Population

In Old China, agricultural production was stagnant and the amount of wasteland increased with each passing year. The overwhelming majority of people were in a state of hunger. A natural disaster invariably took a heavy toll of human lives and property.

In New China, there has been a stable increase in agricultural production. In 1990, China's grain output hit 435 million tons, or 383.5 kg per capita and close to 100 percent more than preliberation days; cotton output, 4.47 million tons; oil-bearing crop production, 16.15 million tons, or 14.2 kg per capita; meat production, 25.04 million tons, or 22.09 kg per capita; and aquatic product output, 12.18 million tons, or 10.74 kg per capita. They all represented increases of four to 11 times. In less than 40 years, New China had solved the problem of food and clothing for 22 percent of the world's population on 7 percent of the world's cultivated land. Moreover, a considerable number of people began to lead a well-off life.



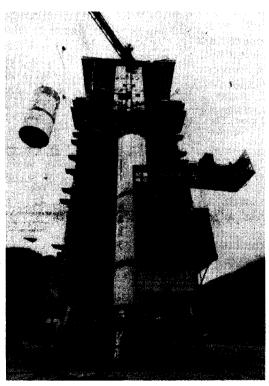
XINHUA

On October 25, 1971, the UN General Assembly adopted a proposal to restore all the legitimate rights and interests of the People's Republic of China in the United Nations. China's five-star national flag at UN headquarters in New York.

40-Fold Increase In National Strength

The AsiaSat-I communications satellite to be launched by China's Long March-III carrier rocket.

ZOU YI



In 1949, China ranked 13th worldwide in terms of comprehensive national strength, with 55.7 billion yuan in social output value, 46.6 billion yuan in industrial and agricultural output value and 35.8 billion yuan in national income.

In 1990, however, China's ranking jumped to sixth with its social output value hitting 3,771.8 billion vuan, industrial and agricultural output value 2,385.1 billion vuan, and national income 1,430 billion yuan. They all represented 40-odd-time increase. With the constant growth in production, the standard of living of the people has improved

remarkably. The actual consumption level of the people rose from 76 yuan per person in 1952 to 713 yuan in 1990. The balance of urban and rural bank savings increased from 1.6 yuan per person in 1952 to 617 yuan per person in 1990.

Taming the Nation's Unruly Rivers

In Old China, flooding frequently hit the Yellow and Huaihe rivers valleys. The Yellow River overflowed its banks every ten years and the Huaihe River inundated surrounding lands 935 times in 650 years between the 14th to 20th centuries. In the face of constant floods, the labouring people could do nothing. Moreover, they had to suffer from the extortion and exploitation by rulers in the name of "disaster relief." In June 1938, the Kuomintang regime even deliberately destroyed the Yellow River dyke at Huayuankou in Zhengzhou, Henan Province, inundating some 40 counties and destroying 1.4 million houses in

the province. The resulting flood turned 530,000 hectares of cultivated land in Henan and 730,000 hectares in Anhui and Jiangsu provinces into lakes. Altogether, 4.8 million people were made homeless and reduced to refugees and beggars, struggling against cold and hunger.

After the founding of New China, the Communist Party organized the building of banks along the Yellow River, reservoirs and power stations. The efforts to harness the Yellow River in a comprehensive way over the last 40-odd years successfully brought the river under control. The Huaihe River project which freed 60 million people in the Huaihe River valley from the threat of floods for the first time in several centuries took only five years. In the river valley, the irrigated area is 5.33 million hectares, and the installed generating capacity reaches 3.5 million kw, with the volume or electricity generated annually totalling 18 billion kwh. In the last 40-odd vears after the founding of New China, although natural disasters are unavoidable, people of the stricken areas no longer have to wander about as refugees. The Communist Party and government, besides mobilizing the nation to aid the people there, has also organized them to be self-reliant in crop production and home construction.

After the 1976 devastating earthquake in Tangshan City, Hebei Province, the central people's government allocated 2.5 billion yuan to the city for reconstruction.

From a Nail Buyer to No.4 Steel Producer

Old China's industrial production was so extremely backward that even foreign-made nails had to be imported. In 1949, the output of China's steel (158,000 tons) ranked 26th in the world; China had to depend on foreign steel products and crude oil for a long period of time.

After the founding of New China, however, China has built an independent and fairly comprehensive industrial system and now boasts a formidable industrial basis. Between 1950 and 1988, the state investment in fixed industrial assets owned by the people totalled 1,000 billion yuan. The proportion of industri-

After 40 years of construction, Beijing presents the visage of a modern city. (Upper) Newly built residential quarters to the east of the Fuxingmen Flyover. (Lower) The same location in the early days following liberation.

XINHUA



al output value in total social output value reached 61 percent in 1988. When judged on the basis of internationally acknowledged classification, China has all of the 500 basic industries in place with the exception of the nuclear power industry which is still under construction. In 1990. the output of China's major industrial products was as the follows: 66.04 million tons for steel, fourth worldwide; 1.08 billion tons for coal, first; 138 million tons for crude oil, fifth; and 618 billion kwh for electricity, fourth. Of these, rolled steel and crude oil not only satisfy domestic construction needs but can also be exported.

From 'Car on Yaks' to Railways, Highways

In Old China, communications and transportation developed at a snail's pace. From 1876, when the Wusong Railway was constructed, to 1948, China built only 21,036.14 km of railroads. Sichuan Province, known as "the land of plenty," had no railroad at all. The Tibetan Plateau was not accessible by highway, with the result that a car sent to the Dalai Lama by a British had to be transported to Lhasa with yaks part by part. By 1949, China had only 21,800 km of railroads, 80,700 km of highways, and 706,000 km of postal and delivery routes.

After 40 years of construction, by 1988, New China's railroads had reached 52,800 km in total length; highway mileage totalled 999,600 km, inland river navigation routes 109,400 km, civil air routes 373,800 km and international air routes 128,300 km, postal and delivery routes 5 million km. All the provinces, autonomous regions and municipalities in China, except for Tibet, are accessible by railway, each county

is accessible by highway and each provincial capital city is accessible by air and has telecommunication services to major cities throughout the world.

School Attendance: From 20% to 97.9%

Old China's educational system was backward; some 80 percent of the population was illiterate. Only about 20 percent of the school-age children went to schools and most labouring people were denied the opportunity to receive education. In the 36 years of the Kuomintang regime between 1912 and 1948, students graduating from schools of higher learning numbered only 210,-800.

In the 40 years from 1949 when New China was founded to 1988, China's universities and colleges churned out 6.192 million students and 154,000 graduate students. The special technical secondary schools trained 9.698 million students, adult college and adult technical secondary schools 13.795 million students, and high schools 29.684 million students. In 1988, China had 1,075 universities and colleges, with an enrollment of 2.066 million; 4,022 special

technical secondary schools, with an enrollment of 2.052 million; 91,492 middle schools, with an enrolment of 47.615 million; and 793,261 primary schools, with an enrolment of 125.358 million.

The attendance rate of schoolage children was 97.9 percent in 1990, primary school education has basically become universal.

From Import of Balls To Launch of Satellites

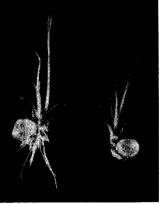
In contemporary China, the country's scientific and technological level lagged far behind that of the advanced countries worldwide. Before liberation, China had to purchase even pingpong balls from abroad. The Central Research Institute, the largest comprehensive national scientific research institution in old China, had a staff of only 129 people in 1931, and the number increased to 197 people in 1948.

Since the founding of New China in 1949, the scientific and technological contingent has continued to expand. By the end of 1990, China boasted 5,820 state-owned independent scientific research and technological development institutions at or above the county level and a total of

The "artificial seeds" developed by Associate Professor Shen Daling of Shanghai's Fudan University.

WANG ZIJIN







YANG WUMIN

The super-fine laser spectral analyser developed by Zhao Kegong, winner of a state natural science prize, has raised China's measurement techniques to advanced world levels.

24.32 million technicians in various fields. In October 1964, China successfully exploded its first atom bomb and, in September 1965, the nation's scientists succeeded in producing the world's first synthetic bovine insulin imbued with biologos. In November 1981, China was the first to transfer synthetic yeast insulin to ribose and nucleic acid. Between 1970 and 1990, the country successfully launched 30 different types of earth satellites. In 1981 China successfully launched three satellites with one carrier rocket, becoming the fourth country after the Soviet Union, the United States and France to master the technology of launching several satellites with one rocket. It successfully tested the world-famous Beijing electron-position collider, designed and manufactured with domestic materials a giant Galaxy computer capable of 100 million vector calculations per second. Since April 1990, China has begun to launch satellites for foreign clients and become one of the five countries in the world



Early rice seedlings grow well in Yuanjiang County, Yunnan Province.

with the capacity to independently master nuclear and space technologies.

Life Expectancy: From 35 to Over 69

In old China, public health organizations and health workers were few. In 1949, the country had only 3,670 health organizations with a combined total of 85,000 hospital beds and 505,000 health and medical workers. Be-

cause of the shortage of medical workers and medicine, the health of the average Chinese people was not guaranteed. The death rate of the population was 25 per thousand, and the average life expectancy only 35 years in 1949, making old China one of the countries with the lowest life span in the world.

After the founding of New China, medical and health work developed rapidly. In 1988, the number of health organizations increased to 205,988; hospital beds to 2.795 million and health and medical workers to 3.724 million; the death rate of the population to 6.7

per thousand and the average life span rose to 69 years. Formerly rampant virulent infectious diseases such as cholera, plague, small pox, relapsing fever, typhus and kala-azar have been basically eliminated while the spread of such diseases as snail fever, malaria, local goitre, Keshan disease and Kaschin-Beck disease has been brought under control. As immunization programmes have been popularized step by step, the health of the Chinese people has notably im-

Tibetan farmers can now afford tractors.



proved.

'Sick Man of the East' Now Awakened Giant

Old China did not have a physical culture research establishment or a physical culture institute. It had only a few physical culture training schools, no athletic hierarchy and no standard for physical culture training. In 1949 it had only 4,000 sports grounds. Old China had very few international sports exchanges and never won a world championship in international competitions or broke a world record. Between 1928 and 1948, although old China sent its athletes to take part in the Olympic Games four times, its largest sports delegation consisted of only 80 people whose score each time was zero and who were eliminated in the preliminary. Foreign media began to call China "the Sick Man of the East."

Between 1949 and 1988, New China established 35 sports scientific research institutions with a staff of more than 1,500

people and 15 physical culture institutes. It sent 126,-810 people to participate in various international sport activities, these athletes won 392 championships and broke 385 world records. In 1984, when the 353-member Chinese delegation won 15 gold medals at the 23rd Olympic Games held in Los Angeles, the people of the world were amazed at the progress which China had made and praised the country as an "awakened giant."

An Unprecedented Leap forward

The oppressive and dis-

criminatory policies pushed by the rulers of old China resulted in poverty and backwardness for minority regions. Some minority nationalities were in such a primitive society that their members engaged in slash-and-burn cultivation and kept records by tying knots.

After the founding of New China, the minority peoples, under the leadership of the Communist Party, were emancipated and, in the National People's Congress, the highest organ of state power, each minority nationality had deputies they themselves elected. At the Seventh National People's Congress, 15 percent of all deputies were from minority nationalities. The state has opened institutions for na-

tionalities. cadres schools for nationalities and nationality training classes, turning out a total of more than 1 million minority cadres. Some minority nationalities who formerly wandered from place to place today have their own autonomous prefectures and autonomous counties. By the end of 1988, China had five autonomous regions, 30 autonomous prefectures and 115 autonomous counties (banners). The economic construction of minority regions has brought about an unprecedented change in the life of the people. Between 1950 and 1988, the state invested a total of 141.69 billion yuan in capital construction in minority areas and many large and medium-sized industrial projects such as the Baotou Iron and Steel Co. and the Karamay oil industrial base have been set up in wilderness and desert.

Transport and communication conditions have also greatly improved. Whereas, formerly, there were no highways in Tibet, today every county is linked by highways stretching 21,800 km. Seventy-seven percent of townships are accessible by bus and every county and township has postal services.

Between the time of the early Qing Dynasty in the 17th century and the peaceful liberation of Tibet in 1951, the area's population dropped by more than 50 percent. Only 1 million people lived in this area covering 1.2 million square km. Of these people, 90 percent were serfs and slaves with insufficient food and

tacks again time the Codefeat. A war of 18 panese in annex Ko China was ports alo code and ports alo code an



XINHUA

The economic development of the rural areas since the Third Plenary Session of the llth Party Central Committee has helped to increase farmer income and raise their living standards year by year. (Upper) Children of a kindergarten in suburban Beijing playing games. (Lower) A peasant woman had to sell her own children before China's national liberation in 1949.

clothing all year round. In contrast, most Tibetans today live a comfortable life even as the population has grown to 2.196 million.

From Defeat To Victory

Old China's national defence was never strong enough to ward off aggression. Between 1840 and 1937, imperialist powers launched seven large-scale attacks against China, and each time the Chinese troops suffered defeat. After the Sino-Japanese War of 1894-95 (launched by Japanese imperialists in a bid to annex Korea and invade China), China was left without any naval ports along its 18,000-km-long

coastline. Between 1931 and 1935, Chiang Kaishek deployed 1 million troops to encircle and suppress the Chinese Workers' and Peasants' Red Army and revolutionary base areas, while allowing Japanese troops to forcibly occupy vast areas of Chinese territory in northeast and north China.

The founding of New China in 1949, however, forever put an end to the history of foreign aggression in China. No longer would there be wanton trampling and interference in China's internal affairs. Since then, the people's army has repeatedly dealt invaders crushing blows, putting a halt to aggression, wiping away the historical humiliation steeped in past defeats and defending the independence and territorial integrity of the Chinese nation.

Women Folk Holding Up Half the Sky

In old China, the broad masses of labouring women suffered from four oppressive feudal powers (political, clan, religious and male), struggling to survive at the bottom of society. Their right to existence and personal freedom was not guaranteed in any way and, from the time of the government of the Northern Warlords to the Kuomintang government, there were no laws ensuring sexual equality. Wages for working women were lower than their male counterparts in factories, even as they had to work each day for as long as 12 to 18 hours. Many organizations had stipulations against hiring married women. The low status of women was evident in statistics provided by 19 Chongqing organizations of the Kuomintang government in 1945 which showed that only 4.6 prent of all clerks at the time were women.

The status of women in New China is a world apart from earlier times. The Constitution stipulates explicitly that women enjoy equal rights with men in political, economic, cultural and educational fields as well as in

society and family, thus abolishing the feudal system which had held women down for so long. Today, women workers not only enjoy equal pay with men for equal work but also enjoy the right to have maternity leave with pay during their childbearing period. Such a right is not materialized even in many developed capitalist countries. The number of women workers in China rose from 600,000 in 1949 to 42 million in 1984 and women now make up 36.5 percent of all workers and staff. The grass-roots election in 1953 was the first time that Chinese women had the right to vote, and well over 90 percent of all female citizens participated. Among the elected people's deputies at all levels, women deputies won about 17 percent of the seats. At the second grass-roots election in 1956, the number of elected women deputies made up 20.3 percent. At the Seventh National People's Congress held in 1987. women deputies made up 21.3 percent. Women cadres now occupy a considerable proportion of seats in the people's governments at various levels. The status of women in New China has made so much progress that they are now praised as "holding up half the sky."

A centenarian couple at leisure.



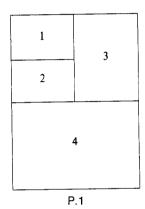
Chinese People Have Stood Up

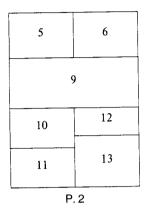
Old China had long been oppressed and exploited by other countries. Imperialist powers could carve up Chinese territory and sell China's rights and interests at will. After the World War I, even though representatives of the Chinese government attended the Paris peace conference in the capacity of a victorious nation, they were only allowed to attend as non-voting delegates and were forced by the imperialists to accept a treaty of national betrayal and humiliation. Between 1842 and 1919. Britain, Japan, Tsarist Russia, France, Germany, the United States and six other countries forced the Chinese government to sign 709 unequal treaties.

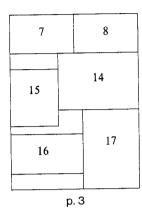
After New China was founded in 1949, the people's government abrogated all unequal treaties and undertook a diplomatic policy of self-reliance, never vielding to foreign pressure and never allowing itself to become an appendage to any big power. Through consultations with the British and Portuguese governments, the issue of returning the sovereign rights of Hong Kong and Macao to the motherland was resolved. At present, China has established diplomatic relations with 130 countries and forged economic and trade relations, based on equality and mutual benefit, with 180 countries and regions. As one of the five permanent members of the United Nations, China has been playing an important role in international affairs and the country's international influence and prestige is growing day by day. Politicians in many countries now regard China as indispensable to the efforts to maintain world peace and stability.

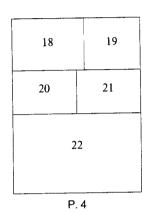
Great and Glorious Course

Marking the 70th Anniversary of the Communist Party of China









1. The Communist Party of China (CPC) resulted from the merging of the Chinese working class movement and Marxism-Leninism. Under the influence of the October Revolution in Russia in 1917 and the May 4th Movement in China in 1919, Marxism spread over China. The establishment and activities of Communist groups in various parts of China, and the workers' movements and the people's struggle against imperialism and feudalism formed the basis for the setting up of the Chinese Communist Party. The picture shows Chinese workers working at a factory run by a British capitalist in China.

2. Publications disseminating Marxism before

and after the founding of the CPC.

3. In July 1921, the first Party Congress was held in this room in Shanghai, where the founding of the CPC was announced. The number of Party members has increased from several dozen in the early period to the present 50 million. The Party led the Chinese people to overcome countless difficulties and overthrow reactionary forces both in and outside China. It has transformed old China, oppressed by imperialism, feudalism and bureaucrat-capitalism, into a prospering socialist New China, where the people are the masters of their own country.

4. After the Chinese Communist Party was founded, it immediately led the Chinese workers

and peasants in waging a revolutionary struggle, established a revolutionary united front with the Kuomintang (KMT) in the first stage of the new-democratic revolution and joined the Northern Expedition during its first round of co-operation with the KMT. The picture shows Communist Party member Li Dazhao (first front left) and Sun Yat-sen attending the First Kuomintang Congress.

5. In April 1927, the Kuomintang reactionaries headed by Chiang Kai-shek launched a counter-revolutionary coup and slaughtered numerous Communists and revolutionaries. August 1, 1927 saw the breaking out of the Nanchang Uprising led by the CPC to begin an armed struggle against the Kuomintang reactionaries. The photo shows the site of the head-

quarters of the Nanchang Uprising.

6. In September 1927, Mao Zedong led a peasant uprising in the border areas between Hunan and Jiangxi provinces, setting up a people's political power and the Chinese Workers' and Peasants' Red Army. The photo shows some of the Red Army soldiers who successfully arrived in northern Shaanxi Province in October 1936 after taking part in the world-famous Long March.

7. The Communist Party of China led the army and people in the War of Resistance Against Japanese Aggression and won the final

victory. In August 1945, Japan surrendered unconditionally. Here are some Japanese soldiers

captured by the Eighth Route Army.

8. The victory of the Chinese revolution was achieved chiefly by relying on the people's army led by the CPC through a protracted people's war against powerful enemies. During the War of Liberation, the People's Liberation Army (PLA) defeated Chiang Kai-shek's eight millionstrong army, overthrowing the reactionary Kuomintang government. The photo shows a PLA attack on the enemy in Jinzhou, northeast China in 1948.

- **9.** On October 1, 1949, Chairman Mao Zedong proclaimed the founding of the People's Republic of China to the world on the Tiananmen rostrum.
- 10. During the early days of the People's Republic, the Party led the people throughout the country in fighting against bandits and local despots, and accomplished land reform in the newly liberated areas. It started a movement for the suppression of counter-revolutionaries and peacefully liberated Tibet. It also won the war to resist US aggression and aid Korea, thus reinforcing the People's Republic of China. Here the Chinese People's Volunteers return to China.
- 11. Peasants measure land during the land reform.
- 12. In 1956, under the CPC leadership, China accomplished the socialist transformation of agriculture, handicrafts and capitalist industry and commerce. The picture shows a silk fabric shop in Shanghai celebrating joint state-private ownership of individual enterprises.
- 13. From the founding of New China until 1956, the Communist Party led the Chinese people in rapid recovery of the national economy and practised planned economic reconstruction. Here is the Anshan Iron and Steel Company's iron-smelting mill.
- 14. The central work conference (enlarged), held in January 1962 with the participation of more than 7,000 people initially summed up the experiences and setbacks during the "great leap forward" campaign and the struggle against "Right opportunism." Criticism and self-criticism was carried out. As a series of positive political and economic measures were adopted before and after the conference, the national economy developed smoothly by 1966. (From right to left) Deng Xiaoping, Mao Zedong, Liu Shaoqi, Chen Yun, Zhou Enlai and Zhu De at the conference.
 - 15. In the long period of revolutionary strug-

gle and socialist construction, the traits of selflessness and the spirit of serving the people wholeheartedly of many excellent Party members have been praised by the masses. Examples of such Party members were oil worker Wang Jinxi, county Party secretary Jiao Yulu, PLA soldier Lei Feng (from upper left), farmer Fu Xianzhong, pharmaceutical woman worker Xiang Xiuli and scientist Jiang Zhuying (from lower left). They are all loved by the people.

16. The Third Plenary Session of the 11th Party Central Committee held in December 1978 was a great turning point and of farreaching significance in the history of the CPC after the founding of New China. It made the important decision to shift the focus of work to economic construction, enliven the domestic economy, and introduce the policy of opening to the outside world.

17.In 1983, Deng Xiaoping first put forward the concept of "one country, two systems" for the peaceful reunification of the country. In 1984 and 1987, the Chinese government successively negotiated with Britain and Portugal and reached agreement on China's sovereignty over Hong Kong and Macao.

18. In 1979, the Party Central Committee charted the course for economic reform and decided to practise special policies in economic activities with foreign countries in Guangdong and Fujian provinces. Here is the new look of the Shenzhen Special Economic Zone.

19. As the rural areas of Fengyang County, Anhui Province, took the initiative in carrying out a series of reforms, their production increased greatly. Here are farmers of Fengyang County reaping a bumper grain harvest.

20. In June 1989, the Fourth Plenary Session of the 13th Party Central Committee was held in Beijing. The meeting elected Jiang Zemin as general secretary of the Party Central Committee and a new core of leadership was formed. Here is Jiang Zemin on an inspection tour in the Tibet Autonomous Region in July 1990.

21. Premier Li Peng talks with iron and steel workers on an inspection tour in the Inner Mon-

golian Autonomous Region.

22. Only socialism can save China and without the Chinese Communist Party, there could not have been a New China—this is a historical conclusion made by the Chinese people after more than 100 years of struggle. The 70 glorious years of the Communist Party of China encourages the Chinese people to strive towards the significant target of socialist modernization.

(All photos are from the Xinhua News Agency)

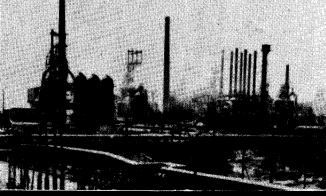












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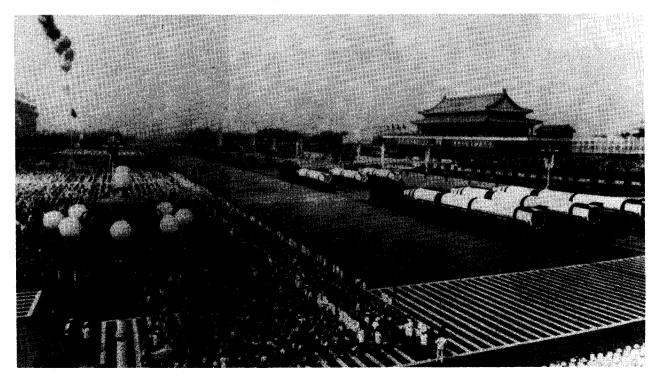












Li Peng on Domestic and World Issues

Chinese Premier Li Peng was interviewed on May 30 in Beijing by Mario Vazquez, president of the Mexican newspaper "Sun of Mexico." During the two-hour interview, Li answered questions concerning China's situation, international problems and Sino-Mexican relations. Chinese journalists attended the interview.—Ed.

New Leadership Is Stable

Mario: Some Western media give contradictory reports on China's political situation. What's your opinion?

Li: If you stay in China for a longer time, you will reach your own conclusion. China's political situation is stable. China's constitution prescribes that China practises socialism. The Communist Party of China (CPC) is the leading force and core of China's development. Political stability in China primarily means the stability of the CPC, and what is the most important is the stability of its leadership, especially the core of leadership.

During the period of revolution and construction in China, there have been three generations of leadership. The first generation was led by Chairman Mao Zedong, and the core of leadership of the second generation was Deng Xiaoping.

Shortly after June 1989, a new CPC leadership, with General Secretary Jiang Zemin at the core, was formed at the Fourth Plenary Session of the 13th Party Central Committee. Jiang has a wealth of experience in various areas, and is a very learned man. He participated in underground work in the Kuomintang-controlled regions prior to libera-



Premier Li Peng and newspaperman Mario Vazquez (left).

XINHUA

tion, and organized student movements. Judged by his work over the past two years, Jiang has proven himself undeniably equal to his important position. Since the new leadership emerged it has faced and solved many difficulties, and has won the trust of the people. I believe that the new leaders are capable of guiding the Chinese people to work successfully for the good of the country, and the new leadership will remain stable during a long period.

Many contradictory reports about China initiated by the Western media may occur because reports originated from many different sources, and thus contained many different opinions. Some people have prejudice against China, and there are probably a few who do not wish to see a stable situation in China.

Never Multi-Party System in China

Mario: Some East European countries which previously pursued socialism, are now practising a multi-party system. What political system does China practise, and will China change to a multiparty system?

Li: I do not wish to comment on the changes in East Europe. We respect the choice of East European people. But certainly, China will not follow the Western-style multi-party system. The current political system of China is multiparty co-operation under the leadership of the CPC. The CPC is the core of leadership which represents the broad spectrum of workers, peasants and intellectuals, or the broad masses. In addition. China has eight democratic parties which represent to varying degrees the interests of different social strata. There have been decades of co-operative relations between the CPC and democratic parties. These democratic parties are not opposition parties but parties which participate in government and political affairs. If China were to follow the Western-style multi-party system, it would have to be bogged down in extreme chaos, its economy would be on a severe downturn and the Chinese people would reexperience the miserable life. So this does not fit the aspiration of the Chinese people.

We do not wish to say whether some countries' parliamentary democracy is good or bad, nor do we wish to say our system is the best in the world. But undoubtedly, the multi-party co-operation system under the leadership of the CPC is most suitable considering the national conditions of China.

Political Reform and Economic Reform

Mario: Please talk about the political reform measures that China has taken.

Li: We hold that China should carry out political reform, while at the same time carrying out economic reform. Political and economic reforms should be conducted in a co-ordinated manner.

The view that China only practises economic reform, but not political reform, does not conform to reality. In regard to political reform, the People's Congress system should be further improved and become more active in the country's political life. In addition, the democratic consultation system should become more prominent in Chinese politics. Not only should the people and public opinion play a bigger role in supervising the government, but that democracy and the legal system should also be further strengthened.

China Successful in Curbing Inflation

Mario: What measures has the Chinese government taken to curb inflation and to reduce financial deficit?

Li: Inflation in China is caused by the overheated economy around the end of the 1980s. Since the Third Plenary Session of the 11th Central Committee of the CPC in 1978, China has carried out the policy of reform and opening up to the outside world. As a result, China's economy developed rapidly and the people's living standard rose markedly. Also the national strength was enhanced. But in the process, excesses in the rate of economic development and the scale of capital construction caused an imbalance between total demand and total supply. Inflation emerged. China has primarily tackled inflation with economic measures, including a tight monetary policy, raising interest rates and controlling loans. Besides, China has adopted some administrative measures such as cutting unnecessary economic construction projects.

Through two years of efforts, the inflation rate declined from 18.5 percent in 1988 to 2.1 percent in 1990, and the inflation rate maintained this level into the first half of this year. We have reached the expected goal of checking inflation in a short period, indicating that China's economy has great potential and that the Chinese government is capable of controlling economy.

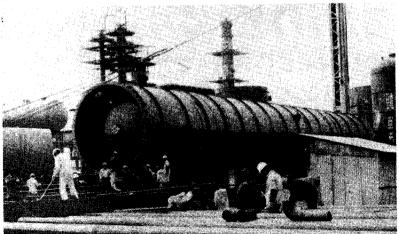
China has reduced government expenses, as well as the purchasing power of big social groups, and readjusted the prices of some commodities during the period of rectifying the economy. The state also has cut some price subsidies. These measures have some effect on reducing the state's financial deficit, but it is not so remarkable as controlling inflation. China's financial deficit, which accounts for about 3 percent to 4 percent of the state budget, is still embarrassing China's economy.

Efficiency, Variety, Quality

Mario: What is China's current economic situation?

Li: In the process of fighting in-

The Fujian Oil Refinery, a key project of the Eighth Five-Year Plan, under construction.



flation, because of the tight credit policy, the rate of industrial growth was lowered during a halfyear period from late 1989 to early 1990, with several months seeing no growth in industrial production. This was the price that was to be paid in checking inflation. Since last year, the government has adopted a fairly loose policy, including relaxing control on finance and pumping circulation funds into enterprises and other encouraging measures. During the fourth quarter of last year, the economy was gradually restored, and from January to March this year, industrial production returned to normal. The growth rate of industrial production during the January-May period was about 13 percent, which we believe is a bit too high.

Last year China's agricultural harvest set a record because of fine weather, an increase in agricultural investment and technological measures. China's annual grain output is usually about 400 million tons to 410 million tons. Last year it rose to 435 million tons. Many economic crops, such as sugar, cotton and tobacco have had good harvests, which not only guarantees the supply for urban and rural people, but also provides more raw materials for industrial production.

Along with the relatively high interest rates and the declining inflation rate, as well as people's reluctance to purchase more, a sluggish market and overstocking of products occurred. Some foreign journalists said the Chinese markets are rich and have diverse commodities with stable prices. The overstocking of products is a headache which on the one hand caused a decrease in economic efficiency, but on the other hand it promotes competition. Enterprises are aware that only by upgrading technology and improving the quality of products can they sell their products. In this way, technological progress is made. Therefore, I believe that the dull market and overstocking are both negative and positive.

The current growth rate of China's industrial production is appropriate, and the main task now is to make efforts to increase efficiency, variety and quality of products. That is why the Chinese government sets 1991 as the "year of quality, variety and efficiency," calling on all enterprises to concentrate on them, not a rapid increase in production.

Socialism with Chinese Characteristics

Mario: Would you please brief me on the key points and contents of the Ten-Year Programme and the Eighth Five-Year Plan?

Li: In this decade, China will preliminarily establish a new system of the planned socialist commodity economy and an economic operational mechanism that combines planning and regulation by market forces. China has already implemented seven fiveyear plans and began the Eighth Five-Year Plan this year. We have never mapped out a ten-year programme before. We made the current ten-year programme because we believe that the remaining ten years of this century is critical to China. Many things cannot be completed within five years. For example, some largescale projects will span over five years. Therefore, it is necessary to work out a long-term plan. The main contents of the ten-year programme and the five-year plan, I think, are as follows:

1. Stable development of the economy. We plan to maintain an average annual growth rate of the gross national product of about 6 percent in the next ten years. In this way, China can gradually reach the strategic goal of socialist modernization in three steps as advocated by Comrade Deng Xiaoping. The first step is to solve the problems of food and clothing. China feeds 22 percent of the world's population with only

7 percent of the world's arable land. We had achieved the goal by the end of the 1980s. The second step is to quadruple the GNP of 1980 by the end of this century. The goal of the third step is to catch up with the moderately developed countries in the world through 30 to 50 years of endeavours in the coming century.

2. Priority of development. Pressed by a rapidly growing population, China has to lay emphasis on agriculture in its economic development. In spite of a strict family planning policy, the annual growth of population is about 17 million. We must produce sufficient food to meet people's demand. In industry, we will primarily strengthen the infrastructure, such as transportation, energy, communication and raw material industry. In manufacturing, we will concentrate on upgrading the technology of old factories rather than establishing new factories.

3. Continuing reform and opening up to the outside world. In this decade, we should basically establish an economic operational mechanism that combines planning and market regulation. Some foreign economists doubt this, but we have practised it for ten years. Facts have proven that it is feasible in China. We are determined to continue with the method. This kind of economic operational mechanism can promote China's economic development. Thus, it is feasible.

The mainstream of the ten-year programme is to establish socialism with Chinese characteristics. That is to say, both reform, open door policy and socialism must be maintained.

Japan is the Largest Trade Partner

Mario: Please comment on Sino-Japanese trade.

Li: Judged by the current situation, Japan is the largest trade partner of China. The trade vol-

ume between the two countries rose from US\$1 billion in 1972 when the two countries normalized relations to the present US\$16.5 billion. Last year. China's export to Japan was about US\$9 billion, or 14 percent of China's total exports. In the past, Japan enjoyed a surplus in Sino-Japanese trade. Now bilateral trade is basically balanced. Japan has found it profitable to trade with China over the years. Of course, it provided China considerable loans. It is reported that Japan plans to make some money from its trade surplus to flow back to China.

China Capable of Paying Foreign Debt

Mario: Can China attract foreign investment?

Li: Since China adopted the policy of reform and opening to the outside world in 1978, China has utilized a certain amount of foreign investment. Up to 1990 it had absorbed about US\$50 billion in foreign funds, more than half of which is medium and long-term loans. We have full capability to pay back our foreign debts because our total volume of annual exports tops US\$50 billion.

In the past two years foreign loans have decreased because some Western countries imposed sanctions on China. This adversely affected China's economy to a certain extent and also harmed these countries' own interests as well. This is because China's capability to buy products from these countries was cut due to their reduction of loans to China. Their exports to China have also decreased. However, China's foreign exchange reserves have increased markedly since the country started to reform its foreign trade system and harness its inflation two vears ago. There has been a positive phenomenon since the latter half of last year. The role of the foreign exchange certificate in China, with which foreign friends are familiar, is diminishing. This is because we have made several adjustments of the renminbi's exchange rates, resulting in closeness between the exchange rates of the state banks and those of the market. This not only facilitates our contacts with foreign countries and participation in international economic cooperation and rectification of our economic order, but also is conducive to our foreign trade.

A New International Order

Mario: Many countries have put forward different proposals on the establishment of a new international order. What is China's stand on it?

Li: The present world situation has undergone great changes. The old pattern has been destroyed and a new one has yet to be established. The world is growing more turbulent. Hence it is highly necessary to advocate the establishment of a new international order.

China believes that the future new international political and economic order should be based on the Five Principles of Peaceful Coexistence. It would be dangerous for one or several countries to lead the world. We consider that all the countries, big or small, rich or poor and strong or weak, are equal members of the world family, should enjoy equal rights to peace and development of the world and should fulfill their own duties. We also consider that the United Nations should play a greater role in the future new international order.

China also supports countries in different regions to set up regional organizations or groups in varied forms to enhance their economic and political contacts as long as they seek co-operation and common development instead of military expansion and exclusive and protectionist economic policies. For instance, the Association of Southeast Asian Nations (ASEAN), the Organization of African Unity (OAU), the Gulf Co-operation Council (GCC) and similar organizations in Latin America play a positive role in regional peace, development and co-operation.

We have noticed that the United States, Canada and Mexico plan to form a free trade zone and that Mexican President Carlos Salinas de Gortari raised the proposal for an integrated Pacific Basin. We appreciate these ideas as long as they help promote the development of the world economy and the economic and trade exchange and co-operation among regions and countries and do not serve to exclude other countries and regions.

Now some countries are getting richer as others become poorer. People in some countries are struggling on the boundaries of death. This has led to political turmoil and even violence in a number of countries. Therefore, the establishment of a new international economic order which aims at narrowing the gap between the South and the North (developing and developed countries) should also be considered in addition to a new international political order. Deeveloped countries should do more and take on more responsibility for narrowing the gap, adopt a more tolerant attitude towards debt, practise exchange of equal values in trade and attach no political strings to economic aid.

We believe that the core of the new international order is that the affairs of a given country should be handled by the people and government of that country without interference from other countries.

Jiang Zemin's Visit to the Soviet Union

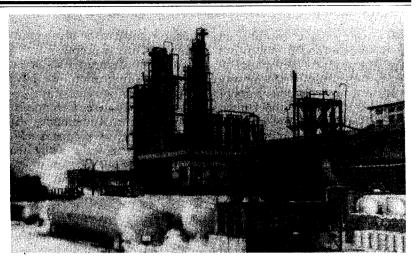
Mario: Not long ago General Secretary of the Central Committee

of the Chinese Communist Party met with Soviet President Mikhail Gorbachev. What's your comment on this visit?

Li: I consider this visit a tremendous success. On his visit to China in 1989. Soviet Communist Party General Secretary Gorbachev held a summit meeting with Chairman Deng Xiaoping, thus ending the past and opening up the future. "Ending the past" means the end of the past decades of strained Sino-Soviet relations and even confrontation while "opening up the future" means the normalization of Sino-Soviet relations and further development of good-neighbourly relations of friendship. General Secretary Jiang Zemin, on his recent visit to the Soviet Union, has made remarkable fruitful efforts for opening up the future. His visit is a complete success. The itinerary of his visit was richly varied including several talks between Jiang and Gorbachev. During the visit, the two sides signed an agreement on the eastern section of the Sino-Soviet border. which is of great importance for guaranteeing border security.

As for the prospects for Sino-Soviet relations, I think that China and the Soviet Union should become friendly neighbours. The two countries have a more than 7,000 km-long common border. For the security of both sides, it is necessary to develop good-neighbourly relations of friendship between the two countries. However, Sino-Soviet relations will not return to the alliance relationship of the 1950s. We will build our own countries according to our various concrete conditions.

The Soviet Union is now facing some difficulties. We hope that the Soviet political situation will become stable. This is because Soviet political stability and economic recovery will be beneficial to both China and the Soviet Union and to the Asian-Pacific region as well. A chaotic and turbulent So-



The Yongxin Shenyang Chemical Industry Corp. Ltd.

viet Union would not be any good for peace and stability in the Asian-Pacific region and the world as a whole.

Hong Kong's Prosperity and Stability

Mario: The governor of Hong Kong visited China in January this year. What results has his visit made?

Li: The answer to this question involves Sino-British relations. Not only has the governor of Hong Kong visited China this vear, but also Foreign Secretary of Britain Douglas Hurd. During the meeting with Hurd, we talked much about Sino-British relations and the atmosphere of our talks was harmonious. There is a dispute between China and Britain on construction of a new airport in Hong Kong. China recognizes Hong Kong's need to have a new airport, but we hope that the new airport will be built with less investment than proposed by the British side and will not bring any burdens to the government and residents of the future Hong Kong Special Administrative Region. In light of this, we are willing to continue consultations with the British side on the issue in search of an appropriate solution.

As you know, China and Britain signed an agreement on the

resumption of China's sovereignty over Hong Kong in 1997. After Hong Kong returns to the motherland, we will pursue the policy of "one country, two systems." At that time Hong Kong will continue to pursue the capitalist system. We hope that Hong Kong continues to maintain prosperity and stability.

Another problem which is related to Hong Kong is whether or the United States will extend China's most-favourednation (MFN) treatment. If the United States cancels China's MFN status, both China and the United States will suffer losses and Hong Kong will suffer losses no less than China's mainland. You may know that the price of labour in Hong Kong is very high because of the increasingly developing economy and improving living standards. Therefore, Hong Kong businessmen come to the mainland to engage in products processing, and part of the processed products are exported to the United States. Such commodities account for 70 percent of Sino-US trade surplus asserted by the United States.

On the other hand, since China adopted the policy of reform and opening to the outside world, quite a number of Sino-foreign joint ventures have been set up on the mainland, and many foreign

businessmen have established solely foreign-funded enterprises here. The products they manufacture are also transported by way of Hong Kong to various parts of the world, including the United States. If China's MFN status is cancelled, these joint ventures and solely foreign-funded enterprises will suffer big losses, and the damage to Hong Kong's entreport trade will be big as well.

We have noted that US President George Bush has declared he is ready to suggest that China's MFN status be extended without conditions attached. We hope US Congressmen will, like President Bush, adopt a wise attitude towards the issue.

"One Country, Two Systems" for Taiwan

Mario: How does the reunification of China progress? Whether or when will Taiwan return to the mainland?

Li: To realize peaceful reunification of the motherland is the common desire of the entire Chinese people, including the people in Taiwan. This is because since ancient times Taiwan has been an inalienable part of China's territory. To achieve the reunification of the motherland will surely take a long time. However, we should not stagnate. Therefore, both sides of the straits should take a positive attitude so as to push forward the process of the reunification of the motherland.

Recently the Taiwan authorities have made some moves which are objectively beneficial to developing the relations between the two sides of the straits and to the reunification. We express our welcome for this. However, some people among the Taiwan authorities still attempt to seek an independent political entity equal to the central government, insisting on a policy of "one China, two governments." This is in fact an attempt to set up "two Chinas" or "one China, one Taiwan," which

is unacceptable to the broad masses of the Chinese people.

To show our sincerity about the peaceful reunification, we have proposed holding negotiations between the Chinese Communist Party and the Kuomintang. At the same time, we proposed solving the Taiwan issue along the same lines as the solution to the Hong Kong and Macao issues, that means following the guideline of "one country, two systems." Taiwan, after its return to the motherland, may continue to practise its capitalist system, and may even keep its armed forces.

Korea's Application for UN Membership

Mario: Would you please briefly comment on the application of the Democratic People's Republic of Korea and South Korea for membership in the United Nations?

Li: Korea is China's neighbouring country. China is very much concerned about the situation on the Korean Peninsula and want to see stability there. Not long ago I paid a visit to the Democratic People's Republic of Korea (DPRK). President Kim Il Sung of the DPRK has proposed the idea of "one nation, one country, two systems and two governments," and realizing the reunification of the country on the basis of a federal system. We consider that this idea conforms to the actual situation on the peninsula, and is beneficial to stability there.

The government of the DPRK has decided to apply for membership in the United Nations as an interim measure before the unification, and the move is welcomed by international community, including China.

Sino-Mexican Relations

Mario: What are the prospects of Sino-Mexican relations? What fields of trade between the two

sides will develop further?

Li: The Chinese government is ready to develop economic and trade relations with Latin American countries including Mexico on the basis of equality and mutual benefit.

During Chinese President Yang Shangkun's visit to Mexico last vear, the Sino-Mexican mixed committee on economic and trade co-operation held its seventh session, promoting the development of economic and trade relations between the two countries. Mexico is the fourth largest trade partner of China in Latin America. Bilateral trade last year exceeded US\$200 million for the first time. I'm pleased to see that the trade between our two countries has developed steadily in recent years. Some commodities in large amounts, such as rolled steel, chemical fertilizer and paraffin, are gradually traded directly, and the goods exchanged between the two countries are diversified.

China and Mexico are both developing countries with large populations and have great economic potential and their import and export goods are highly mutually complementary. I believe that if the two sides enhance exchanges and understanding, their economic and trade relations will rapidly and soundly develop.

President Yang has invited Mexican President Carlos Salinas de Gortari to visit China. We are looking forward to his trip to China. We believe that his visit will further strengthen Sino-Mexican ties of friendship and co-operation in various fields.

Mexico is a country with a long history and brilliant culture. The Chinese people have always cherished friendly feelings towards the Mexican people. I avail myself of this opportunity, on behalf of the Chinese government and people, and through you and the press media, to express cordial greetings and best wishes to the Mexican people.

Chat Between Jiang Zemin and a Monk

HENAN RIBAO (Henan Daily)

arty General Secretary Jiang Zemin visited the Baima Monastery in Luoyang City on the afternoon of February 8.

At the invitation of the head monk of the monastery. Yinshan, the general secretary walked into the meditation hall to have a rest. A young monk named Yinzhong gave him a cup of tea. When Yinzhong was about to leave, Jiang cordially called the youthful bonze back to have a talk with him. Learning that the name of the 24-year-old monk was Tao Cuizhong, Jiang asked why he had taken the tonsure. Monk Yinzhong hesitated to answer. Then Jiang encouraged him, saying, "It is all right. Let's talk freely. Do you have any frustrations and disappointments in your life? Please speak out. I just want to know what is on your mind."

Under Jiang's kind and respectable gaze, Yinzhong thought for a while, then answered that he was disillusioned about the prospects for the country because he abhorred the malpractices and corruption. For this reason, he had left home for the monastery, in an attempt to obtain spiritual release.

Jiang became very serious on hearing this and reflected for a while. Finally he said with deep feeling, "There is an old poem that goes, if you want to know the ups and downs under the heaven, please look at Luoyang City. Luoyang was formerly the capital for nine dynasties and a model for China's feudal eras. If we examine each dynasty in China's history, we see there existed corruption and struggles against it which were linked to the rise and fall, and life and death of a dvnasty. As early as the founding of New China in 1949, Chairman Mao Zedong asked us to watch out for the attacks with sugarcoated bullets. Historical experience tells us that if the anti-corruption compaign fails. China's society cannot achieve integrity. In our struggle against corruption, we must be specially on guard against the sorts of people who are good in words but bad in deeds." Jiang earnestly advised Yinzhong, "You have left home, but the problems in your hometown may not be solved. Therefore, we must fight firmly against corruption and malpractice."

(February 25, 1991)

'Taiwan Independence' Is a Dangerous Road

RENMIN RIBAO (People's Daily)

t the end of March this year, a so-called joint meeting was held in Manila by some Taiwan independence advocates from the United States, Japan and Taiwan Province. At the gathering they called for every independence group, both inside and outside Taiwan, to strengthen connections and communication. and to adopt measures to strive for united organization. They plotted to move the "Taiwan independence union" from Los Angeles to Taiwan and organize the return of overseas Taiwan independence advocates. They aim to give enormous publicity to Taiwan independence during the island elections to be held towards the end of the year. On April 13, some people in Taiwan set up an alleged "committee for defending Taiwan" and openly adopted a "draft programme for the defense of Taiwan," claiming to want to "safeguard and maintain Taiwan sovereignty and independence," and to rebuild a constitution. Since May, they have intensified activities to prepare for another conference to link independence advocate groups.

These frequent activities cannot but arouse the people's attention and vigilance.

Taiwan independence advocates threaten that the separation of the mainland and Taiwan has gradually formed different national consciousness that makes Taiwan a community by virtue of fate. This neither conforms to the facts of history, nor heeds the reality of Taiwan.

There is only one China. The international community universally acknowledges that Taiwan is a part of China. The government of the People's Republic of China is the sole legal government of China. It is recognized by the United Nations and most nations of the world. This is an objective reality that cannot be doubted or

changed.

From ancient times Taiwan has been a part of Chinese territory. Most of the ancestors of the resident Taiwanese immigrated from the mainland in successive waves. Although Taiwan repeatedly suffered from invasion by foreign powers in modern Chinese history, the struggle to fight against the incursion and to safeguard territory has never stopped. Taiwan and the mainland are as close as lips and teeth, and their destiny is linked together. People of both sides have always jointly safeguarded the country's sacred territory and striven for the development of the national economy and culture. The results of the many public opinion polls among the islanders have shown that the overwhelming majority of inhabitants oppose the concept of Taiwan independence. We cannot bear to look back on the sadness and suffering brought upon our flesh and blood brothers by the 42 years of separation. It has violated the interests and wishes of the whole nation. We must stop it. It is a common view of the people on either side of the Taiwan Straits that unification will bring benefits and separation will do harm to both sides. We all

belong to the Chinese nation and share the same culture, whether we are in Taiwan or on the mainland. So, it is natural for us to call for reunification. Taiwan and the mainland are closely related in economic development. Unification can enable us to learn from each other's strong points and to offset each other's weaknesses so as to obtain a common prosperity. Over 1.1 billion Chinese people including Taiwan compatriots and the Government of the People's Republic of China cannot tolerate the plots of a small band of people to separate this jewel of an island from the nation.

Taiwan independence activities aim to split the country and the nation. This is a very dangerous road. Those who advocate Taiwan independence must stop their activities. Otherwise, their guilt is bound to be condemned by history.

(June 3)

New Vice-Premier Zhu Rongji

BAN YUE TAN (Fortnightly Forum)

n April 8, 1991, Zhu Rongji, then the mayor of Shanghai Party secretary, caught the spotlight when he and Zou Jiahua were appointed vice-premiers.

As soon as he was elected to be mayor in April 1988, he vowed that he and his colleagues would construct an authoritative, efficient and clean municipal government.

Following the principle of strict administration, Zhu demanded the municipal supervisory bureau look over 1,000-odd high officials to ensure their honesty on the job. He declared that only when officials keep clean of corruption, can a clean work-style be set up in the city. It is obvious to all that malpractices, such as bribery and giving dinners and gifts at public expenses, have decreased.

Zhu hates perfunctory, bureaucratic way of work, which ignores reality. One day, he went to inspect a factory. Learning that economic efficiency had seriously slided, while the head of a bureau who was responsible for the factory's work had not come to the factory for months, he became quite angry. He criticized the head as lacking responsibility towards the plant which was heading into bankruptcy and ordered him to return to the factory to solve its problems.

In recent years, much noticeable work has been done in Shanghai to implement the policies of reform and opening to the outside world. The development of the Pudong area a year ago raised the curtain on the city becoming an important economic centre in the western Pacific in the next century: the first stock exchange in Shanghai marked a new breakthrough in financial reform; the ongoing housing reforms, discussed, decided upon and supervised by people from all walks of life, provided new ideas for reforms. ... All these innovations show the painstaking efforts of the early leaders, and especially Zhu and his colleagues.

When asked by a foreign reporter what was his biggest failure, Zhu confidently replied that he did not have any. This is because he has paid attention to mass involvement and collective leadership. All important decisions have been discussed by the members of municipal committee and government who then incorporate the useful opinions of ordinary citizens.

Maybe the early deaths of his parents cultivated Zhu's disposition of independence and enterprise. Entering Qinghua University in 1947 from Changsha, the capital of Hunan Province as major in electrical machinery manufacturing, he involved himself in the student movements and joined the Party at the age of 21. In 1952, he transferred from the

Northeast Industrial Department to the State Planning Commission, but he was forced to leave by the anti-Rightist movement and did not return until 1979. He became head of a department, deputy head of a bureau, member, vice-minister and deputy Party secretary of the State Economic Commission. The zig-zag experiences in his life have not changed his honest and frank temperament. Rather than being the "serious person" that some have said, he has a wide range of interests. He is fond of great writers such as Lu Xun, Ba Jin and Mao Dun. He also likes to watch and sing Peking opera and can even play the erhu (a two-stringed bowed instrument).

(Issue 8, 1991)

Weihai Works on Population Quality

ZHONGGUO RENKOU BAO (China Population Daily)

he Weihai city government in Shandong Province has declared that youths without senior high school level qualifications cannot be hired.

The city started its family planning programme in the 1950s. Now the birth rate has dropped to 1.24 percent and per-capita national income has reached 2,474 yuan, both the top in the province. Weihai does not have an unemployment problem.

While controlling population growth, the city government has shifted its focus of work to improving the quality of population and people's cultural level in an attempt to promote economic development.

In the rural areas the best buildings are kindergartens and schools. A nine-year compulsory education is universal in the countryside and senior middle school education in the cities where young workers have senior high school levels or above.

(March 18, 1991)



China Hewlett-Packard Co. Ltd., the first Sino-US joint venture in the field of electronics, has assembled ten types of logical analyzers according to the world's advanced standards. About 90 percent of them are for export.

Electronics Industry Strengthens Ties

The head of China National Electronics Industrial Corp. (CNEIC), set up in early June, has said that his company will absorb foreign advanced technology and managerial expertise, and expand economic and technological co-operation with foreign countries and regions to promote the development of China's electronics industry.

Zhang Xuedong, CNEIC general manager, made the statement when he introduced CNEIC's aims, functions and development orientation to over 200 people from foreign embassies and business agencies stationed in China. "Our company will concentrate on hi-tech research and development," he said, "It will work on a new generation of electronics products centred on microelectronic technology and focused on technologies for computers, software and communications."

Meanwhile, Zhang said, CNEIC will develop electronic chips, special equipment, instruments and meters, and accelerate the renovation of consumer electronics products.

"CNEIC will adopt joint ventures, technological transfer, equipment leasing, joint designing, co-operative production and processing of imported materials to strengthen international economic and technological co-operation," Zhang said.

The company has set up a spe-

cial international co-operation department to supervise trade and economic and technological co-operation for its electronics products. Organizations under CNEIC include the China electronics Import & Export Co., the International Co-operative Co. and the China Information Trust and Investment Co. At present, CNEIC is in charge of nearly 100 major electronics enterprises across the country.

Yantai's Rules for Taiwan Investments

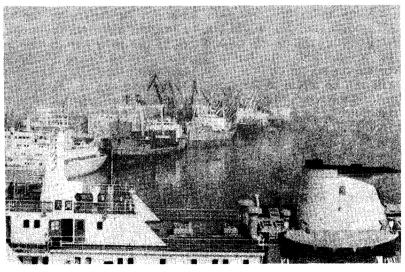
In order to speed up Taiwan investment, the Yantai Economic and Technological Development Zone recently announced the Provisions Concerning the Encouragement of Investment of Taiwan Compatriots.

The regulations have 12 articles. Taiwan investors coming to invest in the Yantai development zone will enjoy preferential treatment in gaining approval for projects, the remittance of profits, taxes, use of land, employment, agents' fees and the job placement for Taiwan investors' relatives on the mainland.

Examination and approval procedures will take only 30 days once all application documents for projects are received. The pro-

Yantai Port.

XUAN YANZH



cedures apply to projects with investment under US\$30 million which take place within the development zone and are in accordance with the state industrial policy. The development zone will handle procedures for Taiwan investors applying for multiple entry visas or to settle in the zone or Yantai City.

Taiwan businessmen are permitted to remit abroad part of the profits and legal income they obtain from their investment in the zone as well as post-liquidation capital. If they reinvest their share of the profits obtained in the zone or donate them to public undertakings, all the income tax already paid on the reinvested portion will be returned.

A Taiwanese who invests in the zone before the end of 1992 or who is engaged in developing land, will enjoy preferential treatment of a 10-20 percent reduction in site charges, depending on the amount of investment and the nature of the project involved. Building materials imported by an investor for land development will be exempt from import duties under the supervision by the customs and the consolidated industrial and commercial tax.

A new hi-tech enterprise scheduled to operate for over a decade. in addition to benefiting from various existing state and zone preferential policies, will also enjoy the following favoured treatment. All product tax, value-added tax, infrastructure tax, income tax and the consolidated industrial and commercial tax turned over to the state will be repaid to the enterprise by the zone's administrative committee in the first three years. Another 50 percent of income tax will be refunded to the venture in the fourth and fifth year. If the above-mentioned two conditions will not be realized during this preferential period, the zone will return to the enterprise all levies already handed to the state from financial reserves. Raw materials, components, auxiliary parts and software imported for the production of export products will be bonded under the supervision of the customs in accordance with approved documents and licences. The land-use fees will be exempt too.

Standards on wages and bonuses for employees working in a Taiwan-funded enterprise will be decided by the venture itself.

China's International Trade Arbitration

Statistics indicate that 238 cases were accepted and dealt with by the China International Trade Arbitration Commission in 1990, representing a 39 percent increase over 1989. During the first quarter of this year, the commission accepted and handled 72 new cases and wound up 36 files, an increase compared with the same period last year.

Among the cases received and completed in 1990, 30 cases were arbitrated through invited justices from Hong Kong and overseas. The commission plans to invite more foreign experts to act as arbitrators in the future so as to expand international co-operation in the field.

At present, China's justice arbitration system enjoys a high reputation both at home and abroad. The cases adjudicated by the commission were mostly brought by litigants on their own account. Few cases which were not accepted by one party were carried out after the application of the other party to the court. The Hong Kong Supreme Court enforced for the first time adjudication arbitrated by the commission in June 1989. Up to the first quarter of this year, the Hong Kong Supreme Court disposed of a total of 30 cases under these terms. The Supreme Court of New Zealand began to recognize and carry out China's judicial settlement for the first time last year. The courts of the United States, Japan, Italy and Thailand are also accepting and dealing with matters relating to the recognition and enforcement of China's arbitration laws.

Tangshan Harbour to Operate Soon

Work on Tangshan Harbour has been under way for two years. The 15,000-ton-class No.8 bulk berth will begin to handle salt by late August. It, with another similar berth, the No.7 berth, will go into formal service by the end of this year.

Located in the centre of the Bohai Bay, the Tangshan Harbour is 64 nautical miles to Qinhuangdao in the north and 70 nautical miles to the Xingang Harbour of Tianjin in the south. Its wide and smooth land area has aided in the building of a six-km coastal line to the harbour. In addition, Chinese and foreign experts cite the existence of deep water, steep slopes and sluggish tide flow as factors that make the site a good one for a port.

Construction of the project began in August 1989. At present, basic work on infrastructure facilities such as highways, water and electricity supply systems and residential quarters has been completed. The 77.3-km railway line from Tuozitou to Tangshan Harbour is also ready. A project for a 480-channel digital communications is under construction. With a total investment of 120 million yuan, the first stage of the project entails building a 94-metre-wide pool containing eight berths with a total annual handling capacity of 6.5 million tons. Completion is scheduled before the end of 1995. Construction of the 35,000-tonclass No.1 berth to handle exports of mainly cement should be finished by the end of 1993.

Plans for the Tangshan Harbour aim to make it a first-class port for external trade by the end of 1992. Under preparation at present are the six units of customs, harbour supervision, commercial inspection, health quarantine, animal and plant examination, and border inspection.

Upon completion, the Tangshan Harbour will become a new window to the outside world in north China. With the Qinhuangdao Harbour and the Xingang Harbour of Tianjin, it will form a multiple-purpose dock group for handling energy exports from Qinhuangdao, imports and exports of raw materials from Tangshan, and two-way container load trade from the Xingang Harbour in Tianjin.

by Li Ning

For Lease: 84 Lots of Land in Fujian

According to a provincial official in charge of land administration, Fujian Province will offer foreign businessmen 84 pieces of real estate at the Fujian Provincial Foreign Investment Trade Symposium to be held in Xiamen in September.

The land covers 4.1244 million square metres and is the largest for lease in Fujian Province. Of the lots, six are to be auctioned, two transferred through public

bidding and 76 granted by the signing of agreements. At the symposium, the province will also announce ten projects for the development of land covering an area of 115 square km.

At present, the province's ten projects for the opening up of real estate have been approved in such cities and counties as Fuqing, Quanzhou, Longhai and Fuzhou. The total area to be developed covers more than ten square km and US\$270 million in foreign capital will be used.

New Jinzhou Projects To Use Foreign Funds

Hu Zhanshan, mayor of Jinzhou City, Liaoning Province, recently announced ten major projects to use foreign funds.

The projects include petrochemical processing, medicine, harbour construction, expansion of cement plants, books and periodical printing, paper-making, textile and building materials.

With the approval of the state, Hu said, his city will enjoy preferential treatment similar to that of the Pearl River Delta in introducing foreign investment, technology and equipment and establishing foreign-funded enterprises (joint ventures, co-operative and solely foreign-owned enterprises.)

As of now, the city has set up 27 foreign-invested businesses, worth some US\$200 million in foreign capital and introduced technology for 250 technological projects. At the same time, the city has established economic and trade relations with over 40 countries and regions including Japan, the United States, the Soviet Union, Switzerland, Indonesia, Thailand, Singapore, the Philippines and Hong Kong, Macao and Taiwan.

According to Hu, several years of construction have greatly improved the investment climate. The Jinzhou Harbour is northeast China's third open port which can accommodate foreign ships. Construction of the first-stage project of the harbour was completed at the end of last year. At present, one 10.000-ton-class oil tanker berth and two 10,000-ton-class bulk goods' berths have been put into operation. A 12-km railway line linking the harbour, to be completed within the year, can ship commodities for import and export nationwide and then on to Europe through the Eurasian Continental "Bridge." The harbour's petroleum pipeline will be connected this June and will allow the direct export of crude and finished oil from China's Daging and Liaohe oilfields.

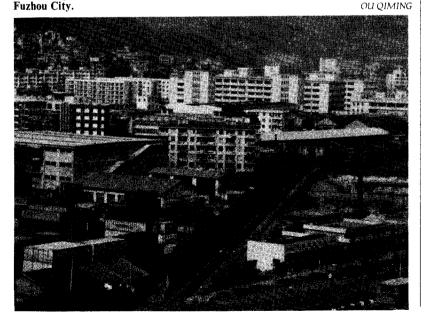
Expansion of the Jinzhou Airport is expected to be completed in the first six months of this year. At that time, the airport will be able to handle medium-sized aircraft.

Improved telecommunications facilities and 15,000 programme-controlled telephones will make it possible for Jinzhou to be linked with 182 countries and regions throughout the world.

In addition, the construction of a 1.27-square-km processing district for harbour storage is in full swing.

by Li Ming

The 4.4-square-km Mawei Economic and Technological Development Zone in Fuzhon City



Song Dynasty Street Catches Former Glory

new, unique tourist spot in Kaifeng, Henan Province, the Song Dynasty Imperial Street, was completed and opened to the public on April 20 this year.

On entering the street, people can catch a glimpse of the affluence of the capital during the Northern Song Dynasty (960-1127). Replicas of Song buildings flank both sides of the avenue. The 55 shops have far too many inscriptions, signs and lanterns in front of their doors for the eye to take in. Store-owners wear Song Dynasty dresses to sell their goods to tourists while "Song Dynasty Langzhong" (doctors) feel the pulses of patients and diagnose treatment. A young couple attired in period costume can be seen holding a Song period wedding ceremony.

The Fan Mansion Hotel at the northern end of the street is constructed in Song courtvard-style with five three-storied buildings on the four sides and at the centre. In the Song days, the establishment was the best of the 72 restaurants where high-ranking officials, nobles, scholars and poets often gathered to drink and compose poems. A current popular love story is that of Emperor Hui Zong of the Song Dynasty and the famous prostitute Li Shishi of Fan Mansion. The hotel is now one of the largest cultural and recreational centres in Kaifeng. It provides food, accommodation, tours, shopping and recreation facilities. Tourists can drink tea there, taste Song delicacies, wear Song apparel, stay in period houses, and even don imperial dragon robes while watching "palace girls" sing and dance accompanied by Song music. They can experience what it is like to be treated like an emperor!

Many Chinese and foreign tourists had already visited the Song Dynasty Imperial Street during



Fan Mansion Inn on the Song Dynasty Street.



Store-owners in Song Dynasty attire offer you age old services.

XU XIANGIUN

its construction. Guide Lou Jien said that in recent years he took more than ten Chinese and foreign tourist groups there. The sightseers all said, "The beauty of this street defied description."

With a history of over 2,700 years, Kaifeng is known as one of the seven large ancient capitals of China along with Xian, Luoyang, Beijing, Nanjing, Hangzhou and Anyang. Seven dynasties established their capitals in Kaifeng, of which the Northern Song Dynasty, with a span of 168 years and nine emperors, was the longest. In those days Kaifeng was known as Dongjing and Bianjing.

by Feng Jing

'Visit China in 1992' To Be Kicked Off

he China National Tourism Administration and the Civil Aviation Administration of China (CAAC) are preparing to launch a massive tourist campaign—Visit China in 1992.

The special one-year tourist promotion will offer 249 highgrade unique tourist routes, exceptional food and accommodation and easy access to scenic spots such as the Great Wall, ancient Silk Road and pleasure boat cruises along the Yellow River and the Three Gorges of the Yangtze River, along with tours of mountains and winter scenery. Special study tours will be held for vacationing students. There will also be special tours on. traditional health care, cooking, honeymoon for newly-weds, customs of China's southwest national minorities and to the water villages south of the Yangtze. Pilgrimages to the four famous Buddhist mountains, and trips for overseas Chinese seeking to pay respects to their ancestors in their ancestral villages and help some search for their roots will also be arranged. During the period, Chinese organizers will schedule some major activities as follows:

Starting from January, the first group of tourists to arrive in each part of China will be accorded lavish receptions. One hundred lucky tourist groups will receive preferential treatment for air tickets, accommodation, shopping, entertainment and other details.

Between February and March, the Ministry of Culture will hold a China Arts Festival in Kunming, Yunnan Province, and the State Cultural Relics Administration will put on a major relics exhibition in the Palace Museum in Beijing.

From May to October, various unique festivals of mouthwatering food will be conducted in Beijing, Guangzhou, Shanghai, Nanjing, Hangzhou, Chengdu, Jinan, Xiamen and other cities.

In June, Beijing will open the 2nd China Travel Trade Fair and invite tourist enterprises from abroad to investigate new tourist products and travel routes.

In September, the 1992 China Tourist Shopping Spree Festivals

Chinese Drama in a Foreigner's Eyes

Chinese Drama: A Historical Survey Authored by Professor Colin Mackerras Published by New World Press First Edition 1990, page 274 Reviewed by Shi Jicai

Tot only does (Chinese) drama rank high among China's art, but China stands high in its dramatic tradition among the world's civilizations," says Professor Colin Mackerras in his recent book Chinese Drama: A Historical Survey.

Colin Mackerras is a professor of the Division of Asian and International Studies and co-director of the Key Center for Asian Languages and Studies, both at Griffith University in Brisbane, Australia. He has visited China many times since 1964 and has a widerange of experience in the review of Chinese drama, as well as wide contacts in the world of Chinese theatre. As the author of The Rise of the Peking Opera (Clarendon Press, Oxford, 1972), The Performing Arts in Contemporary China (Routledge and Kegan Paul. London, 1981) and editor and contributor to the book Chinese Theatre from Its Origin to the Present Day (University of Hawaii Press, Honolulu 1983, 1988), he is a well-known expert on Chinese drama.

In a letter stating the outline of the book, Professor Mackerras writes, "The book will attempt a general historical survey of the Chinese drama, the historical background which produced the various forms and items of drama, and also present some material on the performance and musical aspects of the different genres and types of drama. In addition, there will be some attempt to set the drama against the society of which it was a part. The aim is thus to be fairly comprehensive in coverage.... The style of writing will target the general reader and avoid the denseness of a purely academic work, but will nevertheless aim to be both accurate and thought-provoking."

Professor Mackerras succeeded in achieving his aim set forth in the outline and in condensing the long and splendid history of Chinese drama into a 274-page book.

The book is divided into two parts, the first cover-

ing the period from the beginning of the tenth century to 1949, the year the People's Republic of China was founded, and the second the period from 1949 to 1988, the year the book was completed. In both parts, Professor Mackerras considers the drama as a branch of the performing arts, as a literary and musical form, and as an important part of Chinese society.

In the first part, the author discusses the drama of north and south China separately, thus adopting a regional approach, rather than one which treats each dynasty separately. There is also a special chapter on the minority nationalities. The second part, on New China, emphasizes the creativity of the Chinese dramatists, especially in the period of reform since 1978, but also points out the disastrous impact of the "cultural revolution" (1966-76), a time of extreme politicalization, on the theatre.

The appendix of the "Translated Terms" in English, Chinese pinyin and Chinese characters provides technical terms for designation of drama forms, items of costuming, musical instruments and many other aspects of the art which have no really accurate English equivalent.

The "Select Bibliography" shows that the sources for the book are mainly Chinese, including both primary sources written by people who saw first hand what they wrote about and secondary sources written by Chinese scholars.

The 25 well-chosen coloured pictures are a representative historical survey of Chinese drama. They include pictures of 2000-year-old stone carvings, wall paintings depicting the earliest performances and pictures of theatrical performances in the 19th century to the present day. Four pictures of stages and stage sets, and portraits of the three famous dramatists Guan Hanqing, Tang Xianzu and Tian Han are also included.

The author says in "Conclusion" that the Chinese drama of all periods must be evaluated according to what the creators themselves hoped to achieve and any criteria for assessing Chinese drama, like drama of any civilization, should be based on the culture itself. So it is "pointless (for Westerners) to criticize Chinese dramatists for failing to produce tragedies in the Western classical mould when such an aim never occurred to them."

will take place in Beijing, Shanghai and Guangzhou.

In October, Guangzhou will put on the 1992 China Travel Art Festival presenting many colourful performances.

A photo competition for travellers, "China As I See It," will also be held in 1992.

To conclude the 1992 tourist

Tourism Administration will offer bonus tours to 1.000 tourist agencies that have done outstanding work in China's travel promo-

Today, China's travel agencies have the capabilities to provide a wide range of services. According to official statistics, by the end of 1990, 1,987 tourist hotels had a campaign, the China National | 293,827-room capacity, with 496 holding star rating approval. China now has 72 large and 700 medium-sized travel services; CAAC, with its 127 passenger planes has opened up 45 international air routes in addition to eight flights to Hong Kong and Macao and 372 domestic destinations. These agencies are all ready. to provide every convenience to tourists visiting China.

by Li Ning

A Great but Ordinary Man on Show

hile many films strive to display Mao's rare gifts and bold strategy in war, the newly released Mao Zedong and His Son tells the little-known story of Mao's family life, portraying him as an ordinary man.

In 1950, the United States sent troops to Korea and the flames of war were threatening Chinese territory. China decided to dispatch a volunteer army to help the Korean people fight against their enemy. Peng Dehuai was appointed commander of China's volunteer troops. In the movie, Mao Anying, Mao's eldest son, is asked by his father to learn military affairs from Peng. Mao also gives a few of his old shirts to his son to take with him.

Anying, who was a student in the Soviet Union and then worked as a peasant and later as a worker after he returned to China, goes to Korea to work in the army headquarters. The young man is eager to go to the war front. However, before he realizes his wish, he sacrifices himself saving his comrade from an air raid.

The bad news travels to

Zhongnanhai, the residence of Chinese leaders, but Mao's secretary finds it hard to pass it on to Mao, so he goes to Premier Zhou Enlai instead. Mao is in a fever and Zhou decides to conceal the tidings temporarily. Zhou asks the secretary to keep the secret from Anying's bride Liu Siqi.

The daughter of a revolutionary martyr, Liu was adopted by Mao when she was young. She goes to see Mao every week as her husband asked her. Whenever she betrays her longing for Anying, her father-in-law consoles her.

Happily celebrating a birthday with his family members, Mao is pleased with the victories of China's volunteer army on the Korean battlefield. Premier Zhou, cautious as always, allows the secretary to tell Mao the bad news. The secretary screws up all his courage to say "Anying has died." Mao is stunned by the news, but a few minutes later, he recovers and asks for the details about Anying's death. Hands trembling, Mao is unable to take out a cigarette, so the secretary lights one for him. He inhales the smoke heavily, tears welling up

in his eyes. He says slowly, "Anying was born in 1922. He's only 28. Shortly after his birth, he moved about with us. Later he was put into jail with his mother Yang Kaihui whom he lost at the age of eight. He then took up roaming the streets of Shanghai with his two younger brothers.... This was only because he was the son of Mao Zedong." Mao reveals his guilt that he has not acted as a good father.

After this, Mao does nothing but smoke. He becomes extremely sad and listless. He recalls the naughty child who was strict with himself as he grew up.

Mao concentrates on work to forget his sorrow. But the once-aweek visit of his daughter-in-law is emotional torture for him. Mao keeps the secret from her because he cannot bear to see the young woman suffer from great emotional pain. Whenever Liu complains that she has not heard from Anying for quite a long time, Mao pretends to be happy and says, "I have also had a similar experience. I remember that when I roamed about for the cause of the revolution in Changsha, I had to part with your mother-in-law Kaihui, Separating was really unbearable. I did not know that in 1927 we





were parting forever. She died rather than break off relations with me as the enemy desired." Liu was moved by Mao's words and said with understanding, "It is no matter to part for several years for our young people. Tens of thousands of volunteer soldiers left their wives and children; some of them even gave their lives."

Early in 1951, Peng returns from Korea. The commander says to Mao with regret, "Chairman, I failed to take care of Anying. This is unforgivable and I ask for punishment." Mao stops him, saying, "You don't need to tell me this. It is a general rule that the victor should not be condemned. War always exerts a price. Anying was an ordinary soldier. His death should not be considered important just because he was my son. This is not justified. Old Peng, you should not excessively reprove yourself."

When Mao, on an inspection tour, comes across a white-haired old woman who has put his picture on the front wall of her room while placing her son, who gave his life in the Korean War, on the side wall, he wants to exchange the two pictures. Seeing the old woman living in poverty, Mao says, "Our people starved to send, their sons to fight in the war and die. They were all living souls born by parents. I feel sorry for them!"

When the Korean War is drawing to an end with the triumph of the Korean and Chinese people in the movie, Anying's death has been concealed for two and a quarter years. Mao says to Zhou, "I no longer want to play this embarrassing role." One day when Liu comes to see Mao, he asks her, "Siqi, can you cry?" When Mao tells her the true story in a roundabout way, she can't help sobbing, yet, there are no tears in Mao's eyes. It seems that his

blood and hands have frozen.

After seeing Liu off, Mao sits alone. He smokes one cigarette after another. He dimly sees the shadows of his son Mao Anying, his wife Yang Kaihui, brothers Mao Zemin and Mao Zetan, cousin Mao Zejiang, and nephew Mao Chuxiong, who all gave their lives to the revolution, coming towards him.

Zhang Jinbiao, director of the film at the Hunan Xiaoxiang Film Studio, commented that "most Chinese people have never seen Mao close up. They have taken him as a god. In fact, Mao was both a great man and an ordinary man at the same time. He had his happiness, anger and sorrows. The film focuses on the simple side of Mao and not his famous self." As a Chinese saying goes, "The most mournful happening is that somebody loses his son when he is old, his wife in middle age or a father when young." From this angle, the film reveals the feelings—between father and son, husband and wife, and between comrades-inarms. The audience can see that when Mao descended from the lofty rostrum of Tiananmen, he lived a life like anyone else. This helps them further understand their leader.

Wang Ren, who plays the role of Mao Zedong in the film, has been a performer for four decades. Beginning in the early 1980s, he has played Mao in many operas, TV dramas and films. Talking about the creation of the role, Wang said, "The core of the film is the display of emotions. If I had only tried to reproduce the appearance and spirit of Mao, I would have failed. Therefore, I paid more attention to the inner character of the leader to portray his character and nature, and to narrow the distance between me and the image I created."

by Hong Lanxing

A New Qigong Film

man in loose white clothes is doing *aigong* exercises. As the focus goes up, an ancient tower appears along with images of blue sky, flying sea gulls and a small island. Then the light dims into blackness. A drop of water streaks over the panorama of huge lifelike green leaves, on top of which are drops of water that sparkle crystalclear, lit by side lighting. Then the drops dissolve, and a man appears, sitting cross-legged quietly. Finally, the sun rises from the sea.

This is a sequence of scenes from an art and teaching film, "A Selection of the Best Traditional Chinese qigong for Maintaining Health." It was produced jointly by the Chinese Wushu (Martial Art) Research Institute and the International Culture Exchange Audio and Video Publishing Corporation.

The film lasts about 150 minutes. The first half hour describes the concepts, aims and basic methods of qigong. It analyzes its cultural origins, development and significance. The artistic and scientific commentary gives a basic outline of qigong. This exercise method that stimulates various internal organs can make people healthy when they engage in certain actions, breathing routines and thoughts. Such practice provides an understanding of the relationship between humans and nature. Over the last several thousand years, many different styles of qigong have evolved, mainly represented by sitting, standing, walking and sleeping exercises. Qigong reflects the insights and lifestyles of people of the distant past.

A further 30 minutes of the film gives a detailed explanation of the practical forms and methods of four traditional styles of classical *qigong*. The nine-turn

exercise for longevity effectively preserves health and treats disease. The 12-form internal exercise is the most typical method of the Ming Dynasty (1368-1644) and was used at the imperial court for keeping fit. The brocade exercise in eight forms from 2.000 years ago is the earliest style. Developed by the famous doctors Hua Tuo and Tao Hongjing, it was widely in vogue during the Sui and Tang dynasties (581-907). The sinewtransforming exercise originated from the Shaolin Temple of the Songshan Mountains. Early people based it on the postures of birds and animals. It can be used both to maintain health and for self-defense.

The film score features the synthesizer music "Sky" and "Silent" of the Japanese composer Kitaro. The music, scenes and commentary blend together well, producing a beautiful film with poetic and philosophic touches.

In order to make the programme scientific and to standardize it, relevant qigong experts were invited to take part in the filming. The production was supervised by advisor Xu Cairen, director of the Chinese Wushu Research Institute and top Wushu coach Wu Bin, director of the Technical Committee of the Wushu Federation of Asia. Xu Xiangdong, Su Xiaoping, Wang Xiurong and Zhang Yongshen who performed qigong in the film are all famous figures in Wushu and gigong circles. The film director was Zhang Haifang, who has won international and Chinese government film awards.

The film has both Chinese and English subtitles. It has been disclosed that it is the first in what is to be a series on Chinese qigong. A sequel entitled "Qigong and Beauty Treatment" and others are to appear one after another.

Wu said that qigong is the

cream of China's traditional culture. We hope these films can make a contribution towards the physical and mental health of mankind.

New Therapy Gives Hope to the Deaf

he spring of 1989 was one of the most memorable springs in the life of Zhang Xiaohong, a 11-year-old girl in Linyi County, Shanxi Province. After being deaf for eight years as a result of stretomycin anaphylaxis, she is finally able to hear the twittering of birds and all the lovely sounds of the world, thanks to a three-month treatment by Shao Kangli, a young aural surgeon at an army hospital in Yuncheng City, Shanxi Province.

Zhang Xiaohong is only one of 3,000 deaf patients Doctor Shao has treated in the past five years. Among them, more than 2,200 have had their auditory faculties remarkably improved and more than 900 have recovered. Shao's new therapy has an impressive effectiveness rate of 74.1 percent and a success rate of 30 percent.

Shao, 30, graduated from the Chinese Medicine Section of Yuncheng Medical School in 1980. Since then he has been collecting and studying the materials and records concerned with the treatment of deafness and consulting veteran doctors who have experience in this field. Based on clinical practice, he created a new therapy using Chinese herbal medicine as the main prescription.

Traditional Chinese medical theory claims that blindness and deafness are the direct result of weak kidney energy. Shao has discovered from a large number of deafness cases that all nerve deafness is not caused by the degeneration of nerve cells in the

ear, and some degenerated nerve cells can be rehabilitated. Quite a number of cases of deafness are the result of inhibitory nerve cells and nerve cell damage in the inner ear. Based on such analysis, Shao prepared a herbal medicine he named "Anti-Deaf Pill." He prescribes the pills to his deaf patients and at the same time uses aigong and massotherapy as supplementary methods. Patients are also required to practice a special clinical gigong he created and take language recovery training. The results are quite successful, especially in the case of nerve deafness.

An eight-year-old girl from Longjing City, Jilin Province, suddenly suffered a loss of hearing in both ears on March 2, 1990. When her parents learned of Shao's therapy, they took their daughter to Yuncheng for treatment after a tedious three days' journey. Shao worked out a special treatment for the small girl. One month later, she was able to have conversations with people.

Dong Xiaxuan, 72, is the oldest patient Zhao has cured. 20 years ago, Dong became deaf while suffering from a heavy cold. Since then he heard nothing except frequent ringing in his ears. In the past 20 years he has gone to many doctors without the least result. After Shao's treatment he regained his hearing and the ringing disappeared. At present he practices gigong everyday and feels better and better. He said he never dreamed of regaining his auditus at such an old age and he felt as if he had returned to 20 years ago.

At present Shao Kangli and his colleagues are planning to set up a deafness recovery center and an aural training base to provide systematic and comprehensive treatment for deaf patients.

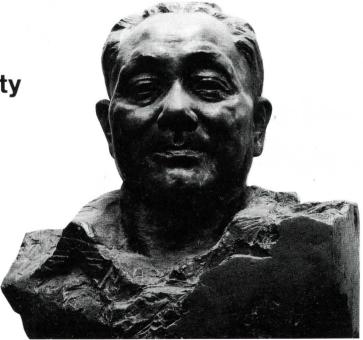
by Cheng Gang



Mao Zedong During the Revolutionary War Years (made by Guan Weixian).

Sculptures of Party Leaders

ART PAGE



Deng Xiaoping (made by Cheng Yunxian).

Changyi Foreign Trade Corp. of Shandong Province

The Changyi Silk Printing and Dyeing Factory, a comprehensive modern dveing and finish processing enterprise for such products as silk and its intersect weaving fabrics, rayon filament and its intersect weaving fabrics, synthetic filament and its intersect weaving fabrics, all cotton and its intersect weaving fabrics as well as other kinds of interlacing fibre and, blended fabric. The products are sold in many countries and regions including Europe and America, Japan, Hong Kong and Southeast Asia.

The Changyi Textile Machinery Factory, with four affiliated branches-textile machinery, adhesive-bonded fabric, steel sashand nickel net factories-produces 1,000 largescale textile machines annually. It has developed and manufactured singeing machines, silk sizing machines, fabric grinding machines, plane washing machines, various types of paste spreading machines for printing web roller and some two dozen new products including FA502-, FA506-type ring spinning frames and

the FB501-type ring spinning frames for wool. The factory is capable of producing 10 million square metres of adhesive-bonded fabrics, 50.-000 square metres of steel sash and 30,000 pieces of nickel netting annually. The factory's products enjoy good sales in many countries including Pakistan and Singapore.

The Changyi Refrigeration Factory, with a quick-freeze capacity of up to 50 tons and a refrigeration capacity of 500 tons, can accommodate 20,000 chickens a month. The factory exports more than 20 varieties of products including headless prawn and shrimp meat, packaged chicken as well as chicken wings. feet, legs and breasts.







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