China’s Foreign Trade Policies

PEACEFUL USE OF NUCLEAR ENERGY
Morning park scene—old people resting after a walk.

Lovers in the park.

Photos by Sun Yi
Li Peng on China's Domestic and Foreign Policies

In his speech at the reception marking the 40th anniversary of the founding of the People's Republic of China, Premier Li Peng talked about questions of common concern. While reaffirming that China's reform and open policy will remain unchanged, Li said the country's reform and opening up is based on the prerequisite of the four cardinal principles and is intended for the development and improvement of the socialist system. Although they will cause the country temporary difficulties, the economic sanctions imposed on China by some Western countries will stimulate the Chinese people's spirit of self-reliance (p. 14).

Peaceful Use of Nuclear Energy

Following the introduction of the economic structural reform and the open policy, China's nuclear industry has readjusted its development strategy, shifting the focus from national defence to economic construction, and, in the process, has become more civilian-oriented. Part of this general trend has been the active development of wide international co-operation and foreign trade in the peaceful use of nuclear energy and technology (p. 17).

China's Foreign Trade Policy

China has always upheld a foreign trade policy based on equality and mutual benefit. And in the light of domestic and international circumstances, China has developed a series of correct principles to promote its foreign trade. Especially after the Third Plenary Session of the 11th Central Committee of the CPC in 1978, China has stressed its eagerness to develop economic co-operation with all countries in accordance with this policy (p. 9).

Discard the Dross, Make Literature and Art Prosper

The current "anti-porn campaign" in China is having a great impact on the development of socialist civilization with advanced culture and ideology, the healthy growth of young people and the long-term stability of the country. The prevalence of obscene publications is one of the negative results of the trend of bourgeois liberalization. The aim of the campaign is to make literature and art serve the people and socialism will be continued (p. 4).

Daqing Spirit Inspiring

The Daqing Oilfield, the pride of the Chinese people, has produced 1 billion tons of crude oil in the past 30 years, putting China among the ranks of the world's major oil producers. At a meeting in celebration of its 30th anniversary, "Daqing Spirit" was reaffirmed and encouraged (p. 5).
Discard the Dross, 
Make Literature and Art Prosper 

by Cui Lili 

The campaign to clean up the publications, and video-tape markets now under way in China is also directed against reactionary political books which preach bourgeois liberalization. The banning emphasis, however, is on publications propagating obscenity, pornography, murder and violence, and is generally called an “anti-porn campaign.” The campaign is concerned with developing a socialist civilization with advanced culture and ideology, the healthy growth of the young people and the long-term stability of the country. According to initial statistics, in the past two months, in 26 provinces, municipalities and autonomous regions including Beijing, Tianjin, Shanghai, Shaanxi and Guangdong, some 65,000 people who were mobilized to check up on about 40,000 collective and individual distribution centres and outlets confiscated and destroyed a number of pornographic books and pictures, and obscene video tapes, sealed up books and magazines advertising pornographic and obscene material, and banned a number of illegal collective and individual book stalls and underground video-tape recording and manufacturing workshops. Through the campaign, the book and magazine markets nationwide have seen a big change. Pornographic publications which once caused parents great anxiety have disappeared from book stalls. Since the end of 1978, China’s cultural market, which has progressively expanded from small to big and from the simple to the complicated, has now become an important means for enriching people’s cultural life, promoting the development of socialist civilization with advanced culture and ideology and constructing a material civilization. However, over the past few years, the cultural market, particularly the publications and videotape market, has gotten seriously out of control. The market has been flooded with illegal publications and video tapes, which publicize pornography, obscenity, violence, murder and feudal superstition. This is most harmful to the public and is intolerable. Poisoned psychologically by such material, some young people have committed crimes, making the “anti-porn campaign” all the more necessary. After an analysis, this commentator is of the view that, “the prevalence of pornographic publications and video tapes is the result of the trend of bourgeois liberalization thought going unchecked over the past few years and, at the same time, it has fuelled the further spread of bourgeois liberal ideas. Therefore, the “anti-porn campaign” is a part of the struggle against bourgeois liberalization. Because of the harmful effect of these obscene publications on society, the campaign has won universal public support.

The emphasis of cleaning up obscene publications is on “accuracy.” This means drawing a clear line of demarcation between right and wrong and strict implementation of government policies. Pornographic publications and video products should be banned, sealed up and confiscated wherever and whenever required. The criminal acts of manufacturing, reproducing or disseminating large quantities of obscene publications and video tapes must be severely punished according to law and with regard to the serious consequences of such activities. Indiscriminate liquidation should be avoided, this means avoiding indiscriminate banning and eliminating of things that should not be done away with and inappropriately interfering with personal cultural interest.

The current “anti-porn campaign” is closely connected to the effort to bring about prosperous literature and art and to enliven people’s cultural life. The aim is not to destroy art. While making a clean sweep of obscene material, China should continue its orientation of making literature and art “serve the people and socialism” and implement the “double hundred policy” of “letting a hundred flowers bloom” and “a hundred schools of thought contend.” In doing so, socialist literature and art will become even more lively and prosperous and continually meet the people’s growing cultural needs. The initial result of the “anti-porn campaign” has purified the cultural market and social environment, but it remains a long-term task. Relevant laws and regulations need to be formulated, and the source of spiritual contamination blocked through both legal and economic means. In this way, the achievements of the current campaign will be consolidated.
Daqing Spirit Inspiring

Learn from Daqing,” once the clarion call of the late Chairman Mao Zedong after the discovery of a major oilfield in the Northeast, was reaffirmed by China’s highest governing body, the State Council, in its message to oilfield workers.

In a congratulatory telegram to Daqing for celebrating its 30th anniversary on September 27, the State Council praised the oilfield’s “decisive contribution to China’s entrance into the ranks of the world’s major oil producers.”

By the afternoon of September 27, Daqing had produced 1 billion tons of crude oil, more than half of China’s total production in the past 30 years. The oilfield has turned over to the state 77.9 billion yuan (US$21 billion) in profits and taxes, 11.8 times the state investment in Daqing in the same period.

Daqing has exported 200 million tons of crude oil, earning US$28 billion for the state over the past 30 years.

The “Daqing Spirit” was widely propagated throughout the nation in the ’60s and ’70s.

In a lengthy speech, Wang Tao, president of the China National Petroleum Corporation and a former oil minister, told the meeting that in spite of interference by some people from above, the people of Daqing kept ideological work on the agenda.

“Daqing people merit the name of an advanced task force in the Chinese working class,” Wang added.

On September 26, 1959, just four days before the celebration of the 10th anniversary of the founding of the People’s Republic, a test well drilled in the northern part of the Songliao Basin gushed oil, marking the emergence of what came to be called the Daqing oilfield. (Daqing means grand celebration.)

Wang recalled Daqing’s history in the past 30 years, saying the important discovery changed the view held by some people in the West that China was “poor in oil resources.” This ended a century of China’s total dependence on foreign oil.

Daqing, covering 5,500 square kilometres and having a population of 900,000, now has almost 20,000 oil wells and water injection wells.

Fourteen natural gas fields of various sizes have been discovered in and around the centre of the oil city, gradually forming a large production base specializing in oil, natural gas and petrochemical products.

Daqing has been producing 365 million barrels of oil annually for 13 consecutive years, accounting for about half of China’s annual total.

Inspired by the “Daqing Spirit,” workers have found a number of oilfields throughout the country over the past 20 years. Last year, China’s crude oil output totalled 137 million tons, making China the fifth largest oil producer in the world.

Wang said the “Daqing Spirit” fully indicates that the Chinese working class has the ability to develop and build large oilfields on its own under the leadership of the Chinese Communist Party.

But, he added, not all people have confidence in the “Daqing Spirit.” To fulfill the tasks outlined at the Fourth Plenary Session of the 13th Party Central Committee, Wang said, his corporation will initiate a massive campaign to revive the “Daqing Spirit.”

“This is necessary to clear away the influence of serious mistakes made by Comrade Zhao Ziyang (former Party general secretary),” he added.

China’s Model Workers Honoured

A 16-year-old acrobat from Inner Mongolia and an 84-year-old university professor were among the 2,793 workers, farmers, intellectuals and members of other professions recently honoured as “model workers” and “advanced workers.”

Those receiving awards at a conference September 28 at the Great Hall of the People attended by Chinese Premier Li Peng have made outstanding contributions to China’s reform and construction.

Of those honoured, factory workers made up 30.5 percent, farmers 17.5 percent, scientists and engineers 11 percent, and workers in the fields of culture, education, medicine and sports 12.2 percent. The rest were officials of the Chinese Communist Party, government, business enterprises and judicial departments.

Addressing the meeting, Li praised the model and advanced workers as “national heroes, the backbone of the people, the mainstay of society and prop of the People’s Republic.”

Li quoted the late Chairman Mao Zedong as saying that model and advanced workers are the bridge linking the people’s government with the broad masses.

He noted that the fundamental task of a socialist society is to develop productive forces. Dur-
China's Five Steps To Peace in Middle East

China has offered a five-point proposal to bring about peace in the Middle East.

Chinese Premier Li Peng formally presented the proposal during talks October 5 in Beijing with Yasser Arafat, president of the State of Palestine.

"The Chinese government's stand on the Palestinian people's struggle is clear," Li said. "We have always opposed the aggression and expansion policy of Israel and support the Arab and Palestinian people in their just struggle to regain their lost land and national rights."

The five-point proposal recommends:

- A political settlement of the Middle East problem without using military force.
- An international Middle East peace conference to be presided over by the United Nations (UN) and attended by all five permanent members of the UN Security Council and other parties concerned.
- Dialogues of various forms in the Middle East, including direct dialogue between the Palestine Liberation Organization (PLO) and Israel.
- A withdrawal of troops by Israel from the occupied territories, while ensuring the security of Israel.
- Allowing the Palestinian and Israeli people to co-exist in peace by the State of Palestine and Israel recognizing each other.

The Chinese premier pointed out that the recent 10-point peace plan put forward by Egyptian President Hosni Mubarak was a positive one, and that he hoped all parties concerned would make new efforts to promote the peace process through dialogue.

Reviewing Palestinian-Chinese relations, Arafat said, "Whether from the viewpoint of the relations between the two countries, or from the viewpoint of personal ties, we are old friends. Whenever we encounter difficulties, we always say, 'We may go and seek help from our Chinese
friends. We are true friends in need.”

Earlier in the day, senior Chinese leader Deng Xiaoping met with Arafat in the Great Hall of the People.

After congratulating Arafat on the new presidential status, Deng said, “We have trusted and supported each other for several decades. Our relationship is not an ordinary one and friendship between us is eternal.”

He noted that as long as correct strategies and policies are adopted, the Palestinian people will certainly win their final victory.

The Palestinian president said he still remembers what the late chairman Mao Zedong said — “the road is tortuous while prospects are bright.” These words, Arafat said, reflect Palestine’s present situation.

The same day, Jiang Zemin, general secretary of the Communist Party of China, met with Arafat and congratulated him on being elected president of the State of Palestine. It was Arafat’s seventh visit to China but his first since he assumed the Presidency.

On October 4, Chinese President Yang Shangkun hosted a banquet for Arafat. Yang spoke highly of the PLO’s recent flexible and practical policies and the realistic steps to promote the peace process adopted in light of the Middle East situation.

“We understand and sympathize with the Palestinian people and regard your victories as our own,” Yang said.

It is a major victory of the Palestinian people that the state of Palestine has won extensive acclaim in the international community, he added.

The dialogues the PLO conducted with the United States gave a new impetus to the peaceful settlement of the conflicts between the Arab countries and Israel, he said.

The Chinese president called on Israeli authorities to go with the tide of the times and respond positively to the reasonable proposals and propositions of all parties.

“This will not only benefit the development of the regional situation, but also conform to the interest of the people in all Middle East countries, including the Israeli people,” Yang said.

He added that he believes the PLO will continue to strengthen its internal unity and its unity with Arab countries, and win new victories with the sympathy and support of all countries upholding justice.

Arafat praised China for supporting the Palestinian people’s cause, which he said has boosted their determination to continue the struggle for peace.

“We’ve always been proud of the Palestinian-Chinese relations,” Arafat said, “We were worried when turmoil occurred in Beijing and were glad when the situation was brought under control.”

Laotian Leader Visits China

Chinese senior leader Deng Xiaoping said China would agree to a proposal from Viet Nam for a normalization of relations on one condition — Viet Nam must withdraw all its troops from Kampuchea.

Deng made the comments during a meeting October 7 in Beijing with Kaysone Phomvihane, chairman of the Council of Ministers of the Lao People’s Democratic Republic and general secretary of the Central Committee of the Lao People’s Revolutionary Party (LPRP). It was Kaysone’s first visit to China in 10 years. He arrived on his goodwill visit on October 5.

“We have always held that the two countries (China and Viet Nam) will finally improve their relations, but there is a problem, which is easy to solve,” Deng said. “That is, Viet Nam withdraws its troops completely and thoroughly from Kampuchea. We have no other demands.”

He pointed out that China has normalized its relations with the Soviet Union and improved its relations with Laos, and he said only Viet Nam is left.

“I don’t understand why Viet Nam is against China,” Deng said. “We are willing to improve our relations with Viet Nam, but only when it completely withdraws its troops from Kampuchea can we say that ‘the past is ended.’ This is a rudimentary thing a socialist country should do.”

Viet Nam should take a broader view of things, Deng said, and not get up to “little tricks.” He said the truth cannot be covered up; other countries know what China does and China also knows what other countries do, and the practice of covering up the truth with diplomatic language is outdated.

“We are now in the age of information,” Deng said, adding that “people can easily know what’s real and what’s false.”

During the meeting, Kaysone briefed Deng on Laos’ domestic reform and gradual opening to the outside world. Deng said each country should take its own road according to its own circumstances.

On the same day, Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, and Yang Shangkun, president of the People’s Republic of China, also met Kaysone respectively in Beijing.

Earlier, Chinese Premier Li Peng said that Kaysone’s first visit in a decade was a turning point in resuming and developing relations between China and Laos.
During three hours of talks on October 6, Li told the Laotian leader that China and Laos had once enjoyed very good relations but for historical reasons, relations had cooled.

The premier said that China will develop economic and trade relations with Laos in the future on the basis of the principles of equality and mutual benefit.

Li said the trend in international relations is moving in the direction of detente. However, the potential for war, particularly regional wars, has not been eliminated, he said.

Kaysone expressed his happiness about coming to China again after 10 years, saying, “I believe that my visit will contribute to an over-all resumption of the relations between the two parties, the two countries and their peoples, and to the promotion of mutual understanding and bilateral cooperation as well as to the maintenance of peace in the Asian-Pacific region.”

He briefed Li on Laos’ new economic policy including developing various sectors of the economy, attaching importance to the role of state-run enterprises and combating bureaucracy and bourgeois liberalization.

The purpose of reform in Laos is to consolidate, develop and improve the people’s democratic system so as to change over to socialism, Kaysone said.

Kaysone also said he is satisfied with the recent improvement of the bilateral relations, adding that “resuming and developing the bilateral relations is moving in the direction of detente.”

And he extended his gratitude to the Chinese Communist Party and government for their valuable support during the periods of Laos liberation and economic construction.

Kaysone, on behalf of the LPRP and the Laos government, invited Li Peng to visit his country.

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**Nobel Peace Prize To Dalai Lama Criticized**

China and some organs of the foreign press have criticized the awarding of the 1989 Nobel Peace Prize to the Dalai Lama by the Norwegian Nobel Committee in Oslo. The announcement was made October 5 while the Dalai Lama, who has lived in India since 1959, was visiting the United States.

Reacting to the announcement, a Chinese Foreign Ministry spokesman said: “Tibet is an inalienable part of Chinese territory, the question of Tibet is a purely internal affair of China, in which no foreign government, organization or individual has the right to interfere.”

The decision taken by the Norwegian Nobel Committee to award the Peace Prize to the Dalai Lama constitutes open support to the Dalai Lama and the Tibetan separatists in their activities to undermine the national unity and split China, the spokesman said on October 7.

“It represents a gross interference in China’s internal affairs and seriously hurts the national feelings of the Chinese people,” he said. “We express our utmost regret and indignation over this.”

The spokesman also pointed out that the decision by the Nobel Committee directly deviates from its purpose of awarding prize to those working for and contributing to “harmony and goodwill among peoples.”

The Xinhua News Agency said on October 6 that the Nobel Committee has several times in the past given the Peace Prize to political dissidents of socialist countries, in order to attain certain political aims. It has also used such occasions to advocate Western ideas of “human rights” and “freedom” in an effort to interfere in the affairs of other countries.

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**News in Brief**

**New Railway Opens in East China**

A railway running from Shangqiu, Henan Province, to Fuyang, Anhui Province, opens to traffic on October 1.

The 173.5-km railway is one of the state key projects built in the Seventh Five-Year Plan (1986-90). It will mainly transport coal in Shaxi and Henan provinces eastwards and help ease the transport load of the Beijing-Shanghai line.

**500 Top Enterprises Chosen**

China’s State Statistics Bureau recently released a ranking of the country’s 500 largest industrial enterprises based on 1988 figures.

Among the largest in the top 500 were the Anshan Iron and Steel Company, Daqing Petroleum Administration, Wuhan Iron and Steel Company, Beijing Yanshan Petrochemical Company and Capital Iron and Steel Company.

In 1988 the total output value of the 500 largest enterprises was 301.2 billion yuan, accounting for 16.5 percent of the country’s total. Their 60 billion yuan in tax payments constituted about a fourth of China’s revenue for the year.

**Former Politician Dies**

Chen Boda, a principal culprit in the case of the Lin Biao and Jiang Qing counter-revolutionary cliques during the “cultural revolution” (1966-76), died of a heart attack in his home at the age of 85 on September 20. He was set free last October after finishing his prison term.
China’s Foreign Trade Policy

by Zheng Tuobin

The People’s Republic of China has traversed a glorious path over the last 40 years. The Central Committee of the Communist Party of China and the State Council, in the light of the concrete situation at home and abroad at different times and with the benefit of the experience of foreign countries, have developed a series of correct principles to promote China’s foreign trade.

Under the guidance of these principles, this trade has gradually expanded from a trickle to the present level and it has developed particularly rapidly in the last decade, playing an increasingly important role in socialist construction. China’s foreign trade policy has been constantly attuned to the changing international situation, foreign relations and the domestic economy so as to improve and perfect its rich content.

The basic points of the policy are as follows:

1. Upholding the Principle of Equality and Mutual Benefit

As a basic principle in developing foreign trade, this policy has been consistently followed by China. Early in September 1949, the Common Programme of the Chinese People’s Political Consultative Conference declared that “the People’s Republic of China will restore and develop business and trading relations with foreign countries and their peoples on the basis of equality and mutual benefit.” In December 1978, when the Third Plenary Session of the 11th Central Committee of the Communist Party of China set out the fundamental policy of opening to the outside world for our country, it stressed eagerness to develop economic co-operation based on equality and mutual benefit with all countries in the world.

Equality and mutual benefit are mainly embodied in the following aspects:

1) All countries, despite differences in their size and wealth, should be treated equally and respect each other. They should respect each other’s national sovereignty, be independent and self-reliant, consult about problems on a basis of equality and enjoy equal rights and equal responsibilities. The attaching of unequal conditions and unreasonable demands cannot be allowed. 2) Imports and exports should be dealt with according to the needs and possibilities of both sides and on a voluntary basis. No country should force another to accept its conditions. 3) Prices for imports and exports should be fairly set. The practice of exchange of unequal value and of taking advantage of a monopoly position to rig the market in order to seek exorbitant profits is opposed. 4) Stress is laid on observing contracts and keeping promises. The two sides should strictly fulfil the trading agreement and contract signed by them and neither should delay, revise or cancel the contract as it pleases. 5) International practice is followed. In dealing with the conditions and manner of trading, commodity inspection, transport, insurance and arbitration, international practice is followed, with reference to the concrete situation of the two sides.

Over a long period, in accordance with the above-mentioned principle, China has made great achievements through unremitting effort to create an international business and trade environment of fairness and equality. For example, in the 1950s and 1960s, China broke imperialism’s “blockade” and “embargo,” overcame serious economic difficulties brought about by foreign countries tearing up agreements and contracts, stood up to their pressure and restored and developed trading relations with more and more countries. China also vigorously supports and participates in “South-to-South cooperation” and “South-to-North dialogue.” At the same time it struggles along with other developing countries for the establishment of a new international economic order. It has participated in multilateral trade and undertaken corresponding duties in order to build a just international trading environment and is working for the resumption of its membership of the General Agreement on Tariffs and Trade.

At present, in international economic and trading activities, some countries are carrying out an unfair economic and trading policy towards China. For example, some members of the Coordinating Committee for Export Controls (COCOM) with the United States at their head, still apply a discriminatory policy towards China in trade and the export of high-technology products.
In international trade, the price parity between primary products and processed products is unreasonable. The developing countries are actually fulfilling the role of supplies of raw materials at cheap prices to the developed countries and unequal exchange still exists. The developed countries use such means as quotas and anti-dumping charges to restrict exports from developing countries. Sometimes they even take so-called "economic sanctions" against them. These actions breach the principle of equality and mutual benefit. We must continue to unite with the majority of countries in the world in fighting for a fair and just environment for the development of international trade.

2. Developing Foreign Trade Relations with All Countries and Regions

The open-door policy of our country is directed to all the countries of the world. We hope to develop trade relations with all countries and regions, including both socialist and capitalist countries, developed and developing countries. We are going to give full play to our economic advantages in a wider range, actively participate in international exchanges and strengthen economic relations with the rest of the world. We have never given up our efforts in this direction although they were restricted by the international environment in different periods. From the 1950s to the mid-1960s, the Western countries led by the United States blockaded and placed an economic embargo on our country. While extending trade relations with friendly countries, such as the Soviet Union, East European countries and the countries in Southeast Asia, we were still developing non-government trade relations with the West. After the mid-1960s, along with the changing international situation and Sino-Soviet relations, comparatively speaking we expanded our trade relations with Western industrial countries and many developing countries while trying to maintain such relations with the Soviet Union and the East European countries. Since the Third Plenary Session of the 11th Central Committee of the CPC, under the guidance of the general principles of open door and reform, we have greatly extended our trade relations with other countries and regions and the structure of our whole foreign trade work has changed greatly. Now, we have established trade relations with 180 countries and regions and have contacts with many world or regional multilateral trade organizations. All this has played a great role in promoting the development of our national economy and increasing the mutual understanding and friendship between us and the peoples of all countries.

3. Giving Priority to the Development of Exports

China's economic development requires us to give priority to the development of exports. China is a developing country. Our economy is underdeveloped. We have a large population while the resources per capita of our country are comparatively inadequate. In facing the hard work of achieving the modernization, we must depend on our own strength in economic construction. While insisting on the policy of independence and self-reliance, we also need to extend our foreign trade relations and economic and technological exchanges with other countries, introduce advanced technology and import essential equipment, raw materials and daily necessities. As a result, we must have the necessary capacity to make international payments, with the major part of our foreign exchange earnings coming from exports. Our practice over the past many years indicates that our capacity to gain foreign exchange earnings through exports will decide the range and level of our foreign trade and technological exchanges, the scale and progress of our internal economic construction. So it is a strategic question which will affect the overall situation of our open-door policy.

In practising the principle of giving priority to the development of exports, the most important task for us is to guarantee that exports increase at a rate which is higher than that of our national economy. In order to guarantee the export of some materials, we have developed a set of principles for dealing with the relations between domestic sales and exports. They are: Goods which are made of materials in which China is rich and are not needed should be exported as widely as possible; goods which are needed in both external and domestic markets must be saved partly for export; goods which have an important bearing on the national economy and the people's livelihood must be exported strictly according to plan; products which are in short supply in our country must be controlled and their export is limited or forbidden. At the same time, we will make efforts to develop the production of goods for export. In past years, we have established a large number of bases, special factories and workshops to produce goods for export and on the basis of these, we will build a system for producing them. In developing their production, we will positively adjust and improve the structure of our exports, increase the proportion of industrial manufactures, and in particular expand the export of
those products which are processed to an advanced stage. We will take full advantage of our huge labour force to develop processing or assembly of imported materials or components for export. In order to encourage exports, we have also adopted a series of measures. They are: 1) Giving priority to the production of export goods. Within the limits of the state plan, precedence will be given to production, the supply of raw materials, packaging, purchases and transportation related to exports. 2) Preferential loans are granted to some of the export-oriented enterprises and funds are set up to develop export-oriented systems. 3) Raw materials and samples that are imported for export-oriented processing and parts imported for assembly, as well as those raw materials, parts and equipment that are imported to meet the needs of medium-sized and small foreign trade enterprises are all exempted from tariffs as well as industrial and commercial duties. 4) Some export goods can enjoy drawbacks or be exempted from duty. 5) The localities, departments and enterprises are allowed to keep part of the foreign exchange they have earned and given more freedom to spend foreign exchange. 6) The state gives morale-boosting encouragement as well as material rewards to those export-oriented and foreign trade enterprises which have made great contributions to the expansion of exports.

These moves have promoted significantly the development of exports. At the same time, efforts have been made to combine foreign trade with the utilization of foreign funds, contracting to undertake projects abroad and labour co-operation and multilateral economic and technological co-operation with other countries. For example, joint ventures and foreign enterprises are set up to promote export-oriented production; sales by foreign businessmen are utilized to expand exports; enterprises are set up in foreign countries to process and sell products there and to obtain products and technology urgently needed in China; the export of equipment and materials is promoted through undertaking contracts to carry out projects abroad. China endeavours to participate in multilateral trading systems and international agreements in order to obtain a better environment and conditions to develop trade. The expansion of trade has also promoted economic co-operation in some other aspects. A new situation has thus appeared in which exports and imports are closely combined with foreign economic and technological co-operation and each promotes the other.

4. Rationally Arranging Imports and Effectively Utilizing Foreign Exchange

To achieve socialist modernization, China needs foreign exchange in various fields. However, its income is limited. The arrangement of imports therefore must be based on the need to develop production and on the availability of foreign exchange. Blind importing and duplication of imports must be avoided so that the best use is made of the country's foreign exchange. The structure of imports must be determined logically according to the country's industrial policy in order to promote domestic technological progress and agricultural and industrial production, to increase exports and enlarge foreign exchange income, and to ensure the importation of those materials that are significant to the national economy and the people's livelihood. Proper arrangements must be made to introduce advanced technology and import equipment and key parts as well as those important raw materials and goods that are domestically in short supply in order to ensure the people's livelihood, support production, raise technological levels and promote the development of national industries. Imports of ordinary processing equipment as well as durable consumer goods must be strictly limited. Active efforts must be made to develop the production of those goods that can be produced internally. Those production lines that are introduced to process and assemble foreign components must be verified carefully so that blind introduction can be avoided. Close attention must be paid to the assimilation and renewal of imported technology and efforts must be made to develop import substitution. All actions wasting foreign exchange must be firmly corrected and stopped.

5. Continuing the Reform of Foreign Trade Management

It is an objective necessity for the development of foreign trade and especially exports to give full play to the initiative from all those involved. The international market is undergoing changes which are many and rapid. It is essential to take effective action in time, react flexibly and adapt to the changing conditions. So we will gradually reform the management of foreign trade, bring into play initiative of the state, localities and enterprises, and give local departments and enterprises greater decision-making powers so as to reduce the layers of control and raise working effectiveness. This also enables firm decisions to be made promptly and favourable opportunities to expand exports grasped and increases the economic benefits from imports and exports. It helps pool the wisdom and efforts of everyone and ex-
INTERNATIONAL

The reform of commodity production and sales' channels.
Starting from 1979 we have conducted a series of trial reforms in the foreign trade system, changing from centralized control to diverse management with devolution of the right to make decisions. The number of trading ports has been increased and the right to deal in some commodities passed down to basic units. New companies to engage in foreign trade have been set up. We have also explored the possibilities of combining industries with trade, technology with trade and directly connecting production with sales. The number of commodities produced to plan has been reduced and the planned purchase and allocation of export goods to enterprises have been cancelled. The system of making localities mainly responsible for exports has been implemented. These reforms have played a definite role in arousing the enthusiasm of the localities, departments and enterprises for exporting and expanding exports.

Foreign trade is a link between the internal and international markets. In the face of sharp competition in international markets and opponents with rich experience, we should rejuvenate management and at the same time strengthen overall control over foreign trade. We should give full rein to the superiority of our socialist system and unite our forces in order to ensure the healthy development of our foreign trade and foster and consolidate the enthusiasm of all involved. Therefore, while giving the right to manage exports to the localities, we have promoted the planning of foreign trade, policy guidance and relevant legislation. We have exercised further control over quotas and licences. Meanwhile the Ministry of Foreign Economic Relations and Trade has set up representative offices in provinces and municipalities as well as societies for the export of goods in order to strengthen control and business co-ordination. The comprehensive control of foreign trade, customs and foreign exchange has been strengthened as has auditing and supervision. Overall co-ordination of tax revenues, tariffs, exchange rates and credit facilities has been introduced. All the measures taken are designed to ensure the development of our foreign trade in a flexible and orderly manner.

Viet Nam's 'Final Withdrawal' a Hoax

by Chen Jiabao

At the International Conference on Kampuchea held in Paris during July and August with the participation of 19 nations, the Vietnamese representatives were not sincere and raised various obstacles to ensure that the meeting failed. After the conference the Vietnamese authorities declared on September 26 that they had pulled their remaining 26,000 troops out of Kampuchea. People cannot but ask what Hanoi's real intention is? Facts today fully prove that Viet Nam is clinging obstinately to its set policy—partial settlement of the Kampuchean issue.

The so-called partial settlement is meant to resolve the international aspect, namely the complete withdrawal of Vietnamese troops from Kampuchea. In Hanoi's scenario, the internal aspect, namely, the reconciliation of the various factional forces and the organization of a coalition government, should be left to the Kampuchean people to decide by themselves. The Vietnamese authorities declared that the "final withdrawal" from September 21 to 26 plus the withdrawal of 24,000 in the first half of this year meant that altogether 50,000 troops had been withdrawn and there were no more Vietnamese soldiers within Kampuchea. From this it can be seen that the "complete withdrawal" is a step in the partial settlement.

However, the partial settlement is in name only and settles nothing in reality, because Hanoi has not fully withdrawn its troops from Kampuchea. While publicly declaring it has withdrawn all of them, it has hidden quite a few there. According to the Kampuchean resistance forces, there were more than 100,000 Vietnamese troops in Kampuchea. Even if Hanoi has withdrawn 50,000, there are 50,000 Vietnamese troops hiding in the uniforms of the Phnom Penh puppet troops. In addition, there are 100,000 hidden in organs and militia units of the Phnom Penh puppet regime. The Vietnamese authorities, in order to cover the real situation whereby they have publicly withdrawn their troops and secretly kept them there, have stubbornly refused supervision of their troop withdrawal by the United Nations. This is the second step.

The third step is that after they announced the completion of the "full withdrawal," the
Vietnamese authorities are energetically asking the relevant countries to stop their aid to the Kampuchean resistance forces in an attempt to make them do nothing. The fourth step is that the Vietnamese representative at the 44th session of the UN General Assembly is clamouring for the revision of the resolutions adopted by previous sessions of the UN General Assembly which condemned Hanoi's invasion of Kampuchea and for the Kampuchean seat at the UN to be vacated.

The purpose of these measures by Vietnamese authorities is, first, to lure the Western and third world countries to recognize the withdrawal as complete, thus enabling the economic sanctions taken against Viet Nam for many years to be rescinded. In the event, this will bring Viet Nam economic benefits. Secondly, it is an attempt to change the character of the Kampuchean conflict—Kampuchean people fighting Vietnamese aggression—into a “civil war,” cut off foreign aid to the Kampuchean resistance forces and, following this, let the hidden Vietnamese troops and puppet troops of the Phnom Penh regime destroy large numbers of the resistance forces. Thirdly, after the above plot succeeds, Viet Nam will compel the resistance forces to recognize the “coalition government” headed by the Hun Sen regime, retaining its control over this pro-Vietnamese government.

However, the wishful thinking of the Vietnamese authorities has been exposed by countries upholding justice. The Japanese Ministry of Foreign Affairs in a statement on July 21 pointed out that without international supervision there can be no reliable proof of Viet Nam's troop withdrawal. Singaporean Prime Minister Lee Kuan Yew said on September 19, “If Viet Nam can get away with a partial settlement of the Cambodian problem and win through the peace process what she has failed to gain on the battlefield, then it means aggression is profitable.” He added that this would encourage aggression again some time in the future.

The Chinese government has always stood for a comprehensive, fair and reasonable political settlement of the Kampuchean question. The premise for such a settlement is that Viet Nam must end its aggression at the earliest possible date and completely and thoroughly withdraw all its forces from Kampuchea. It must neither leave behind armed personnel in any form, nor send its forces back into Kampuchea under any pretext. Only when Viet Nam effects a genuinely complete withdrawal of its forces and when a provisional quadripartite coalition government headed by Prince Sihanouk is established, can Kampuchea enjoy peace and become a truly independent, sovereign and neutral state. This undoubtedly will be beneficial to neighbouring countries and to the Southeast Asian region.

International Studies

(A Quarterly in Chinese)

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Li Peng on Current Domestic and International Policies

Premier Li Peng delivered an important speech at the reception marking the 40th anniversary of the founding of the People's Republic of China. The following is an abridged translation of his expositions on China's current domestic and international policies. The headline and sub-heads are ours.—Ed.

After the counter-revolutionary rebellion in the capital was put down, some friendly international personages had doubts and misgivings about China's current principles and policies, some comrades at home also had worries of one kind or another. Here, I would like to go into several questions of common concern.

Upholding the Four Cardinal Principles and the Policy of Reform and Opening Up

China is a large socialist country with a population of 1.1 billion, its productive forces are underdeveloped, its economy lags far behind that of the developed countries, and its people are not rich yet. So it is that history has determined that we Chinese of this generation and of the next few generations must work hard and concentrate our efforts on modernization. The basic line formulated at the Party's 13th National Congress, which focuses on economic construction and upholds the four cardinal principles (adherence to the socialist road, the Communist Party's leadership, the people's democratic dictatorship and Marxism-Leninism and Mao Zedong Thought—Tr.) and persists in reform and opening to the outside world. Here I can responsibly tell you that we will maintain and never rashly change the stability and continuity of the current enterprise-contract system, the factory director responsibility system, the policies for the development of the coastal areas and the policies for the individual and private sectors of the economy. The enterprise contract management responsibility system, which helps stimulate the enthusiasm of the enterprises and workers and staff for developing production, should be continued, but we should sum up experiences, promote the advantages and eliminate the disadvantages, and constantly perfect the system. We should continue to implement the director responsibility system, but attention is required to bring the role of each enterprise's Party organization as a political nucleus into full play and to strengthen political-ideological work. We should continue to promote and encourage the coastal areas to develop an export-oriented economy and continue efforts to improve the investment environment. We welcome foreign business people to come to China to establish various forms of foreign-owned enterprises, but at the same time, we must meet the overall requirements of the development of the national economy and the rationality of our economic structure. In the primary stage of socialism, the individual and private economic sectors, supplementary to the economy of public ownership, should be allowed to exist and develop, but we must strengthen supervision and control according to law to ensure their sound development.

Continuing to Improve and Rectify the Economy

Improving the economic environment and straightening out the economic order does not conflict with reform and opening to the outside world, but rather the former creates more favourable conditions for pushing the latter. The improvement and rectification of the economy is aimed at alleviating the contradiction of total social demand exceeding total supply, and at gradually eliminating inflation, so as to achieve a stable and coordinated development of the economy. The difficulties presently facing China's economy are the negative consequences of an over-heated economy and the continued excessive distribution of national income over the past few years. Therefore, improvement and rectification of the economy requires a process of about three years or longer. We
hope that this effort will put the brakes on the overheated economy, maintain a reasonable development rate, reduce inflation to below two digits, gradually trim financial deficits and establish a macro-economic control system. The state should concentrate its financial and material resources appropriately to step up the construction of basic industries and infrastructure, increase reserve strength for economic development, strengthen national defence and enhance the country's security and defence capability.

At present, many enterprises have run up against difficulties, such as the decrease in production of products in excess supply and sluggish sales. This is the inevitable result of the improvement and rectification measure. However, it has also created conditions for the readjustment of the country's economic and enterprise structures, and we must lose no time to make full use of conditions. The state should give financial, energy and raw material support to those large and medium-sized key enterprises which affect the national economy and the people's livelihood; the enterprises, on their part, should work hard to improve management, carry out technical transformation and constantly raise their economic returns.

Controlling the rise of prices is an important task in the improvement and rectification endeavour. Although we have made some achievements in this respect, we must not allow the least slack in our work. The State Council and governments at all levels should adopt more determined measures to overcome the various difficulties and make the price control successful. From now on, in controlling prices, the emphasis should be on the prices for basic necessities so as to guarantee a secure life for the overwhelming majority of the people.

Next year's peak of domestic and foreign debt repayment will bring new difficulties to China's economy and make it harder for improvement and rectification. Leading cadres at all levels should have sufficient mental preparation, work hard, set an example, and live frugally for a few years together with the people of the whole country.

**Strengthening Agriculture**

Agriculture is the foundation of the national economy and also its weak link. Developing agriculture depends first on policy, second on science and technology, and third on financial input. The contract responsibility system linked to production, a major policy concerning the stability of China's 800 million farmers, is suited for the current level of China's rural productive forces. Thus, it should continue and be perfected. Some areas qualified by specific conditions, may begin to develop appropriate-scale businesses, collective economy and mass production service organizations to promote the development of the rural economy.

Agricultural harvest this year is generally better than last year, but a few areas encountered natural disasters. To reap a good autumn harvest, efforts should be made for later field management and autumn harvest work and a timely winter sowing. The masses should be mobilized for farmland irrigation capital construction so as to improve the chances for a good harvest next year. We will try in every possible way to tap the financial resources and do a good job in purchase of cereals, cotton and other agricultural products.

**Maintaining Social Stability**

In the primary stage of socialism in China, class struggle is not a principal contradiction. However, it will continue to exist in certain realms for a long time, and at times, intensify. This is demonstrated by the unrests and rebellion which occurred not long ago. To defend the interests of the overwhelming majority of the people, and to guarantee state security and social stability, we must strengthen the people's democratic dictatorship. In the current work of purifying our ranks, we must draw a clear distinction between two types of contradictions and deal with them appropriately. An extremely small number of criminal offenders must be punished according to law, but those who come within the category of the people need only to sum up their experiences and raise their ideological consciousness. This will enable us to unite with the most majority of the people.

There are some factors in the disturbances which also deserve our Party's and government's self-examination. Some corruptive phenomena in our Party, government and society, the unfair distribution of income and inflation are the main reasons that have touched off dissatisfaction among the broad masses of the people. In regard to these problems, we must sincerely welcome criticism and supervision from the masses. Recently, the Party Central Committee and the State Council have taken a series of measures to eliminate corruption and strengthen the establishment of a clean and honest government, actions which have produced some positive results and won the support of the people. We'll carry these measures out resolutely and completely, and will not give them up halfway.

China's reform of the political system will be conducted along with the reform of the economic
system and be pushed forward progressively. Moreover, while strengthening the construction of democracy, we will also reinforce the legal system. Since serving the people is the fundamental principle of our government, governments at various levels must accept the supervision of the people's congresses, the people's political consultative conferences, various democratic parties and the masses of the people. We will put more effort into the strengthening of social security and crack down on various criminal activities that undermine this. Our goal is to create a stable working and living environment for the people.

Opposing Bourgeois Liberalization

In order to more firmly adhere to the four cardinal principles and fight against bourgeois liberalization, we will continue to educate our people on the basic conditions existing in our country and the basic line of our Party, with the aim of enhancing the people's patriotism, collectivism, the spirit of self-reliance and hard work, and their consciousness about and steadfastness for the socialist system.

Youth are the future and hope of our country. We should be enthusiastic in our concern for them and take care in their healthy development. Schools should maintain the educational principle which enables the students to develop morally, intellectually and physically, placing the steadfast political direction on the first place. We should try our best to foster the new socialist man with ideals, morality, culture and discipline.

We also here reaffirm that the Party's policies for intellectuals will remain unchanged in spite of the disturbances. Intellectuals are a part of the working class and an important contingent for socialist construction. Our Party and government will continue to improve the working and living conditions for them and bring their talents into full play.

Foreign Policy

At present, tension in the international situation is subsiding, confrontation is giving way to dialogue, and the world is heading towards peace and development. In line with this, our views of the general trend in the world situation remain unchanged. It is still possible for us to acquire a comparatively long term of peaceful, international environment conducive to our construction of four modernizations. China will, as always, carry out an independent foreign policy and continue to develop relations with other countries on the basis of the five principles of peaceful coexistence. China will always stand at the side of the third world countries and support their just cause, oppose various forms of hegemonism, safeguard world and regional peace and develop friendship with people of all countries in the world.

We will continue to carry out the open policy, actively introduce advanced science, technology and managerial experience from foreign countries, absorb foreign investments and make suitable use of foreign capital, so as to accelerate China's construction. Our reform and opening to the outside world is made with the prerequisite of the four cardinal principles, and is for the development and improvement of the socialist system. We will never allow international hostile forces to use this opportunity to infiltrate and subvert our socialist system. The economic sanctions imposed on China by some Western countries will cause China temporary difficulty, but it will further stimulate our spirit of self-reliance and hard work for the prosperity of the country, while those who initiate sanctions will themselves be harmed. More and more, far-sighted Western people realize that such actions are not wise. China always advocates the development of trade and economic and technical co-operation with all countries on the basis of equality and mutual benefit. This is not only for the benefit of China, but for the improvement of world peace and development too.

Peaceful Reunification

Peaceful reunification and the policy of one country, two systems represent the common desires of all the Chinese people, including Hong Kong, Macao and Taiwan compatriots. Regardless of domestic and international events, we will firmly carry out this policy. We will not change the capitalist system of the Hong Kong and Macao areas, and at the same time, we will not allow anyone to use Hong Kong as a base for attempts to overturn the central government and the mainland's socialist system.

On China's part, we will abide by the joint declaration concluded between the Chinese and the British governments on resolving the Hong Kong issue, and are willing to exert great efforts to maintain Hong Kong's stability and prosperity and to carry out the smooth resumption of China's exercise of sovereignty over Hong Kong.

We are satisfied that China and Portugal have fruitfully cooperated in implementing the joint declaration on resolving the Macao issue, and we hope this can be maintained and developed.
We hope that the Taiwan authorities will put the general interest of the Chinese nation first and take concrete action conducive to the promotion of "three exchanges" (exchanges of mail, trade, air and shipping services), as well as other exchanges between the two sides. Actions which result in increased tensions and which hamper the reunification of the motherland should be avoided. China's action of breaking off diplomatic relations with Grenada indicates its maintenance of its just stand of one China. The so-called "elastic diplomacy" pursued by Taiwan authorities is, in essence, the continuous creation of "two Chinas" or "one China, one Taiwan." This has run counter to the desires of all Chinese people and found no support of overseas compatriots and the international community and will therefore have no future. We believe that the unity of the Chinese nation is unbreakable and through the common and prolonged efforts of all compatriots, the great cause of reunification of our motherland will win final victory.

Peaceful Use of Nuclear Energy

by China Nuclear Industry Corp.

The founding and development of the nuclear industry is one of the greatest achievements in China's socialist construction since the founding of the People's Republic 40 years ago. China's successful development of atom and hydrogen bombs and the power facilities for nuclear submarines in the 1960s shocked the whole world at the time. In the following years, particularly since the 1980s, while modernizing its national defence, China has attached importance to expanding the civilian use of nuclear technology, endeavours in which the country is world renown.

Development

To break the nuclear monopoly of a few countries and fortify its national defence, the Chinese government decided to develop its own nuclear industry in the early 1950s. Despite the international blockade and embargo, China has, by self-reliance and after protracted struggle, developed its nuclear industry from scratch and became one of the few countries possessing both nuclear weapons and a fairly complete nuclear industry.

Noted Chinese physicists, including Wu Youxun, Qian Sanqiang, Wang Ganchang, Peng Huanwu and He Zehui, all made contributions to the founding of China's first nuclear research institute and the development of the country's nuclear technology. Later achievements attest to their rank among the world's best scientists.

Cherishing their native land, many Chinese scientists who resided abroad gave up a comfortable life and pleasant working conditions and returned to China to participate in the founding of the country's nuclear industry after breaking through numerous obstacles. They include theoretical chemist Guo Tingzhang, theoretical physicists Deng Jiaxi, and Quan Xingnan, experimental physicists Yang Chengzhong and Chen Yiai, high-energy physicist Zhang Wenyu, radiochemists Yang Chengzong, Xiao Lun and Feng Xizhang, accelerator expert Xie Jialin, and computer and vacuum apparatus expert Fan Xinbi. They brought back technology and equipment badly needed by New China. Nuclear physicist Zhao Zhongyao brought home a number of electrostatic accelerator parts and equipment required for a nuclear physics laboratory after overcoming the objections of the Federal Bureau of Investigation of the United States.

Some other noted specialists, including Jiang Shengjie, Zhu Guangya, Yu Min, Zhang Peilin, Guo Yonghuai, Wu Zhengkai and Zhou Guangzhao, later joined them to become the pioneers and the foundation of various fields of China's nuclear technology and industry. Under their guidance, many young scientists and technicians developed quickly, and a strong contingent of China's nuclear scientific and technical workers took shape.

In the mid-1950s, China's nuclear research made significant headway. Large uranium reserves were discovered and, of special importance, the rapid development of the country's basic industry provided the basic conditions for the establishment of the nuclear industry and enabled it to advance from theoretical study to practical production.

In the late 1950s and early 1960s, China's nuclear industry operated under an agreement of co-operation with the Soviet Union until the unilateral suspension of the agreement by the Soviet side.

Given this geo-political envi-
On the evening of October 1, people held a party in the Tiananmen Square to celebrate the 40th anniversary of the People's Republic of China.  

WANG DONG

On October 1, Party General Secretary Jiang Zemin visited Fuxingmen Overpass, extending his congratulations to the people relaxing there and encouraging them to construct the country with one heart.

WANG JINGDE
National Day in Beijing

The Tiananmen Square was beautifully decorated for National Day. Here, members of the Beijing Kite Association are flying kites.

On the evening of October 1, Jiang Zemin (second from left), Deng Xiaoping (first from right), Li Peng (first from left) and Samdech Norodom Sihanouk (second from right) watched fireworks from the rostrum of Tiananmen.

People of all nationalities watched fireworks in the Tiananmen Square.
CHINA

Environment, China had to be self-reliant to overcome numerous difficulties in the development of its own nuclear industry. The government, though, has attached great importance to the nuclear industry even in its embryonic stage. A 15-person special committee headed by Premier Zhou Enlai and consisting of vice-premiers He Long, Li Fuchun, Bo Yibo, Lu Dingyi, Nie Rongzhen and Luo Ruiqing, and other government officials was founded in 1962 to guide the work of the nuclear industry and other industries involving advanced science and technology. Premier Zhou Enlai personally participated in the planning, implementation and management of the industry buildup.

After many years of efforts, China finally succeeded in exploding its first atom bomb on October 16, 1964, a historical breakthrough resulting in worldwide repercussions. Thirty-two months later, China successfully exploded its own hydrogen bomb. China made the achievement in a much shorter time than was required by other nuclear countries after the development of their atom bombs. For instance, it took the United States seven years and four months; the Soviet Union, four years; Great Britain, four years and seven months; and France, eight years and six months.

In September 1971, China again successfully developed the power facilities for nuclear submarines.

With the changes in the international and domestic situation, China has introduced economic structural reform and the open policy since 1979 and stressed to put economic construction at the first place, with the modernization of industry, agriculture, science and technology, and national defence as its focus. The nuclear industry has subsequently readjusted its development strategy, shifting the focus from national defence to economic construction. The policy of combining military with civilian use, combining scientific research with people’s lives, and combining civilian technology with industrial production and trade was then formulated. This realignment ushered in a new stage for the peaceful use of nuclear technology.

Since 1979, China’s nuclear industry has become more civilian-oriented. Currently, it has more than 1,000 uses, including power generation, nucleon instruments, radioisotope, machinery, universal electronic instruments, special motor vehicles, fire alarming products, light industrial products, metallurgical and chemical products and building materials. In 1985, the output value of the industry’s civilian products made up 33.7 percent of its total output value.

In the civilian project, nuclear power, nuclear fuel circulation, isotope and radiation industries, as well as related high-tech concerns have kept pace with the overall growth of the nuclear industry and attained remarkable achievements.

Nuclear Power Stations

In recent years, the shortage of energy resources has become an important factor in limiting China’s economic development. Since nuclear power has been publicly acknowledged as economical, clean and technically advanced, as well as the most important symbol of the peaceful use of nuclear energy and its technology, the Chinese government has placed priority on its development.

In regard to the construction of its nuclear power stations, China adheres to the principle of mainly relying on its own forces in the pursuit of Sino-foreign cooperation and importing and absorbing advanced foreign technology to support China’s own study, design and construction.

The Qinshan Nu-
clear Power Station in Haiyan County, Zhejiang Province, is the first nuclear power station designed and built entirely by China. Equipped with a technologically sophisticated pressurized water reactor, the first stage of the project consists of 170 systems and has an installed capacity of 300,000 kw. The State Nuclear Security Bureau, founded immediately after the project's initial design, is responsible for ensuring adequate safety and environmental protection. Construction of the project formally began in March 1985 and, to date, several pieces of major equipment, including the containment, turbogenerators, the evaporator and pressurizer, have been installed. Related supplementary projects and the preparatory work for trial-operation are under way. The project is scheduled to be completed and begin generating by the end of 1990. Two inspections were made by an inspection team of the Ministry of Energy Resources, the Nuclear Power Office of the State Council and the China Nuclear Industry Corp., and the safety appraisal group of the International Atomic Energy Agency (IAEA), which confirmed the progress and the quality of the project. In addition to generating power, the Qinshan Nuclear Power Station, the first of its kind in China's mainland, will provide a fund of material for the study, design, construction, operation and the manufacturing of necessary equipment. According to plan, the preparatory work for the second stage of the Qinshan project—a double-reactor project equipped with two 600,000-kw generators—is now under way. Currently, it is seeking co-operation with foreign counterparts in design, equipment manufacturing and construction while striving to increase the proportion of Chinese-made equipment and produce a series of standard 600,00-kw generators for China's nuclear power stations.

The Daya Bay Nuclear Power Station in Guangdong Province, China's second nuclear power station now under construction, is also China's largest Sino-foreign co-operative project. The project has proceeded smoothly since construction began in August 1987. With a total installed capacity of 1.8 million kw, the station will be able to generate 10 billion kwh of electricity annually. Two 900,000-kw generators are scheduled to begin operation in 1992 and 1993 respectively, with 70 percent of the electricity going to Hong Kong and the remainder 30 percent to Guangdong.

According to China's intermediate energy development plan, by the year 2000, 12.5 million-kw nuclear power stations will be under construction and 6 million kw will be completed. After
the year 2000, nuclear power will enter a period of further large-scale construction.

**Uranium Resources**

To accomplish its strategic target for nuclear power development, China has been striving to establish a channel for the sustained and stable supply of uranium resources and nuclear fuel. China's verified uranium resources indicate that it has a sufficient supply and uranium ore prospecting has been going on since 1955 in 25 provinces and autonomous regions. More than a dozen kinds of ore beds have been verified and a considerable supply made available to industrial departments. Analysis made by Chinese and foreign experts indicates that the potential of China's uranium resources can fully meet the medium- and long-term development of China's nuclear power stations.

To facilitate the development of nuclear power, China is in the process of establishing a complete, advanced nuclear fuel recycling system. Efforts are currently under way to develop production lines for fuel elements, a pilot plant for processing spent fuel element and the uranium-isotope separation technology. Today, China's uranium products have entered the world market and the country has also made important progress in the centrifugal and laser separation of uranium and isotope.

**Isotope and Nuclear Radiation**

Currently, China is trying to commercialize the isotope and radiation technology for application in the national economy and people's daily life.

The development of isotope and radiation technology began in the early period of China's nuclear industry. After more than 30 years of study, application and development, an industrial system has taken initial shape with some items produced of international quality. The country can supply nearly all of its requirement for isotopes and isotope products. At present, there are more than 100 units and 20,000 professionals engaged in isotope-related work in industry, agriculture, medicine, natural resources, environmental protection, scientific research, education and the ordnance industry.

With an average annual growth rate in output value between 10 and 15 percent, the industry can now turn out more than 800 kinds of products to serve 2,000 clients. The industry involves isotope and its products, nuclear instruments and meters, accelerators, radiation processing, nuclear agriculture and nuclear medicine. Particularly marked achievements have been attained in agriculture where radiation technology has been applied to breed improved seeds. So far, 285 improved seeds of grain, cotton, oil-bearing crops, vegetables, fruit trees, flowers and plants have been widely used in the country. Accounting for one-third of the world's total radiation-bred seeds, they are now sown to 8.67 hectares of land and able to yield 5 billion yuan in profit. In addition, good results have also been achieved in the neutron-induced antibiotic vaccine, the radiation breeding of silkworms, the sterile-insect technique by irradiation, the isotope tracing technology applied in plant cultivation and fertilizer application, diagnosing animal diseases and the production of vaccines. These developments have, overall, resulted in enormous economic returns.

Isotope and radiation technology is also widely used in the diagnosis and treatment of human diseases, making great contributions to modern medical science. More than 1,000 medical units use 60 isotope medicines and 100 diagnostic methods to treat more than 20 million people each year. Isotope technology has already become an indispensable means in the diagnosis and treatment of many types of cancer, hepatitis B, and thyroid gland, coronary, skin, internal system and reproductive organ diseases and in the study of immunology and molecular biology. The research conducted jointly by the Acupuncture and Mox...
ibustion Institute of the Chinese Academy of Traditional Chinese Medicine and the Nuclear Medicine Department of the General Hospital of the People's Liberation Army on using the nuclear tracing technology to display the operation of vital energy circulating passages has passed the review by experts and its success has made a new breakthrough in the study of vital energy circulating passages, an important branch of traditional Chinese medicine.

China now has 1,100 scatter scanning machines, 1,800 multi-purpose analyzers, 1,100 calculating equipment for medical use, 62 gamma ray cameras and 11 isotope fault video picture equipment. Progress also has been made in the use of the radiation technology, for use in the sterilization of medical articles, radiation chemical industry and foodstuff preservation. A considerable production level has been formed in the radiation sterilization of injectors, syringe needles, blood transfusion and infusion bags and dressings, the radiation of high-molecular heat contracting materials, electric wires and cables, and the radiation preservation of foodstuffs. Radiation chemical products have already been applied to the astronautical industry, submarines, telecommunication services and electrical appliances.

The returns from its application in industry are even more impressive. Improving the features of solid materials by the technology of irradiation, nuclear logging meter, nuclear non-destructive assay and nuclear analysis, as well as isotope and irradiation instruments and meters have been widely used in machine-building, building materials, metallurgy, textiles, printing, paper-making, petroleum, chemical and light industries. Isotope and radiation technology, being used more and more to benefit the society and people in China, has a great potential and particularly broad prospects in the application in industry.

Non-Nuclear High-Technology

Accompanying the construction and development of China's nuclear industry over the past 30 and more years, some related non-nuclear technology of unique characteristics have mushroomed, and brought along a great deal of scientific and technical results with commercial potential. Some already have acquired the foundation for standard study, development and production. The production of radiation-, heat- and corrosion-resistant materials, superconductors and other special materials needed in the development of nuclear high-technology has spun off the production of all kinds of new materials. Moreover, the wide application of the technologies of nuclear analysis such as activation analysis, fluorescence analysis, nuclear magnetic resonance, back scattering channeling analysis, have provided industry, agriculture, medicine, bio-engineering, public security, astronomy, archaeology, and other fields with the means of research which before had been unavailable.

During the course of the development of the nuclear technology, related advanced technologies, such as the membrane separation and the hydro-metallurgical technology, were developed.

New Achievements

A number of large experimental devices designed and manufactured by China's own forces have been completed and put into operation in recent years. Other projects which have been completed include high-flux test reactors, micro-reactors, and HL-1 Tokamak equipment. Efforts have been made to improve heavy-water reactors and to construct a number of nuclear power plants completely designed by China. Significant progress has also been made in the centrifugal isotope separation technology, and the study of advanced reactors, fast neutron reactors and low temperature nuclear heat reactors has been proceeding step by step. All this has opened new vistas for the more effective use of nuclear energy.

At present, China has a complete scientific and technological nuclear research system and a contingent of scientists of high technical level, strong vocational skills and the ability to work cooperatively. There are comprehensive scientific research institutions involved in multi-branch studies of uranium ore geology, uranium ore mining, isotope separation, elements production, post-treatment, the disposal of waste gas, waste water and industrial residue, nuclear physics, controlled thermo-nuclear fusion, laser, nuclear chemicals, reactors, nuclear power stations, isotope production, nuclear technology, radiation protection, radiation medicine, accelerators, nuclear equipment, organic and rare chemical element industries, and other civilian projects. Currently, China has more than 20 research and design institutions engaged in the study and development of nuclear science and related high-technology. The important scientific research and engineering projects completed by these institutions include the Qinshan Nuclear Power Station, strong current pulse electron beam accelerators, and neodymium glass laser devices, the importance of which has been recognized by IAEA and many foreign countries. By the end of 1988, China's nuclear industry
system could claim 5,000 noted accomplishments to its name.

**Sino-Foreign Co-operation**

Since 1980, China's nuclear industry has extricated itself from the closed-door state, gradually opened its door to the outside world and developed international co-operation and foreign trade. In 1984, China joined IAEA and was appointed a permanent member state. Since then, it has actively and widely developed international co-operation and foreign trade in the peaceful use of nuclear energy and technology. It has signed bilateral co-operation agreements or letters of intent on the peaceful use of nuclear energy with government representatives and non-governmental organizations of 13 countries, including Italy, France, the Federal Republic of Germany, Japan, and the United States. It has established various kinds of relations with 40 other countries and regions and has trade relations with more than 100 clients, promoting China's scientific and technical exchanges with the world. Today, Chinese nuclear industry's co-operation has already expanded from the prospecting and exploitation of uranium resources, the construction of nuclear power stations and the treatment of radiated wastes to the import and export of uranium products for peaceful use and the trade in metallic and non-metallic ores and products, artificial diamond and products, mining equipment and meters. In addition, it has undertaken feasibility studies, design and construction of a considerable number of public facilities and civil architectural projects for foreign countries, provided labour service and contracted projects abroad. The output of some Sino-foreign joint ventures has been equal to advanced international level.

In the future, the implementation of China's export-oriented economic development strategy, the development of high-technology, the technological transformation of traditional industry and agriculture, the sustained and stable supply of energy resources and the upgrading of technology in all economic departments will all call for a still more rapid development of the nuclear industry, an important component part of China's modernization drive.

The China Nuclear Industrial Corp. has set a development strategy of giving priority to nuclear power and, at the same time, developing diversified management and international co-operation. Efforts will be devoted to strengthening nuclear power construction, nuclear fuel production, uranium ore prospecting, the wide application of nuclear technology, nuclear science study, and the development of high-quality and high-output products for civil use, and export-oriented, foreign exchange-earning products. The goal is to turn the nuclear industry into an even better managed, creative industry.

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**Ordinary People of the People’s Republic**

On the eve of the 40th anniversary of the founding of the People’s Republic of China, our staff reporters have interviewed ordinary people from different trades. These interviews reflect various aspects of our republic's development, especially the widespread changes brought about by the ten-year reform. This is the third group of the interviews. The first two groups appeared in our last two issues.—Ed.

**Looking After His Constituency**

—An interview with Ai Cunyi, deputy to the Beijing Municipal People's Congress

by Our Staff Reporter Cheng Gang

At a recent meeting with this reporter, Ai Cunyi said, “All I do is look after my constituency.” Ai, 51, an honest and straightforward electrician of 31 years, has been called a “trustworthy deputy to the people's congress” by the residents of the Nankou Town in Beijing's Changping County.

In China, the people are the masters of the country and exercise their authority such as through the people's congresses at all levels. The National People's Congress, the highest organ of the state power, has the legislative power and the power to elect and remove from office leaders of the state and decide on...
other major issues. The local people's congresses at all levels are the local organs of state power. As a deputy to the Beijing Municipal People's Congress, Ai, together with 880 other deputies in the city, attends meetings at regular intervals, discusses and decides on major affairs of concern to Beijing.

Deputies to the people's congresses at all levels in China hail from all walks of life, various political parties and groups, and mass organizations. Deputies to the people's congresses at the county (urban district) level and below are directly elected by voters and the people's congresses at the municipal (prefecture) level and above are elected by the people's congresses at the lower level from among candidates recommended by voters of various wards. In 1983, being recommended by the Nankou Rolling Stock Machinery Works where he works, Ai was elected deputy to the Eighth People's Congress of Beijing by the Changping County People's Congress. In 1988, he was re-elected to the Ninth. Ai's re-election shows not only that he is an excellent worker but also that he has a high sense of responsibility for serving the people. Apart from participating in discussions and deciding on important affairs of common concern to Beijing citizens, he has also maintained particularly close ties with the people of his electoral district, often reporting to the higher authorities the demand of the voters and urging various departments to help solve the problems. In the past six years, he has put forward a proposal for solving the problem. He also wrote directly to the mayor of Beijing about the problem. Under his supervision, the departments involved made a concerted effort and invested 2 million yuan. An underground passage was completed in November 1988 and the problem was solved.

Ai also told this reporter other similar stories. He said that various departments attach great importance to proposals he and other deputies put forward. In this way, many problems have been solved. This is because the people's congress is all-powerful, even having the power to elect the highest leadership of the government, the court and the supervisory body as well as to supervise, impeach and dismiss government functionaries. Ai stressed the fact that people have their problems solved through the work of their deputies to the people's congress, it can fully demonstrate that the people are the masters of the country.

Ai has also paid special attention to whether the laws and decrees, resolutions and report on the work of the government adopted by the people's congress are being implemented in his electoral district. Between 1984 and 1988, Ai discovered that daily necessities like coal, fresh milk and eggs were in short supply in the Nankou Town. It did not accord with what the mayor of Beijing had said at a session of the municipal people's congress or with the policy of "ensuring supply," noted in the report on the work of the Beijing government and passed by the people's congress. To solve this problem, he and other deputies addressed inquiries to the related departments of the people's congress. As a result, sources of supply were fixed, commercial networks defined and the transport problem solved, to local residents' satisfaction.

In recent years, people have a higher sense of political participation. Ai is of the view that it is very important for them to participate in the formulation of decrees and policies. It is equally important for deputies to serve the voters by using the established decrees and policies and do the specific, sometimes painstaking, work in carrying out the government's platform. By solving problems for voters, they represent their interests and strengthen the voters' confidence in the people's congress.

Like other deputies, Ai is voluntary, fulfilling his duties as a deputy only after his own job has been finished. He said, "We are
all volunteers. Our work assumes the responsibilities of deputies to the people’s congress. Now that the people are the masters of the country and voters trust me, I’ll do my best to look after their interests.”

Active in State Affairs

—An Interview with Fan Zichang, a member of Jiusan Society

by Our Staff Reporter Lou Xinyue

In 1952, Fan Zichang, a former senior engineer in the Beijing Municipal Engineering Bureau, joined Jiusan Society, one of China’s eight democratic parties. “Long-term coexistence and mutual supervision” is a consistent policy of the Chinese Communist Party towards other democratic parties. Since the Third Plenary Session of the 11th CPC Central Committee in 1978 which began to bring order out of the preceding years of chaos, democratic parties have become increasingly active in state affairs and their membership has drastically increased. In 1979, when Jiusan Society resumed its activities, it had 4,600 members, a figure which has risen to 40,000. Membership of its Beijing branch rose from 687 to 2,549 by the end of July 1989, most of them working in cultural, educational and scientific circles and chapters have been established at the provincial level throughout the country.

In 1984 Fan, then 64, assumed the post of deputy secretary-general of the Jiusan Society, Beijing Branch. He was transferred from the engineering bureau to the municipal committee office of Jiusan Society and began to concentrate on party affairs. In 1988, he was elected deputy to the Beijing Municipal People’s Political Consultative Conference (BMPPCC) and deputy director of Jiusan Society, Beijing Committee.

“After I started work in the BMPPCC and Jiusan Society’s Beijing Committee. I felt I had grasped the opportunity to make the most of the rest of my life,” says Fan.

On the morning of January 18, 1988, at the First Session of the Seventh BMPPCC, Beijing’s Mayor Chen Xitong came to the third panel to listen to opinions about the government work report draft for consultation he would give to the First Session of the Ninth Municipal People’s Congress.

Chen Xitong had not finished greeting BMPPCC members when Fan interrupted his introduction. “The report does not mention how policy decisions should be made democratically and scientifically, nor, more important, does it point out that we are far from doing enough in this regard.” He then argued that some of the BMPPCC deputies’ suggestions, such as strengthening educational work, had not received the attention it deserved from the municipal government. Some suggestions, he said, had even been ignored. Fan’s outpouring of ideas took half an hour. At the end, he said sadly, “The report still needs modifications but it is now too late.”

Three days later, however, he was surprised to find that there were at least four corrections in the report when he attended the Beijing Municipal People’s Congress. What he had suggested about policy decisions being made democratically and scientifically was added to the report. The educational section was even rewritten.

Fan was excited as he recalled this event. He believes strongly that it is an important duty of the democratic parties and CPPCC members to participate in and discuss state affairs and to practise democratic supervision. Although in the past opinions of the CPPCC members and democratic parties were sometimes ignored and people complained that there was “no advantage if I remain quiet, and even if I do say something, it will be useless as well.” Fan says he believes “to say is not in vain.”

The question of education is one example. For a long time not enough attention was paid to education and although many people cried for a solution to the problem, the state couldn’t increase spending because of financial constraints. Many discussions within the people’s congresses and the Chinese People’s Political Consultative Conference were held along with investigations by CPPCC members and democratic parties. The aim was to draw “enough attention to education.” The top leadership, in the end, made a
decision to increase funds for education by straitjacketing the development of some industries and even sacrificing the speed of current construction. It was clear that the government's recognition of the importance of education was closely connected with the suggestions and supervision of democratic parties.

“The Third Plenary Session of the 11th CPC Central Committee has begun the latest golden period of the development of the CPPCC and democratic parties since the founding of New China,” says Fan.

In February, he wrote articles for the gazette Beijing Zhengxie (Beijing Political Consultation), in which he encouraged CPPCC members and democratic parties to treasure their responsibility and speak freely without any inhibitions.

According to Fan, democratic supervision and political participation should not be limited to just freely speaking out one's opinions and suggestions. Although the CPPCC is not a legislative nor an administrative organ, a channel should be probed to make CPPCC's voice authoritative.

In addition to raising CPPCC members' sense of political participation, Fan says the CPPCC needs to strengthen its internal construction. Hence the establishment of eight special commissions such as Economic Work Commission, Urban Construction and Management Commission, Education, Science, Culture, Health and Physical Culture Commission. Each commission has its own CPPCC specialists working for it so that its proposals are more authoritative and it can exert more practical supervision over the government's work.

The BMPPCC has proposed that the Chinese Communist Party and government consult with the CPPCC before making important decisions. Fan encourages “consultation before making a decision and supervision through the whole process of its implementation.” Some relevant regulations are now being drafted before they are submitted to the Beijing Municipal Party Commission and the Municipal People's Congress for examination and approval.

Working Hard to Build the Legal System
—Notes on a veteran lawyer, Li Wenjie
by Our Staff Reporter Cheng Gang

Eighty-four-year-old Li Wenjie, one of China's oldest lawyers, is now vice-president of all-China Lawyers' Association and deputy director of the Legal Council of the Chinese People's Political Consultative Conference. Li, acknowledged by the legal circle as an expert in economic legal affairs, is known for his broad and profound business knowledge, especially in the field of accounting. He is, in fact, one of the most experienced accountants in China.

Li studied at the Law Science Institute of Dongwu University after graduating with honour from the Beijing Tongcai Commercial School. Between 1936 and 1949, when Li opened the Zhengxin Accountants & Lawyers' Office in Shanghai, he became well-known locally as a business lawyer.

The lawyer system has experienced twists and turns since the founding of the People's Republic. Before 1957, there were 3,000 lawyers engaged mainly in criminal defence and legal consultation or served as civil attorney. Li says that at that time, when the new government had very few laws concerning business and a lawyer's duties were quite limited, Li changed his occupation for a while. In 1957, during the anti-Rightist movement, the lawyer system was abolished for various reasons. Later, during the “cultural revolution” (1966-76) the legal system was trampled underfoot. It wasn't until after the Third Plenary Session of the 11th Party Central Committee in December 1978 that the legal system was once
more strengthened and improved. In August 1980, the lawyer system was restored in China, and Li Wenjie was among the first to register. Since then, he has been busy with the numerous complicated business legal affairs. He is currently advisor to the lawyer office of the China International Trust and Investment Corp. (CITIC).

Li says that after the lawyer system was reinstated, the scope of a lawyer's business became far greater than before 1957. Take business legal affairs for example. There were very few such cases before 1957, but after the implementation of the policy of reform and opening up, economic legislation had to be devised from scratch, from few to many and was improved step by step; the majority of economic activities were subsumed into the law. In addition, as a result of the widespread education in and study of the legal system, administrators and managers who were unfamiliar with laws before have now often sought legal advice. Today, business legal affairs are the main task of Chinese lawyers, who are playing an increasingly important role in business activities. After 1980, Li Wenjie was invited to act as legal adviser to dozens of work units, including the Palace Museum and the Yantai municipal government. Although he no longer handles litigation due to his advanced age, he still uses his rich legal and economic knowledge and experience in handling cases in the activity of arbitration, negotiation, consultation and the examination and approval of contracts. By so doing, he has defended the legal rights and interests of his clients, and avoided, reduced or retrieved their economic losses. In 1982 for example, a cultural relic of the Sui Dynasty (581-618) of the Beijing Palace Museum was damaged while on display in Northern Europe. A dispute arose over the question as to who was at fault, with both the museum and the exhibition sponsor each arguing against their assumption of liability because responsibility for the relic's safekeeping was not clearly defined. When similar cases occurred in the past, Chinese litigants usually let the issue be decided by their leader in charge of the matter. But this time, Li Wenjie was asked to arbitrate. After an investigation, Li proposed to the exhibit sponsor that it first compensate the museum and then petition the insurance company for coverage of its losses. The matter was thus settled to everyone's satisfaction. The Palace Museum has since always looked to Li for advice and he has handled many similar cases.

Still, Li feels the role of lawyers has not been brought into full play and mentions two points by way of illustration: First, the law is still incomplete, and the replacement of law by policy occurred all too often, making it difficult for lawyers to base their work on a legal basis. Secondly, many enterprises rely on lawyers mostly in an emergency and few bother to solicit their opinions beforehand for preventive measures. Li believes, however, that with the public's increasing sense of compliance with the law, and the enhancement of the lawyers' competence, the situation will improve.

Li speaks fluent English. In recent years, he often takes part in international law symposiums and makes the acquaintance of many foreign colleagues. An American businessman once came to China for business and tracked Li from Beijing to Shanghai to ask him to help with a legal case. The American businessman was recommended to Li by a mutual acquaintance in New York, and on this friend's advice, Li undertook the work, carefully fulfilling his tasks. Li says that he and his colleagues often handle cases entrusted by foreign firms with care.

Li Wenjie is a member of the Fifth, Sixth and Seventh National Committee of the Chinese People's Political Consultative Conference. As a legal expert, he often conducts grass-roots' investigations together with other CPPCC members and offers opinions on the best
ways to further develop the legal system. In 1985, after looking into how economic contracts between foreign and Chinese sides were implemented in Guangdong Province, he wrote the article entitled *Adherence to the Open Policy Requires Strengthened Legal System and Improvement of Economic Laws and Regulations Concerning Foreign Business*. In the article, he points out the legal issues in the economy involving foreign interests. Earlier, in 1981, he had put forward Proposals for Implementing the Lawyer System. Today, there is at least one lawyer office in each county of China, employing a total number of 50,000 lawyers, a development due partly to Li's contributions. Li personally participated in drafting the Detailed Rules for the Implementation of the Law Concerning Joint Ventures With Chinese and Foreign Investment," the "Accounting Law and the Patent Law. He says he is very pleased to have had the opportunity to express his views on legislation and do his bit to improve China's legal system.

Li Wenjie now lives in a two-bedroom apartment in Beijing together with his wife, a doctor before she retired. During festivals and holidays, Li enjoys the happiness of the gathering of four generations of his family. He takes particular delight in the company of his three great grandchildren. Both his children and grandchildren have been well educated. Though half of them have continued his wife's career as doctors, none of them has entered the legal profession. Nevertheless, Li does not feel a lack of successors, because many young lawyers, regarding him as their senior counsellor, often come to his home for advice. He believes these young lawyers, with their solid education, will become the main force of this profession. Their only weakness, Li says, is inexperience. But Li is quite willing to help them become useful people as soon as possible.

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Export Target for Chinese Products

The China National Electronics Import and Export Corp. (CNEIEC) recently announced its short- and medium-term target for development: annual export increase by 15 percent and annual export value equal to 10 percent of that year's electronics industrial output value.

The corporation's General Manager Ouyang Zhongmou said that based on the technical standing of China's electronics industry and its production capacity, export for the present will continue to focus on TV sets, radio-cassette recorders, semiconductor radios and other consumer goods. By various forms and channels, the corporation plans to develop electronic pianos, electronic toys, mini-screen TV sets and other new products for export and to expand the export of technology-intensive products such as computers, radars and post and telecommunications equipment.

While consolidating and expanding the Hong Kong and Macao markets, he said, his corporation will target the West European and North American markets. Meanwhile, efforts will be made to probe ways to expand exports to the Soviet Union, Eastern Europe and the Middle East.

Since 1981, CNEIEC's export value has increased rapidly. Its export value in 1988 reached US$374 million, more than 21 times that of 1981.

By Kou Zhengling

A US Bus Factory in China

The Panda Motors Corp. of the United States invested US$250 million to set up an automobile factory 5 kilometres to the south of Danshui Town of Huizhou City, Guangdong Province. This is the largest automobile enterprise ever established in China with wholly foreign funds.

The US investors boast strong capital and a world-wide reputation. The first-stage construction began on June 27 and is expected to be completed by 1995. The factory plans to import the most advanced assembling technology and production facilities from the United States. Its designed annual output of 300,000 cars will all be sold abroad.

The factory stands by the Aotou Harbour, which will be constructed into a big deepwater foreign trade port in the future and only 47 nautical miles from Hong Kong favourable conditions for expanding export and shuttling its personnel between China and the United States.

By Kou Zhengling

CGG in China

The French Company Generale de Geophysics (CGG), a geophysical exploration company and one of the world's largest, recently exhibited its product line of transformation technology, data processing and factory equipment at the Beijing '89 International Symposium on Geophysical Exploration. China's petroleum, natural gas, and geology minerals departments took great interest in these French products which make up 20 percent of the world's geophysical exploration market.

The two sides have already begun talking about sales and new technology transfer. CGG, which has a 25-year-old history of co-operation with China, will invite representatives from the China National Petroleum and Natural Gas Corp. to visit France this year, and in return, the CGG will send a five-person group to China's Jiangsu Province for investigation.

In the past 25 years, the CGG has provided China with many instruments and facilities including 100 sets of seismic data collecting instruments, 50 sets of computers for data processing, 15 sets of data explanation materials systems for personnel and machine integrated operation. It has also sent earthquake investigation teams to the Xinjiang Uygur Autonomous Region and Jiangsu Province and provided China with an information processing station and personnel training.

The CGG's Vice-President Eric Dorange is optimistic about the prospects of further co-operation and said that in the past 25 years his company's successful wide-range co-operation with China has a good foundation for further co-operation in the next 25 to 50 years.

By Li Ming

Yunnan Cigarettes Are Oversea Winners

Last year, the Kunming Cigarette Factory in Yunnan Province exported 7,200 cartons of Sanqi brand cigarettes to Japan, chalked up a total sales value of more than US$3 million. The factory also has exported such brands as Cloud Smoke, Red Big Luck, Chuncheng and Red Camellia to Singapore, Malaysia, Burma, Thailand and Hong Kong. These brands constitute a third of the 17 brands China produces for export.

The top export earner is the Sanqi brand, a blend of pseudo-ginseng and tobacco. The brand boasts both an unique flavor along with the promise of leaving a better taste in the smoker's mouth than other cigarettes. When Sanqi hit the Japanese market, many major Japanese newspapers greatly praised it.


Of the factory's 12 brands, Cloud Smoke, Red Camellia, Camellia Flower, Big Taoist Heaven, Sanqi and Chuncheng have become known as prize-winning products and quality tourist products.

In order to satisfy the increasing demand in the export market, the factory has paid much attention to technical updating. In 1974, the factory imported cigarette-making machines from the British Molins Co. Then in 1983, it introduced over 100 pieces of filter making, packing and testing facilities from Britain.
The city's textile industry started comparatively late. However, the industry has now developed into a comprehensive system capable of producing synthetic fibre, cotton, flax, silk and wool for the full process of spinning, weaving and dyeing as well as clothes-making. Last year the textile industry's output value accounted for 14.6 percent of the city's total industrial output value. The Polyamide Fibre Cord Factory, set up in 1984 on Japanese technology and equipment, is the only enterprise of its kind in China.

The machinery industry has also grown steadily because of the availability of rich energy. The city now has six big and medium-sized machine-making factories. At the same time, it has also registered a steady growth in chemicals, building materials, light industry and food processing. Its pottery, porcelain and wine have entered the international market.

Located between the mountain area of south Henan Province and Yellow River-Huaihe River Plain, the city has 44 kinds of mines, of which reserves of 22 have been verified, such as coal, steel, salt, bauxite, refractory clay, limestone, silica, graphite and marble. All these provide a solid material fundation for the development of energy, metallurgical, iron and steel, chemical and building materials industries.

The city turned out a total industrial and agricultural output value of 7.9 billion yuan last year. It has established economic and technical links with the United States, Japan and the Federal Republic of Germany.

To attract more partners, the city is giving more attention to urban construction while continuing to boost its agricultural and industrial production. Public facilities have been or are being built, and a high-way network has been established throughout the city. Water supply and sewerage systems have been updated. In addition, the city has imported a programme-controlled telephone system from France to expand its telecommunications network.

As a new city, Pingdingshan finds its development is handicapped, to varying degrees, by the shortage of talented personnel, technology and funds. To counter this, the city has put forward favourable policies to attract foreign investment.

by Zhang Zhiping
Tea and Chinese Culture Exhibition

There are few things as refreshing as a cup of tea, and the world has China to thank for bringing this aromatic, slightly bitter beverage to its table.

Tea has long and noble history in China, dating back 5,000 years, with the beverage becoming an intricate part of China's unique culture. And recently, an exhibition on Tea and Chinese Culture was held at the Beijing National Palace.

Tea and tea ceremonies have been demonstrated in poetry, drawing, calligraphy, song, dance and drama through the ages. Tea has also played a vital role in oriental civilization—from philosophy, economics, history, religious rites, medicine and food to pottery and porcelain for tea sets.

The exhibition in September provided a detailed history of tea from its development to its acceptance throughout the world.

It also featured wide varieties of tea that are particular favourites in different parts of the country. For instance, in the vast northern regions people mainly drink scented or flower tea. For this tea the leaves are cured with budding flowers such as rose, jasmin and osmanthus. Those living in northeastern China like black tea as well as scented tea. Green tea is popular south of the Changjiang (Yangtze) River, while people along the southeast coast prefer Oolong tea, a half fermented tea of dark brown leaves. People in the northwest like to drink brick tea.

The exhibition also presented information on the correct way to drink tea, how to choose the right tea set and the relationship between tea and health.

The skill of tea tasting is an art having a firm place in traditional Chinese culture. The Chinese have a high respect and admiration for a person who can taste and assess tea, a most difficult task requiring great knowledge and skill. As well, close attention is paid to the etiquette of tea drinking. There are customs and rituals surrounding the drinking of tea from ancient times, and there is a code of behaviour for this most popular ceremony in China. Tea is drunk on a daily basis in China and the ritual of drinking tea provides an occasion for meeting new friends.

It all began 5,000 years ago when the Chinese found that the fresh tea leaf could be used as a herbal medicine. Farmers in southwestern areas of Sichuan Province started cultivating the wild tea shrub. Around 770 BC, the Chinese began the process of drying tea leaves. Several centuries later, during the Western Han Dynasty (206BC-24AD), brick or cake-pressed tea was invented. At that time tea was regarded as a special beverage to be enjoyed by the upper class.

Drinking tea became more widespread as Buddhism flourished during the Northern and Southern Dynasties (420-589) and, during the Tang Dynasty (618-907), tea production went ahead by leaps and bounds. It was during this time that Lu Yu, who has a place in history as a “Tea Sage,” wrote the first comprehensive book about tea. It was simply titled Book on Tea and brought together everything that was then known about tea. It talked about the origin of tea, its history, cultivation, picking and processing, and the proper way of making, tasting and drinking tea. By the 19th century, 118 books had been written about tea.

When Chinese tea production was at its height during the Ming and Qing dynasties (1368-1911), more than 100 varieties were being produced. Joining the old standby, green tea, were such delectable varieties as black tea, white tea, Oolong and red tea.

Tea first started to be known outside of China as early as the Han Dynasty. Records show that between 156 and 87 BC, a messenger of Emperor Wudi once went on an expedition to coastal countries scattered along South Asia carrying gold, silk and tea. In 473 AD tea was first sold to India, Iran and other countries via the “Silk Road” across Central Asia.

During the Tang Dynasty, Japanese Buddhists flooded into...
China, and Buddhism and tea as the main ingredients of Chinese culture, passed on to the Japanese.

In the mid-16th century, Chinese tea entered Russia by road, and was introduced to the Netherlands by sea in 1607. The British East India Co. introduced Chinese tea and cultivation methods to India between 1780 and 1834. After tremendous success with tea in India, plantations were set up in Indonesia. Britain soon became the biggest consumer of Chinese tea, and by 1886, China’s tea exports reached 130,000 tons. However, with British help, India surpassed China in the export of tea, leaving the Chinese tea industry in a shambles.

By the time New China was founded in 1949, China was exporting less than 10,000 tons of tea a year. However, since then, tea production has been improving steadily. In 1988, China exported 190,000 tons of tea, or 20 percent of international tea exports.

Mongolian Acrobatic Troupe Performs in China

The Acrobatic Troupe of the Mongolian People’s Republic captivated audiences in Beijing, Hohhot and Baotou in Inner Mongolia when it staged 12 performances in August and September. It marked the third time the troupe has performed in China and was made possible under the Sino-Mongolian cultural exchange agreement.

Each performance consisted of more than ten acts, with G. Magdaa, a slim and beautiful young woman of 21 being one of the troupe’s star performers. G. Magdaa had won a silver medal at the Pyongyang International Acrobatic Festival in Korea. This time she treated Chinese audiences to the "Mongolian Hoop Dance." The dance began with 14 steel hoops, one metre in diameter, scattered about the stage. G. Magdaa slowly and gracefully lifted the hoops one by one and spun them around various parts of her body. It seemed as if the hoops were bewitched into becoming a part of her. Finally, all 14 hoops were simultaneously spinning around her body, arms, legs and hands as she danced gracefully and freely. The audience broke into a warm round of applause, appreciating her skill.

Besides the Mongolian Hoop Dance, G. Magdaa demonstrated her comprehensive and sound grasp of acrobatics by springing from a platform and somersaulting to a chair suspended several metres in the air. She also somersaulted from the floor to another acrobat’s shoulders and she was part of a juggling act.

A thrilling balancing feat was performed by an acrobat who won a silver medal at the Paris International Youth Acrobatic Competition. The act began with four objects resembling beer bottles being placed on a square platform. Seven chairs were then placed on top of the objects. The acrobat next placed a half-metre-long stick in his mouth and, using the stick, balanced himself upside down on the top chair. As the audience applauded loudly, he then revolved his body, prompting even more applause.

Another act was Jujitsu for Two People presented by two women acrobats. Similar to yoga, the performers bent their bodies in all directions to form numerous graceful shapes. Dressed in light green close-fitting costumes decorated with silver ornaments and using the stage lighting to full advantage, they danced as if they were two silver snakes, coiling and recoiling. Their unique sense of beauty greatly impressed the audience.

The final act in the performance was Doves and Jujitsu. While a woman acrobat and a child acrobat danced, more than ten pure white doves hovered and flitted around until a globe appeared on which all the doves landed. Slow meaningful music accompanied the act, which symbolized people’s longing for peace.

Adding a humorous touch to the show was D. Batsyx, a fat clown. He was charmingly naive on the stage with his naughty movements and facial expressions. The audience could not help but laugh, and the clown’s lively performance served to heighten their enthusiasm.

The Acrobatic Troupe of the Mongolian People’s Republic was performing at the invitation of China’s Ministry of Culture.
China’s Major Natural Resources

ZHONGGUOHUANJING
(China Environment)

China’s per-capita share of major natural resources is far lower than that of the world average and the reserves of its various resources have continued to decrease.

Water resources. China has a total of 2,800 billion cubic metres of water resources, ranking sixth in the world. The per-capita share is 2,700 cubic metres annually, compared with the world per-person share of 11,000 cubic metres. This makes China the 88th in the world, one of those with the lowest per-capita share.

Farmland. China covers a total area of around 1 billion hectares. Of these, 100 million hectares are farmland, making up 7 percent of the world’s total, or the fourth largest in the world. Given its huge population of 1.1 billion, China’s cultivated land averages 0.14 hectare per person, less than 33 percent of that of the world average. Due to a variety of reasons, China’s farmland has been decreasing at the rate of close to 1 million hectares a year. Among countries each with over 50 million people, China’s per-capita share of cultivated land is the third lowest.

Forest reserves. China’s forest reserves per capita are 0.12 hectare, or equal to 20 percent of that of the world as a whole. In China, forest covers 20 percent of the area, making it 120th in the world. And forest-covered land is decreasing at the rate of 0.09 percent every five years.

Grasslands. China has about 300 million hectares of grasslands, of which 220 million hectares have been utilized. When calculated against the 1.1 billion population, the per-capita share of grasslands is only 0.2 hectare, or 25 percent of that of the world as a whole.

On top of this, China’s grasslands are confronting severe problems. According to incomplete statistics, more than 51 million hectares of grasslands are suffering from degeneration or transformation into desert. This figure makes up 17.4 percent of China’s total grasslands.

Soil erosion is also serious, affecting 1.6 million square kilometres, or one-sixth of China’s total area. Over the past few years, about 31 million hectares of farmland have been hit by flood and drought. In a nutshell, China’s per-capita share of major natural resources is quite limited.

Don’t Shun Your Iron Pot

BEIJING RIBAO
(Beijing Daily)

Why has the World Health Organization (WHO) appealed to the whole world to go back to our traditional Chinese iron pots?

Iron pots have a long history in China. However, with the appearance of aluminium pots, pressure cookers and electric rice cookers, they are often being treated coldly, shunned and put aside.

Science has discovered an unexpected and deadly correlation with the decline of the iron pots. Researchers found that though Japan’s productive forces and living standard were substantially increasing, the number of cases of chronic anemia was also rising rapidly. The reason behind this illness was the use of aluminium pots in the place of iron pots, which cut off the transfer of iron to the body.

Iron is an essential element for the body and forms a major part of its blood. Without it, the task of carrying oxygen and carbon dioxide just could not be completed. Red blood cells have only a 120-day lifetime. So, every day a great number of them are exhausted and produced by the marrow to replace the supply.

To guarantee that marrow produces red blood cells normally, iron must be present in the process. Although various foods have iron, they exist in organic molsite and the stomach and intestines assimilate very little of it. By contrast, iron in iron pots is inorganic and when it comes in contact with the hydrochloric acid of the gastric juice, it becomes inorganic molsite which can easily be absorbed.

The average adult needs 5-10 mg of iron daily. If you use an iron cooking pot, the iron content in your food will double, while vegetables cooked in the iron cooking pot will increase up to three times the supply of iron.

(Correction: The “mistakes of honesty” in Rumours and the Truth on P. 16 of issue No. 37 (September 11-17) should read “honest mistakes.”

June 15, 1989)
Decorative Wooden Paintings

These decorative wooden paintings are made from smooth, thin wooden boards stuck on to plywood under high pressure. Basically, by combining added colour to the natural colour and grain of the wood, different effects are obtained from different kinds of wood. The paintings are simple yet elegant with the character of oriental art.

These are the works of Li Huaxin and Liu Mingzhe, woodcut artists from the Yichun forest area of Heilongjiang Province.
Chinese Trumpet Creeper: Trueran Gauze

Cloth woven and made by good-quality trueran and natural cotton yarn:
Pure terylene products include two-ply, three-ply and four-ply skein and cheese;
Trueran blended gauze has a variety of mixed ratios:
Trueran yarn includes varied counts of carded, combed single-ply and two-ply as well as the waxed-cheese;
Trueran yarn includes grey cotton, bleached cloth, dyed cloth printed or dyed shirting. Our variety of fabrics include fine cloth, fine spun, poplin, voile, seersucker, linen, Oxford spun, yarn spun fabric, drills, khaki drills, jacquard, brocade and corduroy.
The printed and dyed products made from trueran are rich in colour, bright, original and beautiful in style. Through resin finishing, they are durable, crease-resistant, waterproof and have as beautiful imitation silk treatment. Being smooth, soft and comfortable to wear, they are a favourite with customers and sell well throughout the world.