With the help of Tianjin Evening News, Tkachova, a Russian who has been separated from her mother for 43 years, was reunited with her mother Cao Lijun (an American citizen of Chinese origin) and her sister Kaliya in Tianjin, her hometown.

Top: Three generations of one family revisit their native town and have a picture taken at the Goddess Temple (from left granddaughter Alina, Tkachova, Cao Lijun and Kaliya).

Bottom: Granddaughter Alina at the Tianjin TV Station has some fun trying on a Song Dynasty headdress.

Photos by Chang Jinsheng
11th Asiad—A Gala Sports Event

In a recent interview with Beijing Review, He Zhenliang, chairman of the Chinese Olympic Committee, talked at length about China's fight for its legal standing in the international sports arena from 1950 to the 1980s. He also discussed the arrangement of events for the 11th Asian Games, the Asiad's influence on Asian sports development, and the benefits to China as host of the Asiad (p. 14).

Shanghai Mayor on Pudong Project

At a news conference held by the Shanghai municipal government on September 10, leaders of the related departments of the State Council and Zhu Rongji, mayor of Shanghai, answered questions from Chinese and foreign reporters on the development and opening up of the Pudong Development Zone (p. 19).

The First Light of Peace for Cambodia

At the recent Jakarta meeting the four factions of Cambodia declared the formation of the Supreme National Council, which marked a major breakthrough in the effort to seek a reasonable solution of the Cambodian conflict. A fair and comprehensive settlement of the Cambodian question is not only beneficial to the war-torn Cambodian people but also conducive to peace for Indochina as a whole (pp. 4, 5 and 8).

Korea: First Meeting in 45 Years

Prime Ministers of the two sides of Korea met, for the first time in 45 years, to discuss peaceful reunification of their country. The meeting was seen as a positive step towards a better mutual understanding needed to ease long years of tension between the two sides (p. 11).

China to Build Six More Railways

China has created a plan to develop its railway network during the next Five-Year Plan period (1991-95). Six major railroads will be constructed, which will greatly expand the capacity of railway transportation and ease traffic tensions. High speed railway operations will also be experimented with during the period. (p. 10).
Cambodia: A Historic Step Towards Peace

by Our Guest Commentator Yang Mu

A historic step towards peace and national reconciliation has been taken as Cambodia’s four warring factions announced the formation of the Supreme National Council (SNC), in Jakarta on September 10.

The new progress, achieved by the four factions—the Sihanoukist group, the Son Sann group, the Democratic Kampuchea Party and the Viet Nam-installed Phnom Penh regime, is largely attributed to the efforts by the United Nations, which has been working hard to end the 12-year-long Cambodian conflict.

The SNC will be the only legal and authoritative power for Cambodia during the transitional period, which entails a complete Vietnamese pullout from Cambodia and UN supervised elections until a new government comes to stay. As a symbol of Cambodia’s independence, sovereignty and national unity, the SNC will internationally represent the country and exercise top authority domestically. Its establishment has been hailed by the UN Secretary-General and Security Council, the ASEAN, and the world community at large.

Since December 25, 1978, the day Viet Nam invaded Cambodia across its border, the war has lasted nearly 12 years. So the formation of the SNC marked a major breakthrough in the effort to seek a reasonable solution to the Cambodian conflict.

However, the founding of the Supreme National Council has gone through a twisted course of struggles, consultations and mutual compromises. It was not until the Paris International Conference on the Cambodian problem was held in August 1989, with 19 countries and 23 factions participating, that Cambodia entered a new period of peace process. Although no agreements were reached, the conference laid down the basic principles for a peaceful resolution: The Cambodian problem must not be resolved militarily, but with an overall political resolution; the United Nations must play an important role in the process; and in the country’s future organ of power the quadrupartite principle should be implemented and Prince Norodom Sihanouk’s role should be brought into play.

After the Paris conference, negotiations for the political resolution were carried out in two channels.

The first was the consultation meeting of the five permanent members of the UN Security Council; within a year, six rounds of such consultation have been held in Paris and New York among representatives of these five member states. At their fifth round of consultation held in Paris on July 16-17, two documents concerning Cambodia’s interim political power and military arrangements were issued after 20 hours of intense debates. Their sixth consultation meeting in New York resulted in an agreement on three documents: a document on fair election in Cambodia under the United Nations sponsorship; a document on the protection of human rights; and a document on international guarantee. The aforementioned five documents made up a package for the political resolution of the Cambodian problem.

The second channel is through talks among the four factions of Cambodia. The tripartite Democratic Government of Cambodia headed by Norodom Sihanouk, in a conciliatory overture, issued several peace initiatives. However, because of a lack of sincerity on the part of the Phnom Penh regime, no agreement was reached. The success of the informal Jakarta meeting held on September 9-10 was, indeed, unexpected; it was the fruitful result of active consultations between the five UN Security Council permanent members, the mediation efforts of the ASEAN countries and the compromises made by the four factions of Cambodia. The world opinion and trend for peace and development has also played a role.

The founding of the SNC is merely the first step towards peace. The peace-loving states and opinions throughout the world are waiting to see what is going to happen next in Cambodia, whose road ahead will be full of both roses and brambles. The newborn SNC is confronted with four urgent tasks:

—To hold the first SNC conference to elect its 13th member, namely the SNC’s president. Norodom Sihanouk is the most likely candidate. The conference is also going to work out a division of authority among representatives of the four Cambodian factions and form a delegation to attend the UN General Assembly.

—To sponsor the Second International Conference on Cambodia in Paris, so that the various documents for the political settlement of the Cambodian issue can be signed. The conference, once held, will go down in history as the fourth major international meeting on an Indochinese issue.

—To entrust, while signing the documents concerning a comprehensive political settlement of the Cambodian issue, the United Nations with all necessary power to guarantee the all-round and solid implementation of the entire package, including free and fair election.

—To set the stage for free and fair election, which is seen as yet another key step towards a comprehensive political resolution. This means to tackle a number of questions, such as Vietnamese troop withdrawal from Cambodia under UN supervision, cease-fire, the arrangement of troops of the four Cambodian parties, illegal Vietnamese immigrants, and the illegal border agreement signed by Viet Nam and the Phnom Penh regime.

In short, there is an arduous course ahead for Cambodia if it is to reach an all-round political settlement, achieve national understanding and unity, and turn itself into a peaceful, independent, neutral and non-aligned country. There will be compromises and reconciliations amidst struggles and differences. But so long as the four parties work together in a spirit of reconciliation and sincerity, so long as the United Nations continues to play its constructive role, a new, peaceful Cambodia will emerge from the horizon.
China Adopts Three Draft Laws

The Standing Committee of the National People's Congress (NPC), upon the conclusion of its 15th Session on September 7, adopted three draft laws effecting authors' rights, the national railways, and the protection of returned overseas Chinese and their relatives.

These laws have been deliberated by the 100-odd Standing Committee members who made many modifications and improvements, said Chairman Wan Li, who presided over the ballot.

The copyright law draft aims to protect authors' lawful rights and to promote their intellectual creativity and interests. The law, the first of its kind in China, becomes effective as of June 1, 1991. The law also protects the copyright of foreigners who publish their works first in China.

The law on railroads, passed with 94 approvals, seven objections and nine abstentions, clarifies the policies concerning the country's railroad construction, transportation business, safety, and the legal liabilities of violators. It will become effective on May 1 next year.

Deliberated at the 14th session and carefully reviewed at the 15th assembly, the third draft law on protecting the interests of returned overseas Chinese and their domestic relatives was approved by an overwhelming majority.

The law, effective beginning next year, prohibits discrimination against returned overseas Chinese and their relatives at home. It also protects their private property in China and authorizes preferential policies for them while in China or when making trips abroad.

Local governments are urged to encourage returned overseas Chinese and their relatives to invest in industrial and commercial enterprises, wasteland development and production of agriculture, forestry, animal husbandry, and fisheries.

During the last meeting of their 10-day session held in the Great Hall of the People in Beijing, the country's top law-makers also approved the appointment of a new chief for the State Commission for Restructuring the Economy (SCRE) which is the agency responsible for mapping out China's reform programme.

Chen Jinhua, 61, former president of the China Corporation of Petrochemical Industry, was appointed as SCRE minister, a post previously held by Premier Li Peng. The move will enable Li Peng to concentrate on the affairs of the State Council.

Chen, familiar with China's economy and experienced in managing giant economic entities like China's Petrochemical Corporation, is described as the person best able to "blaze a new trail and make timely decisions".

The meeting also appointed Feng Lanming as deputy secretary-general of the NPC Standing Committee, and Duanmu Zheng as vice-president of the Supreme People's Court and member of the Judicial Committee. Two international labour pacts were also ratified.

Cambodia Takes a Key Step to Peace

The announcement to form a supreme national council (SNC) by the four Cambodian parties at the conclusion of their two-day Jakarta meeting on September 10 was considered a key step toward peace for the once war-torn Asian country and a major fruit of the world community's unremitting efforts made over the last decade in search of a political solution to the Cambodian issue.

The progress, achieved after compromises were made among the four parties—the Sihanouk group, the Son Sann faction, the Democratic Kampuchea Party and the Viet Nam-installed Phnom Penh regime, is attributed first to the efforts of the United Nations, which has all along been working to end the 11-year-old Cambodian conflict.

Under the auspices of the United Nations, the Paris International Conference on Cambodia last year laid down the basic principles for a comprehensive political solution to the Cambodian problem. Recently, after six rounds of consultations, the five permanent members of the UN Security Council adopted a package of five documents for the same purpose.

All this laid the groundwork for the Jakarta meeting and set the stage for the establishment of the SNC.

In their joint Jakarta declaration, the four parties accepted the UN package as the basis for a political solution to the Cambodian issue.

In Beijing, Indonesia and France, which co-chaired the Paris International Conference on Cambodia, were hailed for their successful sponsorship of the Jakarta meeting and their great mediation efforts.

The peace initiative put forward by Norodom Sihanouk in Beijing last month also helped bring about the agreement on the establishment of the SNC.

The SNC will serve as Cambodia's legal authority during the transitional period of the Vietnamese pull-out and the UN-supervised elections, until a new government is formed. As a symbol of Cambodia's independence, sovereignty and unity, the SNC will represent the country internationally and exercise top authority domestically.
A Chinese Foreign Ministry spokesman issued a statement on September 11, welcoming the establishment of the SNC of Cambodia.

The spokesman said, “There exist in reality four political and military forces in Cambodia. Therefore, the SNC, composed of representatives from these parties, is of special significance to the realization of the national reconciliation and the maintenance of peace and stability in Cambodia.”

He said that Prince Sihanouk, an outstanding patriot and publicly recognized leader of the Cambodian people, enjoys a high level of international prestige. If the SNC elects Sihanouk as its chairman, the decision will win popular support of the Cambodian people as well as other members of the international community.

As a close neighbour of Cambodia, the spokesman said, China strongly hopes that Cambodia will become an independent, peaceful, neutral and non-aligned country, maintaining friendly relations with its neighbouring countries.

“We hope that the four parties of Cambodia will enhance understanding, trust and co-operation among themselves in the SNC so as to achieve genuine national reconciliation. China is ready to establish and continue contacts with all the parties of the SNC,” the spokesman said.

He added that China will continue to contribute to the final settlement of the Cambodian issue along with the rest of the international community.

**More Railways for The 1991–95 Period**

China has made an elaborate plan to develop its railway network, by far a bottleneck on the chain of the national economic development, during the coming Eighth Five-Year Plan period (1991-95).

The State Council recently approved the construction of a major railway linking Chengdu with Daxian City in Sichuan Province in the next five years.

Sichuan is a tucked-away province, inaccessible because of its almost impassable mountains. The new line, when completed, will connect with another artery line from Xian to Ankang in Shaanxi Province, which will be built simultaneously, thus creating a short-cut access from northwest China to the province.

This newly approved line, stretching a distance of 310 km from Daxian in the east via Nanchong, Suining and Deyang to Chengdu in the west, will become a part of the provincial railway network, which now includes the Baoji-Chengdu, Chengdu-Chongqing, Chengdu-Kunming, Guiyang-Chongqing and Xiangfan-Chongqing trunk lines.

The construction budget for the new line, shared by the state and the province, is estimated at 14 billion yuan.

According to Sun Yongfu, vice-minister of railways, the construction of the Xian-Ankang railway, which will include the longest tunnel ever to be excavated in China, extending 18 km through the Qinling Mountain Range, is but one of “six gigantic projects of railway construction” China is going to build during the next Five-Year Plan period.

The other lines include the 2,000-km-long Beijing-Jiujiang railway, to run parallel to the two existing major lines, the Beijing-Guangzhou and Beijing-Shanghai railways from north China down to east and south China.

A Beijing-Jiulong (Kowloon) railway will be also built, which will run through Hebei, Shandong, Henan, Anhui, Jiangxi and Guangdong provinces, across the Yellow and Yangtse, China’s two longest rivers. A 14-km-long railway bridge, the longest ever in Asia, will span the Yellow River. This artery line will ease traffic tension and overburdened transport capacity of the two existing lines and stimulate local economy.

A third Qinhuangdao-Shenyang track will be laid to alleviate the already saturated traffic in north and northeast China. In northwest
China, a principal line will be built between Baodi in Shaanxi, and Zhongwei in Ningxia. When completed, this line will facilitate the exploration of local petroleum and coal resources and greatly boost the local economy.

In southwest China, a line will be constructed between Nanning in Guangxi and Kunming in Yunnan. It will run about 870 km through Yunnan, Guizhou and Guangxi along the border line in the area. Construction of this line is of economic and defence significance.

In order to deliver more coal from Shanxi to central and south China, another railway from Houma in Shanxi to Yueshan in Henan has been planned.

Sun said that upon completion of the six projects, China’s railway transportation will greatly expand its handling capacity. Today, the annual growth rate of the railway’s capacity to handle passengers is only 1.2 percent while the number of travelling passengers rose as rapidly as 10 percent. In 1988, the number of passengers travelling by train, nationwide, soared to 1.3 billion.

Railway transportation accounts for 56 percent of the nation’s total land, air and waterway transportation capacity. Although China has a total railway mileage of 52,800 km (1988), or 2.24 times that of 1949, the year New China was founded, the railway’s capacity to handle passengers is only 1.2 percent while the number of travelling passengers rose as rapidly as 10 percent. In 1988, the number of passengers travelling by train, nationwide, soared to 1.3 billion.

Railway transportation accounts for 56 percent of the nation’s total land, air and waterway transportation capacity. Although China has a total railway mileage of 52,800 km (1988), or 2.24 times that of 1949, the year New China was founded, the mileage per person presently is less than five cm.

Sun also said experiments with high-speed railway operations will be undertaken during this period. The ministry has designated the Guangzhou-Shenzhen railway as the first to be technically transformed so that trains on the line will have a speed of 160 km per hour, doubling that of conventional trains. It will lay the foundation for an even faster train of 200 km per hour in the future.

News in Brief

Cai Chang Passes Away

Cai Chang, a veteran of the Chinese revolution and outstanding leader of the Chinese women’s movement, died on September 11, in Beijing, at the age of 90.

A native of Hunan Province, Cai joined the revolution in 1919 and the Communist Party of China (CPC) in 1923. She participated in the Long March in 1934 and made tremendous contributions to women’s emancipation during different periods of the Chinese revolution.

Since the founding of New China in 1949, Cai was a member of the seventh to 11th Central Committee of the CPC, vice-chairwoman of the Standing Committee of the fourth and fifth National People’s Congress, and chairwoman of the first to third All-China Women’s Federation and honorary chairwoman of the fourth federation.

She assisted in improving women’s scientific, cultural and political qualities, strengthening their self-esteem and self-confidence, fostering public respect for women and children and safeguarding their legal rights and interests. Cai was also an activist of the progressive international women’s movement.

Direct Calls From Tibet

People in Lhasa, capital of the Tibet Autonomous Region, are now able to telephone 500 Chinese cities and 100 foreign countries without operator assistance, as a direct-dialing automatic telephone service began operation on September 13.

China has basically completed a national automatic long-distance telephone network, linking 606 cities across the country. Lhasa was the final provincial capital to join the network.

Of the 606 cities, 218 could directly dial 182 countries and regions around the world. Presently, there are 900,000 domestic direct dialing phones and 350,000 international direct dialing customers in China.

Beijing-Tianjin Highway

The Beijing-Tianjin Expressway, the first interprovincial expressway in China, opened on September 12 to exclusively serve the coming 11th Asian Games.

Telephones, traffic monitors and lighting are yet to be installed and service centres constructed, but the road was temporarily put into operation to serve athletes and tourists arriving at Tianjin Airport, more than 100 kilometres east of Beijing.

Only passenger cars will be allowed to travel on the road during the month-long trial operation. The four-lane, 26-metre-wide road will allow cars to travel at speeds of over 120 kilometres per hour. After the games, the road will be closed to traffic to complete construction and installations, scheduled to conclude before the end of this year, when the road will be formally opened.

Economy Picks Up

A routine meeting of the State Council was told that China’s industry is showing gradual growth, with the August industrial output increasing by 4.6 percent over the same period last year. With a bumper grain harvest expected this year, the overall national economic situation is looking positive.

The major problems in the national economy continue to be sluggish markets and poor economic efficiency, participants stated.

The meeting proposed to establish a special state grain storage system, which would allow the purchasing of surplus grain from farmers and guaranteeing production.

by Li Xingjian
Cambodian Issue: Solution in Sight

by Fu Ying

Recent signs point to a final resolution of the 12-year-old Cambodian conflict.

On September 9, after two days of meetings in Jakarta, Indonesia, the high-level representatives of the four parties of Cambodia accepted the document adopted by the five permanent members of the United Nations Security Council—the United States, the Soviet Union, China, Britain and France—and agreed on a formula for the establishment of a Supreme National Council of Cambodia and the way to elect a chairman of the council. The four parties announced the formation of the Supreme National Council on September 10. This was a major breakthrough in the process of seeking an end to the Cambodian conflict.

In late August, leaders of the tripartite Cambodian resistance forces—Prince Norodom Sihanouk, Khieu Samphan and Son Sann—held an important meeting in Beijing and issued a joint statement. The three leaders agreed to participate in the Jakarta conference and approved of the documents worked out by the five permanent members of the UN Security Council and were willing to use them as a framework for a political solution to the Cambodian question. Furthermore, they agreed that the United Nations should play a decisive role in seeking a comprehensive political solution to the conflict.

This statement proved the sincerity and flexibility of the resistance forces in politically resolving the problem and was widely acclaimed and welcomed.

On August 27, in their sixth round of consultations on the Cambodian question, the five permanent members of the UN Security Council reached agreement on three documents concerning Cambodia’s future elections under UN supervision, protection of human rights and an international guarantee for Cambodia’s sovereignty and territorial integrity. In a joint statement after the meetings, the five members urged the conflicting parties...
in Cambodia to accept the entire package as a basis for a solution.

In the past year, great efforts by the various sides went into the attempt to seek a just and comprehensive political solution to the conflict. In August 1989, an international conference on Cambodia was held in Paris at the proposal of Prince Sihanouk. Participants included the five permanent members, six ASEAN countries, three Indo-Chinese nations and representatives of the UN-secretary-general, Javier Perez de Cuellar. After in-depth discussions, the conference made headway in troop withdrawal verification, international supervision and post-war reconstruction, but was stalled over the issue of the formation of an interim government during the transitional period from ceasefire to general elections. This was primarily because Hanoi and the Phnom Penh regime were reluctant to face the realities and wanted to exclude the Khmer Rouge, the main resistance force, from a future government. This was an attempt to preserve the status quo left over from the Vietnamese aggression and was naturally rejected by the international community.

Although failing to reach an agreement, this conference established the principles for a comprehensive political solution to the Cambodian problem and stressed that the four parties should participate in the process on an equal basis. This paved the way for the negotiations and consultations that followed.

The failures at the negotiating table led to military escalations. The three resistance forces coordinated their actions and advanced on the battleground. This raised international concern. Some people began to look for new approaches to a political solution. Australian Foreign Minister Gareth Evans, for example, proposed that during the transitional period the United Nations take charge of the administration of Cambodia so as to sidestep the endless quarrels among the four sides over the distribution of power. This formula aroused much international interest.

The five permanent members hold a special responsibility over the maintenance of world peace and settlement of regional conflicts. To keep the momentum of a political solution to the Cambodian question, starting January this year, the five countries held regular consultations — almost once each month — in Paris and New York. In the first four rounds of consultations, they agreed that the conflict should only be resolved politically rather than militarily and that the United Nations should play a larger role in the process of a political solution. They also held that all foreign troops in Cambodia should withdraw entirely under UN supervision and verification; during the transitional period, a Supreme National Council should be established that would embody Cambodia's sovereignty and eventually, fair and free elections should be held to allow the Cambodian people to decide the future of their country.

However, the countries differed on the formation of an interim government and the armed forces. The focal point was whether the existing government and forces should be preserved. China believed that a coalition headed by Prince Sihanouk in which the four parties participate was the best alternative. Concerning the armed forces belonging to the four factions, China suggested that once a ceasefire is realized, the forces be concentrated to a designated place, away from the elections, and eventually, the forces would be demobilized or reduced to the same low level to avoid a civil war. The five countries, however, did not reach an agreement on this issue.
In addition, the Association of Southeast Asian Nations (ASEAN) in February invited the four Cambodian parties to a consultation meeting in Jakarta. The meeting produced a 17-clause document but, because of Viet Nam and the Phnom Penh regime's insistence on the so-called "genocide" issue, a final agreement failed to be established.

In June, another meeting was held in Tokyo and all the four factions were present. However, the meeting strayed away from the Paris conference's spirit and tried to set up a bipartite government rather than a quadrupartite Supreme National Council, forcing the Khmer Rouge to refuse to sign any agreements. Likewise, the accord did not gain international recognition.

The direct cause of the Cambodian problem is Viet Nam's invasion and protracted occupation of Cambodia, and China has been a major country supporting the Cambodian people's struggle against Hanoi. Therefore, China and Viet Nam should have played a key role in the process of finding a political solution to the conflict. This has also been a common aspiration of the international community. The two countries held two rounds of consultations to politically resolve the question, but no substantial results came out of them because of a lack of sincerity on the part of Viet Nam. In May, Dinh No Liem, first deputy foreign minister of Viet Nam, came to Beijing supposedly to inspect the Vietnamese Embassy. The Chinese side exchanged views with him and reached some consensus. For example, Viet Nam agreed that the Cambodian question must be resolved in a comprehensive and political way; Viet Nam is willing to study the Chinese proposals on the interim government during the transitional period and the disposal of the four military forces. The Vietnamese deputy foreign minister invited Chinese officials to Hanoi to further discuss the issue.

In response to the invitation, China sent a delegation headed by Xu Dunxin, assistant foreign minister, to Hanoi in the hope that Viet Nam might change its obstinate position, although China is well aware of Hanoi's caprice on the Cambodian issue. It turned out that Viet Nam was as stubborn as ever. On the transitional government, China suggested that a Supreme National Council that holds real power be set up to be responsible for Cambodia's administrative affairs or the United Nations take charge. Viet Nam, however, rejected both choices and insisted on preserving en masse the present Phnom Penh regime. On the issue of the armed forces, Viet Nam opposed the stationing of UN peace-keeping forces and demanded instead that the four forces freeze on the spot. Its aim, obviously, was to keep the territory under control of Hanoi and the Phnom Penh regime. As a result, the consultations ended up fruitlessly.

How to achieve an early solution to the Cambodian issue was a major topic during Chinese Premier Li Peng's talks with leaders of Indonesia, Singapore and Thailand on a recent visit. China reached a consensus with these countries that the time was ripe for a political solution to the Cambodian conflict. The three Southeast Asian nations support the documents reached by the five permanent members, considering them the framework for a political solution and the situation took a turn for the better. Hence the recent success of their sixth round of talks.

Under the circumstances, consultations among the five permanent members of the UN Security Council became the sole channel of hope in achieving progress. On July 16, just on the eve of the first anniversary of the Paris conference, they held their fifth round of consultations. This round turned out to be the most difficult. The meeting on the second day lasted from 9:00 in the morning till 11:00 at night. Agreement in principle was reached on two documents concerning the military arrangement and the transitional administration. In one document, it was clearly stated that during the transitional period, the United Nations would send both military and civil bodies to supervise the four factions' forces. After a ceasefire is reached, all the forces should be concentrated on designated spots and weapons stored elsewhere. In another document, it was stipulated that on the basis of consultations among the parties concerned, a Supreme National Council, composed of representatives and noted figures of the Cambodian people, be established as the sole legitimate body and source of power. The five countries welcomed Prince Sihanouk to be the leader of the council, which will exercise the power to administer the country and conduct general elections. Although not completely satisfactory, the two documents constituted a basic framework for a political solution and the situation took a turn for the better. Hence the recent success of their sixth round of talks.

With the establishment of the Supreme National Council of Cambodia, conditions for a political solution are ripe. The warring Cambodian people have waited too long for the war there to end.
Korea’s First High-Level Talks

Prime ministers of the two sides of Korea, in their first high-level talks in 45 years, September 5-6 in Seoul, separately stated their positions on the removal of existing political and military confrontation.

In a long speech, Yon Hyong Muk, prime minister of the Democratic People’s Republic of Korea, called on the two sides to end political and military confrontation and implement the three principles of independence, peaceful reunification and national unity to reunify Korea in the form of confederation.

He stressed that reunification must be based on mutual interests and unity rather than as one side dominating the other.

Yon also pointed out three problems that should be urgently resolved: the two sides enter the United Nations as one member; South Korea discontinues the “team spirit” joint military maneuvers with the United States, and releases the activists who were detained for visiting the North.

South Korea’s premier, Kang Yong Hun, on his part, advanced proposals for North-South exchange and cooperation, confidence building, arms reduction and a draft agreement on improving relations between the two sides.

Both sides have realized that dialogues are better than confrontation. This high-level meeting is in accordance with the interest of all Korean people. In recent years, more and more Koreans have demanded the reunification of their motherland. Not long ago, representatives from the north and south sides held a pan-national conference in Panmunjom to discuss the peaceful reunification of Korea.

In South Korea, both the ruling party and the opposition parties voiced support for the recent talks. This shows that peaceful reunification of Korea has become the irresistible common will of all Korean people.

The talks, though reaching no results on major issues, marks a good beginning because after 45 years of estrangement, both sides have at last sat down and talked to each other face to face. The talks gave each side a better understanding of the other’s stand on issues. This will help alleviate tensions and promote the process of Korean reunification.

Malaysia Enjoy Stable Economic Growth

by Yu Jingli

Malaysia is one of the countries of the Association of Southeast Asian Nations whose economy has developed rapidly. Its per capita gross domestic product was US$2,120 in 1989. This is the fourth year of continuous and stable growth. The Central Bank of Malaysia predicts a 9 percent growth of the economy in 1990.

Because of the inflow of foreign capital and an increased investment by the private sector of
the Malaysian economy the unemployment rate dropped to 6 percent in May this year from 7 percent in 1989. Some enterprises, rubber and palm plantation lacked a sufficient labour force. It is estimated that employment will reach saturated levels.

The first quarter of this year saw a 10 percent economic growth, the highest quarterly growth rate since 1980.

In the first four months this year Malaysia’s investment totalled US$6.3 billion and foreign investment comprised US$3.8 billion of that total figure. Total foreign investment will reach US$11.1 billion by the end of this year, compared with US$4.08 billion last year. The domestic investment was US$2.5 billion of the total investment in the first four months of this year, and in 1989 the domestic investment of the whole year was only US$3.1 billion.

Meanwhile, Malaysia’s foreign debt has decreased to US$14.81 billion from US$18.55 billion in 1987.

Malaysia has achieved outstanding successes in recent years due to its pursuit of an effective economic policy.

Economic Readjustment

Since 1970 Malaysia has carried out a new economic policy, stipulating that foreigners cannot hold more than 30 percent of the shares in Malaysian companies and their surplus shares must be sold out. These measures caused the foreign investors to hesitate in moving forward. From 1980 to 1985 the annual average foreign investment in Malaysia was only about US$100 million.

The economic development of Malaysia depends on exporting oil, timber, rubber, palm oil, tin and electronic products. Because the price of primary products declined and the US electronic products market diminished, the Malaysian export-oriented economy suffered serious blows in 1985, when the country’s economic growth was a negative 1 percent, unprecedented since World War II.

In face of such difficulties, Malaysia began readjusting its policies. The new policy stipulates that in enterprises exporting more than 50 percent of their products or employing more than 350 Malaysian employees, foreign businessmen can hold all their shares. Those enterprises whose products are listed as priority and which produce sophisticated products can allow foreign companies to own 51 percent of their shares. The time limit of leased industrial land rented by foreign bus-
Inesspeople will be 60 to 99 years. Stimulated by a series of favourable policies including those in taxation, foreign capital has come into Malaysia in large amounts. Between 1987 and 1989 the country attracted US$9.35 billion in foreign capital.

**Economic Structure**

Malaysia has actively used foreign capital to develop its manufacturing industry in order to reduce heavy reliance on primary products and electronic products. Over 50 percent of foreign investment is put into electronics, textile, rubber and plastic industries which manufacture products for export. Other industries, such as the petrochemical and plastic films industries, have also received a large proportion of foreign capital. The food, timber and furniture industries have developed rapidly. In 1987 the output value of the manufacturing industry first surpassed that of agriculture and became Malaysia's largest economic sector, making up 22.4 percent of the gross domestic product. In 1989 the manufacturing industry accounted for 25.6 percent of the gross domestic product. Now Malaysia exports primary products, energy products and industrial manufactured goods. Malaysia ranks first in the world in the output of rubber, palm oil and pepper, and third in exports of electronic products behind the United States and Japan. Therefore, although the price of primary products has recently declined, this has not seriously affected the Malaysian economy because Malaysia exports a variety of goods and has opened exporting markets in many countries. This mixture guarantees the stability of its exports.

**Renewal of Products**

The electronics industry of Malaysia accounts for 16 percent of the total amount of exports. Because of structural changes in its economy Malaysia will increase the output of various electronic products, such as the assembly of microchips and other electronic parts.

To use advanced foreign technology on an extensive level, nearly two thirds of electronic industrial projects recently approved by the Malaysian government produce finished electronic products including recorders, colour television sets, hardware equipment of computers and acoustics. Malaysia plans to decrease the proportion of spare parts of semiconductors made at home to 61 percent from 80 percent, increase the proportion of electronic products from 7 percent to 15 percent and the proportion of consumer electronic products from 13 percent to 25 percent in the next four years, thus increasing the proportion of electronic finished products with highly additional value.

**Investment Environment**

The Malaysian government plans to build an airport with three runways in Sepang, a 70-kilometre distance south from the capital of Kuala Lumpur. Kuala Lumpur airport has only one runway and will reach its capacity in 1995. After the Sepang airport is built, it will meet demands for the next 50 years.

Foreign investors note that Malaysia has a strong appeal in Southeast Asia. It has a low labour wage, the price of goods is low and the educational level of the population is higher than other Southeast Asian countries. Most of Malaysian workers are educated in English. In addition, there is a dependable supply of technical labour forces, while management personnel and engineers can meet the demands of foreign investors. Malaysia also boasts a low population density, 53 persons per square kilometre. All these favourable conditions are key points attracting overseas capital.

The Gulf crisis caused by the Iraq's invasion of Kuwait has made the Malaysian businesspeople both happy and worried. The Malaysian economy which exports petroleum can benefit from the oil price rises. If this leads to the economic depression of the industrialized countries, Malaysian export-oriented economy will suffer some loss. However, some economists estimate that the current Gulf crisis will not cause any negative influence upon Malaysia's economy. If the situation does not take an unexpected turn, Malaysia's economy will continue to grow until 1995. By the end of this century Malaysia will become another "little dragon."
INTERVIEW:

11th Asiad—an Unprecedented Sports Meet

by Our Staff Reporter Cui Lili

He Zhenliang, the incumbent chairman of the Chinese Olympic Committee, has worked with the state sports departments since the mid-1950s, devoting his efforts to friendly international sports exchanges. Beijing Review interviewed him on the eve of the 11th Asian Games.

Question: China is hosting this grand spectacle of the Asian Games as planned after painstaking and thorough preparations. What are your feelings now about the games?
Answer: The Chinese people are very proud to be able to hold such a grand sports meet on their own land. I'm no less excited than the average citizen.

In the 30 years preceding the 1980s, my colleagues and I had a long and arduous struggle trying to win the legal rights of the People's Republic of China in international sports world. Influenced by hostile forces, some international sports organizations took an unfriendly attitude towards China and prevented China from joining the Olympic Games and other sports activities. For instance, we fought for over a year for the right to participate in the 15th Olympic Games held in Helsinki, Finland, in 1952 and received the invitation to participate only the day before the opening ceremony. By the time the Chinese delegation arrived in Helsinki, there were only a few days left in the games and just one Chinese athlete was in time for the swimming event.

China is now a member of 74 international sports organizations. In 1971, however, we had contacts with only three international sports organizations—table tennis, skating and ice hockey—and even this small number was a major accomplishment. It was not until 1971, the year China's legal seat in the United Nations was restored, that the international status of the People's Republic of China was recognized. Then, in 1979, on the basis of China's concept of "one country, two systems," the International Olympic Committee solved the Taiwan problem; thus China's legal right in international sports organizations was fully restored.

The Asian Games are the result of the Asian people's efforts to strengthen exchange and unity among various Asian countries and to develop their sports following the overthrow of outside rule and control after World War II. Ten Asiads have been held since the first in India in 1951. To defend its legal right to participate in the Asian Games, China had to wage long-term struggles. With the support of many friendly countries and friends, China's rightful position in the Asian Games was restored in 1973 and it participated, for the first time, in the Seventh Games held in Tehran, Iran, in 1974. Since that time, the people and sports circles from various Asian countries, along with the Chinese public, have hoped that China could someday host the Asiad. This hope has come true after more than ten years' efforts. The Chinese people, as hosts to the 11th Asian Games, warmly welcome Asian athletes and friends to Beijing.

Q: The media has frequently commented that the 11th Asian Games is an unprecedented event. What are the main indicators of this?
A: Three things. First, in this sports meet there are 308 events in 27 fields and an additional two demonstration events, a greater number than any previous Asiad and Olympic Games. Secondly, all 38 members of the Olympic Council of Asia (OCA) signed up for participation in the Asian Games, a first in Asiad history. Thirdly, about 6,400 athletes and officials will participate. This figure increases to 10,000 if referees, reporters and guests are included. In addition, there will be some 100,000 tourists and visitors. In short, this will be a grand and gala time as China and other Asian countries interact on a
massive scale.

Q: Are there any particularly new features in the arrangement of events?

A: In our arrangement of events, we took Asia as a whole into consideration. We have two guiding ideas: First, we introduce the traditional and outstanding sports events of Asian countries to the rest of the world.

Asia's ancient culture includes not only poems, languages, arts but also sports. When talking about sports, it is generally assumed that ancient sports refer to Greece and modern sports to those of Europe and America. Does Asia have its excellent sports events? Yes, it does have, but these events are often ignored.

Judo, for example, is common in Japan and has become a world activity through the efforts of the Japanese. The Korean Taekwondo, as well, will eventually become an international event (it is not included into the 11th Asian Games because it is now only popular in a few Asian countries). Are there other sports items representative of Asia? Yes. There are a lot. Some of them have already been shaped and others need to be standardized. We included three new items into this Asiad. They are the kabaddi and sepak takraw which are popular in South and Southeast Asia respectively, as well as martial arts which originated in China and is well known throughout the world.

Those who have seen these three sporting events are very impressed and said that the sports are quite suitable to the people of Asia and developing countries.

The kabaddi, for example, is done on a 12-square-metre wood floor or playground, without any equipment. Needing to both attack or defend, the athletes should be quick and bold but may not hurt their opponents. We looked at the sport and thought it worthy for international exhibition. The same is true of the sepak takraw. The sepak takraw can be played in ordinary stadiums and gymnasiums with a net set up in the middle. The sport, requiring sharpness, boldness and good teamwork, combines the features of football, volleyball and other ball games.

Martial art is not only a form of combat but also a way for body building with self-discipline and self-perfection. A friend of mine from West Germany commented that the martial art had been successfully mixed with the ancient Oriental philosophy and so had spread quickly in the world. Some say that China included the sport in the list of competitive events in order to win gold medals. This is a misunderstanding. There are
only six gold medals for this event and some other countries, such as Japan in the shadowboxing event, are strong challengers.

Second, we arranged events from the angle of future development of Asian sports and of making some world sports events to become more popular and develop more quickly in Asia. Based on these considerations, we included challenging events, popular in many parts of the world but not in China. Take golf for example. China began to have a few golf courses only four years ago and lightweight boxing which is well known in other Asian countries but was restored only recently and so was at a low level in China. In addition, we listed sailing, canoeing, women’s soccer events. The first two get popular everywhere while Asian women soccer players are generally thought to be stronger than their men’s counterparts. An international women’s soccer championship is to be held next year and the inclusion of a women’s soccer event in the Asian Games will further promote the sport’s development in Asia.

That China, the host of the games, hopes to do well is only natural. But we have made no arrangements for these events with the intention of promoting our national interests.

Q: Can you tell us something about Asian sports and the significance of the games to Asian sports?

A: Some Asian sports events are at the world level. For example, Asia leads the world in table tennis, badminton, diving, archery and hockey and is at the world level in gymnastics, weightlifting, shooting and boxing. Asia lags behind, however, in most events. Take the Seoul Olympic Games in 1986. The Asian athletes won just 8.7 percent of the gold medals and 11.2 percent of the total medals available, an indication that Asian athletes need

### Historical Data on the Asian Games

<table>
<thead>
<tr>
<th>Asian Games</th>
<th>Date</th>
<th>Place</th>
<th>Number of Countries</th>
<th>Number of Regions</th>
<th>Number of Athletes</th>
<th>Number of Events</th>
<th>Gold Medals</th>
</tr>
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<tbody>
<tr>
<td>1st</td>
<td>Mar. 4-11, May 1-9, 1951</td>
<td>New Delhi, India</td>
<td>11</td>
<td>489</td>
<td>6</td>
<td>24</td>
<td>Japan,24</td>
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<tr>
<td>2nd</td>
<td>Aug. 24-24, June 1, 1958</td>
<td>Manila, Philippines</td>
<td>18</td>
<td>970</td>
<td>8</td>
<td>38</td>
<td>Japan,38</td>
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<tr>
<td>3rd</td>
<td>Sept. 4, 1958</td>
<td>Tokyo, Japan</td>
<td>20</td>
<td>1,422</td>
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<td>4th</td>
<td>Sept. 1-16, 1962</td>
<td>Jakarta, Indonesia</td>
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<td>1,545</td>
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<td>13</td>
<td>Japan,73</td>
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<td>Dec. 9-20, 1966</td>
<td>Bangkok, Thailand</td>
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<td>1,945</td>
<td>18</td>
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<td>6th</td>
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<td>Bangkok, Thailand</td>
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<td>8th</td>
<td>Sept. 1-16, 1978</td>
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<td>Japan,74</td>
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<tr>
<td>9th</td>
<td>Nov. 19-1982</td>
<td>New Delhi, India</td>
<td>33</td>
<td>3,345</td>
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<td>S.Korea, S.Korea</td>
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<tr>
<td>10th</td>
<td>Nov. 19-1986</td>
<td>Seoul, S.Korea</td>
<td>27</td>
<td>3,420</td>
<td>25</td>
<td>25</td>
<td>Japan,58</td>
</tr>
</tbody>
</table>
to catch up. Asian sports experts believe it is necessary to strengthen co-operation and exchange among Asian countries and to learn from each other's strong points in order to promote the development of Asian sports. Positive influence in this regard is expected of at the Asian Games.

Q: This is the first time for China to hold such a major international sporting event. How will it benefit China?

A: China will benefit in the following four ways. First, the games will strengthen the cohesion of the Chinese nation and call up the patriotism of the Chinese people. The slogan "The 11th Asian Games wins honour for China, I contribute to it" expresses the common aspiration of the Chinese people. They have donated money and paintings, provided benefit performances and volunteered to plant trees and beautify the environment. Such activity has taken place throughout the country.

Secondly, the games will develop Chinese sports, not only competitive sports events but also mass sporting activities. At the 1961 international table tennis championship, China won the championship for the men's team and women's single event for the first time. These positive results gave a great impetus to an upsurge of mass ping pong activities in China.

Thirdly, the Asian Games will expedite China's economic development. Guangdong, Henan and other provinces which had previously hosted the national games or international sports meets benefited greatly from the events which rapidly pushed their economic development.

Fourthly, the games will enhance understanding between the Chinese people and the people of other Asian countries and regions. Asia is the most complicated of continents. It is the place of origin of Buddhism, Islam, Christianity, Catholicism and Hinduism. Each country has its own social system, ideology and cultural background and their people are of different races. What glue can bind them together? Sports. The Asian Games is like a friendly bridge. Through it, the Chinese people can understand people from other Asian countries and, in turn, introduce them to socialist China.

Q: What do you think about the participation of Taiwan athletes

For Your Reference

China and the Asian Games

In 1948, India invited delegates from 13 Asian countries including China, Iran and Pakistan to discuss the ways and means of organizing an Asian sports union. The following year, India again sponsored a meeting of sports organizations of Asian countries. The group decided to set up an Asian games union and hold the first Asian Games in New Delhi in 1951.

From February 27 to June 25, 1951, a nine-member delegation of the All-China Athletic Federation headed by Wu Xueqian visited the first Asian Games held in India.

In 1954, China severed its connections with the Asian Games Union due to the Taiwan problem.

For a long time thereafter, many Asian countries and personages demanded that the People's Republic of China's legal position in the union be recognized and made unremitting efforts towards this goal.

In September 1973, when the executive committee of the Asian Games Union met in Bangkok, delegates from Iran proposed a bill suggesting that the All-China Athletic Federation should represent China in the Asian Games Union. The bill pointed out that without the participation of the People's Republic of China, the Asian Games Union could not fully represent Asia. The proposal was firmly supported by the president and secretary-general of the Asian Games Union, as well as by the executive committee members of Iran, Japan and Pakistan. The bill was adopted with five affirmative votes and one abstention.

In November 1973, the Council of the Asian Games Union held a special meeting in Tehran. After intensive debates, the executive committee's resolution about Iran's bill was approved with 38 affirmative votes, 13 negative votes and five abstentions. The All-China Athletic Federation's membership in the Asian Games Union was recognized and the status of the Taiwan sports organization as the representative of China was cancelled.

In September 1974, China sent its sports delegation to take part in the 7th Asian Games and has participated in the ensuing Asian Games since.
in the games?
A: We are very happy that athletes from both sides of the Taiwan Straits can participate in the games together for the first time. Since the 1984 decision of the Olympic Council of Asia to hold the 11th Asian Games in China, the Taiwan athletes expressed their desire to come to Beijing. After the Taiwan Olympic committee joined the OCA in 1986, the Asian Olympic Council members on both sides of the Straits signed an agreement on April 6, 1989 regarding Taiwan's participation in Beijing Asian Games and in other sports activities on the mainland. Last year, 12 Taiwan sports teams participated in the sports competitions on the mainland.

In the past, there have been many Taiwan compatriots visiting their relatives and friends and touring the mainland. This is the first time, however, for Taiwan sports teams to visit the mainland. It is a breakthrough.

In the words of a Taiwan leader, the breakthrough will bring an overall change. He meant that the breakthrough in sports promotes exchanges in other fields between both sides. Taiwan, in its show of support for the 11th Asian Games, has sent its sports teams, reporters, visiting groups and art ensembles, more than 1,000 members in all. In addition, many tourists are expected. The three television stations in Taiwan have sent reporters to Beijing so that they can report on the progress of the games back to Taiwan. This activity not only brings great influence to the world of sports but also gives great impetus to the reunification of the motherland.

Q: Does China plan to host the 27th International Olympic Games?
A: The 27th Olympic Games will be held in 2000, the year a new century starts. The games will thus be of special significance.

A lot of the International Olympic Committee members think China should host the 27th Olympic Games. We also feel that the year 2000 is a propitious time because it is the 51st anniversary of the founding of New China. As we celebrate the 41st anniversary this time, we can also make an enduring contribution to Asian sports activities and to the friendship and unity of the Asian people. The year 2000 then is a good opportunity for all of us.

Germany, France, Brazil, Turkey and Puerto Rico and some of those who lost their chance to host the 26th Olympic Games of 1996 have already set their eye on the 27th Olympiad. So, there will be an intense competition in this regard. At present China is focusing on the Asian Games and hasn't had the time to make a final decision whether it will apply for right to sponsor the Olympics. Despite this, I won't say China won't try.

Calligrapher Sun Xinshu from Shandong Province presented to the 11th Asian Games two $23 \times 16$ Chinese characters, Xiong Feng (meaning heroic posture), which he wrote with a 26-kg brush on a $62 \times 23$ piece of cloth.
Shanghai Mayor on Pudong Development

On September 10, the people's government of the Shanghai Municipality held a press conference at which, the relevant departments of the State Council and the people's government of Shanghai released nine laws and regulations regarding the development and opening up of the Pudong Development Zone. Leaders of the relevant departments of the State Council and mayor Zhu Rongji answered questions from Chinese and foreign reporters. Following are excerpts.—Ed.

Time: Is Pudong just a copy of other special economic development zones in China? Though the prospects for the plan are inspiring, the inadequate and poor infrastructure of Shanghai portend bureaucratic problems. Some people describe them as stark as the Great Wall in Beijing. How will you tackle these questions of bureaucracy?

Mayor Zhu: In April this year, Premier Li Peng declared in Shanghai that the opening and development of Pudong is an important strategic decision of the Party Central Committee and the State Council. It is another significant step in China's policy of reform and opening to the outside world. During my visit to Hong Kong and Singapore earlier this year, I said that in light of this strategic decision we were working on a set of special rules and regulations. We finished the drafting in August after four months of effort. Both the Party Central Committee and the State Council have shown great interest in the Pudong project, and, personally, General Secretary Jiang Zemin and Premier Li Peng have involved themselves in our legislative work. Three of the regulations will be announced by leaders of relevant departments of the State Council who came specially for the event. This action will certainly reinforce the authoritative and serious nature of the legislation and increase the confidence of overseas investors in Pudong.

I also want to tell you that all these documents have been submitted to by Premier Li Peng. We have managed to make and translate into English and Japanese all of these laws and regulations in such a short period of time in order to present them to the press. This action speaks of efficiency, not bureaucracy.

With the support of the Party Central Committee and the State Council, I'm fully confident that these laws and regulations will be very useful to the Pudong project and help to attract foreign investment. Of course, we'll also continue to study and improve these rules and regulations.

To me, a good investment climate does not necessarily mean only such favoured treatment as tax reduction or exemption. It should also include various oth-

At the news conference from left to right (front row): Dai Jie (chief of the General Customs Administration), Chen Yuan (vice-president of the People's Bank of China), Huang Ju (deputy mayor of Shanghai), Zhu Rongji (mayor of Shanghai), Wang Daohan (adviser to the municipal government) and Xiang Haicheng (vice-minister of Finance).
er factors. As I’ve often mentioned, Shanghai’s overall superiority is demonstrated in its highly compact industrial structure, its powerful scientific and technological resources and its advanced managerial expertise.

Sure, one of our major tasks is to improve local infrastructure. However, I don’t think the infrastructure in my city is that bad. For instance, in the three economic and technological development zones at Minhang, Hongqiao and Caohejing, there are a number of successful foreign-invested enterprises and all the three zones can still accommodate foreign-funded businesses (Beijing Review issue No. 36 carried an article about the three economic and technological zones.—Ed.). Moreover, at some places in the Pudong New Area, new infrastructure has been put in place in preparation for the start of construction.

By the way, the preferential policies implemented in the three zones I just mentioned are the same as those adopted for Pudong. Of course, a bonded zone will be set up in Pudong and this will be a big difference. But, there are already bonded warehouses in each of the above three zones. Foreign banks can now establish branches in Shanghai; they are not confined to Pudong only. They can do it in Puxi (the city proper) as well. Therefore, investment is welcome not only to Pudong but Puxi, particularly in the three above-mentioned development zones.

In regard to bureaucracy, I’m not going to deny its existence. I hate it as much as you do. Unfortunately, bureaucracy is a global problem. Some years ago, a project applicant could not get an application approved before he got over one hundred official seals stamped on his application form. On my suggestion, we established a working committee to solve the problem; the goal was to require only one stamp. The goal still remains a goal, yet our work has greatly improved. If this was not the case, how could Shanghai boast six out of the ten best foreign-invested enterprises based on a nationwide election? Is this not an evidence of the good investment climate in Shanghai? In my recent visit to the United States, I experienced something similar. So, if you say our bureaucracy is as stark as stone, I’ll say the bureaucracy in your country is as hard as stainless steel.

China Daily: With the increasing tension in the Gulf, the world is discussing a global economic depression. If such a depression takes place, what positive or negative impact will it have on the Pudong project?

Chen Yuan: (vice-president of the People’s Bank of China): So far as finance is concerned, we haven’t felt any direct, negative effect caused by the Gulf crisis on China’s economy, but there may be some indirect effects in the future.

Economic News Agency (Japan): When will the People’s Bank of China approve the opening of foreign bank branches in Shanghai? It is said that the People’s Bank will first approve some Sino-foreign joint financial ventures and then foreign bank branches. Has there been any change in this arrangement?

Chen Yuan: According to our schedule, the People’s Bank of China will first approve two Sino-foreign joint financial ventures, and then consider the establishment of foreign bank branches in Shanghai. If everything goes smoothly, we are going to accept the application of the two joint financial ventures as soon as possible and give them official application forms. After approving these two, we’ll soon turn to foreign bank branches.

Wenhui Bao (Shanghai): In the bonded zone at Weigaoqiao, can state-owned, collective and township enterprises engage in industrial production or import and export business? You just mentioned in your address that there will be some difficulties in the bonded zone. What kind of difficulties?

Dai Jie: (Chief of the General Administration of Customs of China): Only those enterprises which are authorized to handle import and export business can enter the bonded zone. The cus...
CHINA

toms will not accept any town­shop enterprises which have not been given permission. Since the Weigaoqiao Bonded Zone is the first of its kind in China, it will inevitably encounter this or that problem in its initial operation. This is what I mean.

Wen Wei Po (Hong Kong): Is there any difference between bonded zone and bonded warehouse? Does the former enjoy more preferential treatment?

Dai Jie: The basic intent of the bonded zone is to promote import and export. Those commodities that are usually under license control will be allowed freedom from licensing within the zone, so the enterprise can make full use of the facilities in the bonded zone to operate transit trade. Goods from other parts of China, when being transported into and out of the bonded zone, are considered import or export goods by customs. Therefore, the border of the bonded zone will be strictly designated.

Reuters: Mr. Mayor, as you said earlier, investment by foreign companies here is not only a matter of tax reduction, but the overall climate. Part of this climate is also political stability and legal protection for foreign investors. Since June 4 last year, many foreign businessmen have come to believe that both factors have deteriorated. How bad do you think these problems are affecting the Pudong project?

Mayor Zhu: Investment climate does depend on political stability. I think the political situation in Shanghai is stable, even more stable than before last June. This has been attested to by many foreign friends visiting Shanghai and I hope that foreign investors and entrepreneurs will continue to be confident in Shanghai's investment climate. It is a stable place for investment with least risk. You should be confident; you are welcome to Shanghai.

Financial Times, Standard Charter Bank (Shanghai branch): As just announced, foreign bank branches in Pudong will enjoy tax reduction or exemption. What about the tax rate for the four existing foreign bank branches, will it still remain at the current 50 percent? Mayor Zhu Rongji also mentioned now that enterprises in the three development zones in Puxi will enjoy the same preferential tax rate as is designed for Pudong. Will the existing four foreign branches have the same option?

Mayor Zhu: I got the document concerning the establishment of foreign bank branches in Shanghai from Vice-President Chen Yuan only yesterday evening. So I can only tell you how I understand the regulations. That is to say, if a foreign bank applies to the People's Bank of China and obtains approval, it will be granted permission to establish its branch in Shanghai, either in Pudong or Puxi. Its income tax rate will accordingly be reduced from 50 percent to 15 percent, same as the banks in the Shenzhen Special Economic Zone. For the present there are four foreign branches in Shanghai. If they want to enlarge their business scope as specified in the regulations and so enjoy the preferential tax rate, they have to apply again. They are not automatically eligible. In short, matters will be conducted in a legal way and everyone will be equal before the regulations.

Kyoto News Agency: Recently, the Japanese media reported that the Shanghai municipal government required a share of a Japanese loan 810 billion yen to China for the development of Pudong. Is the report true? If so, what did the Japanese side have to say?

Huang Ju: (Deputy Mayor of Shanghai): The programme for projects using the third Japanese loan is determined by the State Planning Commission. According to the original plan, only one project, the harbour dock near the Baoshan Iron and Steel Complex, is connected with the Pudong project. It is, however, not a local one. This harbour project will, of course, share the transportation facilities with Pudong. So, regarding the list of loan projects, there is not a single one that is directly designed for the Pudong project. With a view to meeting the development needs of Pudong and the wishes of many Japanese friends, it is hoped that the Japanese loan programme will include projects directly related to the development of Pudong. However, the decision is beyond the authority of our local government and must be determined by the State Council.

Wen Wei Po (Hong Kong): Are the three newly established development companies (the Shanghai Jinqiao Export Processing and Development Co., the Weigaoqiao Bonded Zone Development Co. and the Lujiazui Financial and Trade Development Co.) in Pudong taking a position against the introduction of possible future foreign-invested enterprises? Do they intend to preempt those enter?

Huang Ju: The three companies will open on September 11. Their obligation is to organize or co-ordinate any concrete project within each of their respective zones. Overseas businesses and joint ventures inside the zones will receive services and their activities will be co-ordinated by the three development companies. The former and the latter are not leaders and the led. The three new development companies will become joint ventures or share holding firms with overseas investors. Similarly, the three old development compan-
ies in Puxi—for example the Minhang Development Co. have no administrative power over the joint ventures or other firms in each development zone. The three new companies in Pudong have their own charters. If you are interested, you may go and request a copy.

The Independence (Britain): Mayor Zhu, while you were in Hong Kong, you said that the Bund would become a banking street. Will the municipal government and other official organizations find it difficult to find new quarters? The Pudong Development has become so popular and synonymous with the mayor's name that some people worry what will happen if the mayor leaves at some point. Is there any ground for such concern?

Mayor Zhu: I do hope the Bund will become a banking street. As for the question of our evacuation from the old bank building, it depends on the price offered. We usually issue bids for the paid transfer of land-use rights and now the price of land around the Bund might be quite high.

I don't think my name is a symbol of Pudong development. In fact, the project is the strategic decision of the Party Central Committee and the State Council. No matter who is in the mayor's chair, the decision must be carried out. I still have another three years to go before the end of my term of office.

Time: Some people attribute Shanghai's lagging behind in economic development to the fact that much of its revenues are sent to the central government. And, since there are already three economic development zones in Shanghai, why does Shanghai need a fourth one—Pudong? Does Shanghai want to use the new zone to demonstrate a new economic policy?

Mayor Zhu: The support from the central government has made it possible for us to start construction of the infrastructure with domestic investment. The central government has set a quota of the revenue Shanghai has to hand in, and after the quota is fulfilled, Shanghai can use the rest of the revenues for the development of Pudong and other construction.

As of now, the existing three development zones in Puxi are nearly filled up. Pudong, in contrast, is ripe for development and an ideal choice for foreign investors. The central government has designated 350 square kilometres of land in Pudong as a development zone, the largest in China. Moreover, the bonded zone approved by the central government is also the first in the country. All this proves that Shanghai has the power and the superiority to further implement the policy of reform and opening to the outside world. Generally speaking, the policies announced here for Pudong are chiefly based on those practised in economic and technological development zones, but there are some elements of policies found in special economic development zones. A continuation of the ongoing opening-up policies, the new Pudong zone will instill a new vitality into long-term government goals.

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China did quite well at the International Mathematics, Physics, Chemistry and Computer Olympiads held respectively in Beijing (China), Harlingen (Holland), Paris (France) and Minsk (USSR) this summer. Five gold and one silver medals went to the participants in the mathematics Olympiad, two golds, one silver and two bronzes went to the five participants in the physics competition, four gold medals for chemistry went to all the four Chinese students and one gold, two silver and one bronze medals for the computer competition were won by the four Chinese entries. China ranks first in the physics and chemistry and second in the mathematics and computer Olympiad competitions, demonstrating its intellectual prowess in such competitions.

The Olympiad

When China participated in the 27th International Mathematics Olympiad (IMO) in 1986 for the first time, it walked away with three gold, one silver and one bronze medals, coming in fourth overall. Since then, China has done well at the 28th, 29th, 30th and this year’s 31st IMO. China has also since joined the international physics, chemistry and computer Olympiad competitions and won a total of 31 gold, 25 silver and 20 bronze medals.

International Olympiad competitions are of keen interest to China’s young people.

Three decades ago, before China entered international intellectual competitions, it began to organize its own science competitions for middle school students and, in 1956, a mathematics contest for senior middle school students was held in Beijing, Tianjin, Shanghai and Wuhan at the suggestion of noted mathematician Hua Luogeng and under the guidance of other mathematicians including Fu Zhongsun, Chen Jiangong, Su Buqing, Duan Xuefu and Jiang Zehan. Similar competitions were held in the following years. During the “cultural revolution,” however, such activities were suspended and not restored until 1978. Since then, nationwide mathematics, physics, chemistry and computer competitions have been held every year. These include the national mathematics league contests for senior middle school students, the national mathematics competitions for junior middle school students, and the Olympic mathematics invitation championship for primary school students. Also, there have been numerous local contests and competitions.

Since its first participation in

IMO gold medal winners: (from right to left) Zhou Tong (China), Wang Jianhua (China), Vincent Lafforgue (France) and Evgenia Malinnikova (USSR).

YANG WUMIN
the international Olympiad competitions, China's domestic contests have not only been for promoting the secondary school students' study of science but also for selecting the best competitors for international competitions. Before attending the Olympiads, the competitors are examined by experts and undergo special training.

Wu Wenhu, head of the Chinese team to this year's International Computer Olympiad, said, "The Chinese students perform quite well in international competitions because they compete a lot at home." Jiang Xiaoye, the computer champion, is a good example. He has won prizes at a series of domestic competitions—the first place at the national software contest for secondary school students in 1987, second prize at the national computer contest in 1987, first place at the Beijing computer competitions in 1987, 1988 and 1989, first prize at the Beijing software contest in 1987 and a silver medal at the Second Beijing Children's Scientific Competition in 1989.

The Beijing IMO

Chen Xitong, mayor of Beijing, called the 31st IMO and the 11th Asian Games the city's two most honourable events of 1990.

After its first participation in the IMO in 1986, the Chinese Mathematical Society applied to be the host of the 31st IMO to the Executive Committee of the International Mathematics Olympiad. Approval was given the following year.

To make solid preparations for the IMO, the State Education Commission, the China Association for Science and Technology, the Chinese Mathematical Society, the State Natural Science Foundation and the Beijing people's government jointly set up an organizing committee and collected a total of 1.5 million yuan in funds. The committee sent invitations to 59 countries and regions and received answers from 57 of them. In the end, 54 countries and regions participated in the Beijing IMO competition, the biggest in its history.

According to the IMO principle, all participating countries, except the host country, can provide mathematical problems for the competition. Some 35 countries contributed 108 questions to the organizing committee, and the examination committee, composed of 17 well-known Chinese mathematicians from research institutes and universities, selected 30. They were then handed over to the competition committee made up of the heads of the 54 participating teams. The competition committee, in the end, selected six questions, determined by majority vote, which were provided by India, Czechoslovakia, Romania, Turkey, West Germany and Holland. Mathematics experts say that the questions posed this year were the most difficult in IMO history.

This year's IMO produced 23 gold, 56 silver and 76 bronze medals but no special prize.

Evgenia Malinnikova of the Soviet Union, Vincent Lafforgue of France, and Wang Jianhua and Zhou Tong of China received full scores of 42.

Gennadiy N. Yakovlev, chairman of the Executive Committee of the IMO and chairman of the Mathematics Olympic Centre of the Soviet Union, made a special trip to Beijing and was pleased with the Beijing IMO, saying that all 305 competitors from 54 countries and regions did well this time. There was also unanimous concensus by the team heads and competitors from various countries that China had done a good job preparing for the competition. The IMO competition strengthened the exchange and friendship between various countries.

During the IMO competition, team heads and competitors from various countries and regions visited the Great Wall, the Forbidden City, the Temple of Heaven and other historical and scenic spots in Beijing. They also had a gathering with the students from Beijing's ten secondary schools.

Basic Education

Professor Du Xilu, the chief tutor for the Chinese IMO team, said after the competition, "The contestants representing the national level were selected on the basis of improving China's general education in mathematics."

In the more than four decades since the founding of the People's Republic, the government has attached high importance to the basic secondary and primary school education, considerably expanding its scale and raising its quality. By 1988, the number of primary schools throughout the country totalled 793,000, with a combined enrollment of 125.358 million, and the number of secondary schools totalled more than 90,000 (including 17,000 senior middle schools), with a total enrollment of 47.615 million (including 7.46 million senior middle school students). The distribution of primary and secondary schools has been gradually rationalized with the rapid development of regular primary and secondary schools in the countryside, and in the industrial, mining, border and national minority areas. Today, almost every county in China has completed secondary schools or senior middle schools while junior middle schools are universalized in the townships and primary schools in the villages. This is shown from the fact that the contestants for this year's Olympiads not only include those from large
CHINA

The Portuguese competitors are all smiles before the contest.

and medium-sized cities but also from county or town-level secondary schools.

A general education in China covers 12 years. Regarding mathematics, the syllabus mapped out by the former Ministry of Education has clearly defined the objectives, content and curricula for primary and secondary schools. Chinese, mathematics, physics and chemistry, as basic subjects, are all given high importance. A senior middle school graduate, during 12 years of schooling, must attend 4,000 Chinese classes, 3,000 mathematics classes, 600 classes of physics and 500 classes of chemistry.

With the progress of educational reform, achievements have been made in enhancing senior middle school students' interest in learning science and laying a good foundation for secondary school education of science. Mathematics programmes have been changed to stimulate student interest. Regular "emulation teaching" activities in primary and secondary schools help enhance teaching skills through discussion and peer appraisal by teachers. At the same time, positive teaching experiences are always promptly summed up by the educational department in charge and introduced to other schools.

The responsible department also offers favourable study conditions for outstanding students who show special interests in science. In recent years, as part of the college-secondary school associated experimental teaching programme, a number of senior middle school students, chosen from all parts of China, have been enrolled in experimental science classes in the secondary schools attached to Qinghua, Beijing and Beijing Teachers' universities. The study materials for these science students are more difficult than those for ordinary school students. Foreign language teaching in these classes is intensified and the teaching methods used in all subjects are more flexible.

Wan Bangru, principal of the secondary school attached to Qinghua University, said, "The length of the courses in mathematics, physics and chemistry offered by China's secondary schools is six, five and four years respectively, a period which helps lay a solid foundation for students in their study of science. We have been clearly successful in our teaching of basic theories and basic knowledge, but our secondary school education is not perfect. There are many problems which need to be dealt with. For instance, students have a limited range of knowledge, their manual operation ability poor and their aptitude not fully tapped. Moreover, the methods used to teach them are one dimensional."

The shortcomings in China's secondary school education were evident during the Olympiads. Cai Shengmin, leader of the Chinese International Chemistry Olympiad team, said, "Most of our contestants lost marks in the lab portion of the tests. This is because we neglect laboratory work and laboratories in secondary schools are always poorly equipped." He believed that China "should not feel content because we have captured a few medals. Instead, we should analyse our shortcomings in the competition and thus improve our teaching methods."

Extra-Curricular Training

Yu Jialian, winner of the IMO gold medal, was a member of the mathematics, physics and computer clubs at his school, the Tongling No. 1 Middle School in Anhui Province.
Such extra-curricular clubs are popular in China's secondary schools. The secondary school attached to Qinghua University, for example, has more than a dozen interest groups involved in mathematics, physics, chemistry, model airplanes, electrical engineering, computer, radio, astronomy, geography, biology and foreign languages. These groups carry out regular and special after-school activities, so that members, under the guidance of their teachers, can learn from each other through the exchange of ideas and experiences. The school provides these interest groups with necessary funds and facilities such as laboratories. Like Yu Jialian, most Chinese students who attended the Olympiads are members of one or a number of interest groups in their schools. Without exception, they all feel the benefit provided by these after-school activities.

Outside of school, related departments also contribute to the extra-curricular activities of secondary school students. The nationwide Chinese Mathematical Society, the Physics Society, the Chemical Society and the Computer Society, as well as their branches in various provinces, have all established special institutions designed to stimulate youngsters’ intellectual development.

Jiang Xiaoye, gold medal winner of the recent International Computer Olympiad, took a liking to computers during his first year in junior middle school because of the influence of his elder brother. At the time, the computer class in his school was not open to him and so he registered in the computer course for youngsters which was sponsored by non-school social groups. The courses offered him more opportunities to work with computers under the guidance of specialists.

The value of self-teaching outside of the school curriculum has also been demonstrated. Wang Jianhua, who got full marks at this year's IMO, completed all his studies of senior middle school courses in mathematics, physics and chemistry during the first year of senior middle school. His self-study fostered his capacity for independent thinking. He rarely took a difficult problem to his teacher without first racking his brains to find the solution.

**Diligent ‘Gardeners’**

In China, teachers are likened to gardeners and students to their carefully cared-for seedlings. When the winners of the Olympiads were asked by reporters about their experiences and the reason for their success, all mentioned, without exception, their teachers. Wang Qinggen, winner of the International Chemistry Olympiad gold medal and a farmer's son, took a liking to chemistry under the guidance of his chemistry teacher, He Qiu, in his hometown's middle school. "My teacher's class was clear and interesting; I was totally spellbound by the chemical experiments because they seemed to me like a magic show," Wang said. Zhou Tong, who got full marks at the mathematics competition, said a teacher in his primary school aroused his interest in mathematics. Later, his middle school teacher gave him a lot of help, providing him with nearly all of his reference books. When he was ill and his parents were not at home, his teacher took him to the hospital. "I'm very grateful to my teachers for the support they provided and, in return, I always hope to show them my gratitude by getting good marks."

China currently has more than 5.5 million primary school teachers and nearly 3 million secondary school teachers whose hard work is acknowledged and respected by all society.

Contests of the Olympiads were also fortunate to receive the guidance and help of team leaders and tutors from universities and research institutes who volunteered their spare time.

A 20-square-metre room in the computer centre of Qinghua University was where Wu Wen-hu trained four International Computer Olympiad candidates. Wu, a scholar whose mind is as alert, quick and meticulous as a computer, twice led teams to international competitions. His training methods have successfully inspired many candidates to work through the reasoning required for mathematical problems.

On the eve of the International Chemistry Olympiad, just before Cheng Tieiming, deputy head of the Chinese team, was ready to take the team to Paris for the competition, his wife was summoned to Hong Kong on business. At the time, his daughter was also preparing for the university entrance examination. Although he wanted to stay in Beijing to coach his daughter, he instead chose to take the team to the competition.

"We spent a lot of energy on these kids. But, it's not just for the medals. We hope to build self-confidence and discover our weaknesses during the competition so as to improve our secondary school education and inspire more children to love and dedicate themselves to science," said Yan Xuanshen, chief tutor for the Chinese chemistry Olympiad team.

When he met the four International Chemistry Olympiad gold medal winners, Cui Mengyuan, secretary-general of the Chinese Chemical Society, asked them to analyse their own weaknesses in the competition. "The real big prize in chemistry is the Nobel," he told the four young people, clearly noting that no goal is too high for them to aim.
New Features of China's Fourth Census

by Shen Yimin

China's fourth census was successively completed on July 10, 1990. As China has a vast population and is still a developing country, it was very difficult to take the census. Accurate population data, however, are not only an important basis for government decisions but also of concern to many international research personnel.

There have been three censuses carried out at irregular intervals since the founding of New China in 1949. The State Council decided that beginning in 1990, a census will be taken every ten years. There are many common points in China's four censuses. For instance, the standard time for the census is zero hour, July 1, the target for the census is the resident population and the error rate for the total population figure is required to be less than one thousandth. In addition, the 1990 census has some new features.

Background Features

The previous three censuses were all conducted under a socialist planned economy. With China's introduction of economic reform and opening to the outside world, however, the fourth census was conducted under a relatively developed planned commodity economy.

The features of our time are seen in the following aspects.

- As the economic reform deepens, great changes have taken place in the work force. Much of the rural population has moved towards non-agricultural industries and, in the trades and occupations closely related to the commodity economy, the number of employees has increased dramatically;
- With the development of the commodity economy, the migrant population increased dramatically. The number of people entering one prefecture or one city to engage in business or industry can reach more than 1 million;
- As the household contract responsibility system, with remuneration linked to output, is carried out in China's rural areas, and as the ration system for per-capita cotton cloth, living necessities and other goods has been abolished, farmer's enthusiasm to fill out resident forms has decreased dramatically. As a result, the number of people failing to register their residence greatly increased.
- Influenced by the peak birth period of the 1960s, the country is now facing another baby boom. However, the problem of above norm births in rural areas is even more serious. Some rural women, in order to skip local family planning supervision, leave home for other places to have a child. Cases like that often occurred.
- With the development of a socialist planned commodity economy, people in all circles demand more information about the population, hoping to obtain processed and analysed census data. This requires that the data processing work meet the needs of every field.

How Is It Done?

Some new measures were used in the 1990 census in such fields as programme designing, extensive mobilization of society, investigation, registration of above-quota new births and migrant population, registration of flowing population and quality control and data processing.

The programme design not only maintains the comparability of the last census, but also reflects the progress in the present economic reform. In particular, the 1990 census added two items based on the 19 used in 1982:

1. Taking into account the migrant population, including "places where one lived five years ago," "urban and rural types of one's original residence" and "reasons for moving."

2. In households classification, investigating the nature of residence is added so as to provide a basis for the study of proportion of agricultural population turned into non-agricultural population, and to make decisions as to whether the situation suits the level of economic growth.

With regard to registration, those items which involve residents' family matters and personal affairs (such as adopted children or illegitimate children), are handled through a process of personal visits instead of the previous public registration in order to dispel any concern. The public was mobilized on a scale larger than previous times. About 7 million census staff were selected from the Party and government departments, enterprises and institutions, and grass-root rural cadres.

Difficulty, Accuracy

The difficulty for the fourth census lay in the effort to clarify the status quo of above-quota new births and migrant population, which had an important bearing on the accuracy of the census.

Family planning is one of China's basic policies. In order to dispel the worries of grass-roots cadres and the masses and to ascertain information on above-quota births in this census, the
Census Office under the State Council registered children borne outside the family planning system and allowed them to apply for residence. As for those cadres who had violated the family planning policy but concealed the truth for fear of political disgrace and losing material benefits, they were not held responsible for the fault so long as they owned up in the census. As for those who were reluctant to tell the truth for fear of being punished, efforts were made to help them understand that the purpose of the census is for the government to clarify national conditions and furnish a scientific basis for formulating various policies for social and economic growth.

Today, there is a large migrant population in China and so the situation is quite different from the previous three censuses. In accordance with the living situation of China's migrant population, the following is stipulated:
- Those living away from their residence must be registered together with the household;
- Those living in a rented house must be registered in the census' area where the house is located;
- Those living in the dormitories of factories and enterprises, as well as in work sites must be registered by census staff in charge of the census area where the units are located.

Those who live in mountain areas, roadsides and self-built cottages are registered by census staff in the census areas;

Those who have no permanent residence and live on the streets, in open grounds and under bridges should also be timely registered when they are asked by the local census staff, and be given a "certificate card" indicating that he or she has been counted. The cards should be taken by the residents so that they are not registered again.

After the above measures were put into practice, and based on the present situation reported by various locations, it appears the census and registration work on above-quota and migrant has population achieved the anticipated results.

### In Remote Areas

The census conducted on China's border provinces and regions is more difficult and attracts greater world attention.

Take Tibet for an example. When the first and second national censuses were conducted respectively in 1953 and 1964, the census data of the Tibet Autonomous Region was obtained from an indirect survey. In 1982, Tibet directly conducted its first census, but the items survey only accounted for half of the country's total. After the survey, data processing was done with the help of the Sichuan Census Office.

The 1990 census is the second one conducted in the Tibet Autonomous Region but the data will, for the first time, be tabulated with computers. The number of census items increased from nine in 1982 to 18, just three fewer than that of the national census. These three items include "moving" and "the number of people away for more than one year from their registered residences." It was also the first time that such items as marriage, the situation of women at child-bearing ages and the number of births and deaths were directly counted in Tibet. The data obtained through the census will indicate for the first time the total birth rate, the infant mortality rate and average life expectancy of the population in the Tibet Autonomous Region. This will add new and valuable data to China's family planning and medical health system and population studies.

The land area of the Tibet Autonomous Region accounts for one-eighth of the country's total. A vast but sparsely inhabited land, poor transportation and communication facilities, and about half of the newly added items the task more difficult. Approved by the Census Leading Group under the State Council, the census taking in the Tibet Autonomous Region began on June 1, and ended on July 10.

After verification, the national census will then enter the data collection phase. This work will be divided into three steps: the manual collating work on major data will be completed by the end of September 1990; 10 percent sample collating work in advance will be completed by computers before the end of May 1991; and all the computerized collating work will be completed before the end of September 1992.

### Table: A Comparison of China's Four Censuses

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of items</th>
<th>Number of census staff</th>
<th>Using funds for local (million yuan)</th>
<th>Population size according to census results (million people)</th>
<th>Quality sampled (per thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>6</td>
<td>2.5</td>
<td>by grass-root funds</td>
<td></td>
<td>580.6</td>
</tr>
<tr>
<td>1964</td>
<td>9</td>
<td>5.35</td>
<td>20</td>
<td>694.58</td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td>19</td>
<td>over 6</td>
<td>400</td>
<td>1,008.18</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>21</td>
<td>about 7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The 1953 census was conducted simultaneously with grass-root elections; the column "population size according to census results" indicates the number of people in the mainland; in the column of "quality sampled," the minus means the number of people who failed to be registered; while the plus means the number of people registered more than once.
New Plan, Policy For East Zhuhai

In order to realize its development strategy, the city of Zhuhai, Guangdong Province recently announced an implementation programme regarding foreign investment direction and preferential policy for the major islands in the new Zhuhai East Zone.

The Zhuhai East Zone, also called the Wanshan Management Zone, has 76 small or large islands, and covers a land area of 82.54 square kilometres and a sea area of about 3,000 square kilometres. It is only three nautical miles from Hong Kong. Rich in mineral resources, the east zone is an important fishing ground and building materials producing base. Having 146 bays which are 9 metres to 25 metres deep, the zone has the natural conditions for building large harbours, warehouses, bonded warehouses and international transit bases.

Functional programmes for major islands in the east zone are the following: Guishan Island will be a political, economic and cultural centre of the east zone where some 50,000 to 100,000-ton harbours will be built and large storage, tourist, financial, cultural, educational and health undertakings will be developed. Wailingting Island is expected to develop tourism, residential quarters, warehouses, fish breeding and construction of new factories.

China Sets Eye on Offshore Mining

Li Daoyu, permanent representative to the United Nations, submitted on August 22 an application to the United Nations asking for the demarcation of an international submarine mining area and participation in exploration of ocean resources.

Abundant multiple-metal nodules have been already verified in the international ocean area of the northeast Pacific Ocean. Some countries began exploration in the area as early as the 1960s.

China began prospecting in the area in the 1970s. An official of the China National Bureau of Oceanography said that China had invested a total of US$60 million for exploration, far exceeding the US$30 million that the Preparatory Committee of the International Submarine Management Bureau requires of a precursive investor.

According to the guidelines of the resolution of the 3rd UN Conference on Maritime Law, a country engaged in prospecting ocean resources is eligible to apply for the status of a precursive investor to the Preparatory Committee of the Maritime Bureau of the United Nations in order to get permission to develop an ocean area no bigger than 150,000 square kilometres.

Chen Bingxin, deputy director of the National Bureau of Oceanography, said that China's application shows the country has a strong force for ocean exploration and that China is playing an increasingly important role in international maritime affairs.

Officials of the United Nations and the Preparatory Committee of the International Submarine Management Bureau believed that China's application would help promote the works of the Preparatory Committee of the International Submarine Bureau and enhance the exploration and development of international ocean resources.

Qinhuangdao’s ETDZ Develops

From 1985 to June this year, the Qinhuangdao Economic and Technological Development Zone approved the establishment of 61 productive enterprises. Of these, 32 used foreign funds for a total of US$94.99 million. Some 18 enterprises now in operation have managed to bring in good economic returns. The zone's gross industrial output value is expected to reach 200 million yuan this
year, accounting for 7 percent of the Qinhuangdao’s total industrial output value.

Shi Fuhua, director of the zone’s Management Committee, said that the infrastructure for water, electricity, gas, and central heating as well as telecommunications and roads has been completed and, some 80,000 square metres of standard housing, 30,000 square metres of cold warehouses and storage, 28,000 square metres of bazaars, restaurants and hospitals have also been finished.

Director Shi, confident of the zone’s prospect, said that the zone wanted to accomplish the following three things in the next few years:

- Foreign businessmen are invited to undertake land development projects in cooperation with Chinese partners. Some foreign businesspeople have already held talks about cooperation in the field. Some 3 to 5 square kilometres may be provided for development.
- A Taiwanese industrial city will be set up on one square kilometre. Taiwan compatriots are encouraged to invest in the construction of electronic, toy and textile projects.
- Foreign businessmen are invited to share factories in electronics, textiles, light industry and machinery.

The plan is already being carried out. The first-stage construction of a Japanese wire producing factory, for example, has been completed, and is expected to go into operation within the year. When commissioned in 1992, the factory will produce 12,000 tons of stainless wire, making itself the largest stainless wire producer and exporter in Asia.

by Kou Zhengling

**Beijing Opens Duty-Free Shop**

A duty-free shop opened in Beijing on September 9. It is the first of its kind China has established in an urban area.

Located on the fourth floor of the Changan Market at No.15 Fuxingmen Wai Street, Beijing, the shop is jointly managed by the China National Duty-Free Merchandise Corp. and the Changan Market of the Beijing Dongan Group. Zhang Yanming, general manager of the shop, said that about 300 customers can be simultaneously served in the shopping area of 1,416 square metres. Foreign travellers can select from more than 1,000 items of name-brand foreign products and a large variety of high-grade domestic products such as jewelry, handcrafts, perfume, cosmetics, lighters, ties, woolens, garments, leather shoes and bags.

Management reasons require that customers are limited to tourists who will soon leave China. While shopping, they must show their passports, exit air tickets and baggage declarations provided by the Chinese customs houses when they entered China.

Besides, there are the Beijing Airport Duty-Free Shop, the on-flight Duty-Free Shop of the China National Air Food Co. and the Diplomatic Personnel Duty-Free Shop situated by the Sanyuan Overpass in northeast Beijing.

by Yao Jianguo

**Mineral Water Seeks World Sales**

Fushoushan mineral water, a drink even British Queen Elizabeth II liked very much, sells well in Japan, Singapore, the United States and Italy.

The mineral water comes from the scenic Fushou Mountain, Pingjiang County, Hunan Province, where most people who drink the mineral water live a long and healthy life. Many experts in medicine, environmental protection, commodity inspection and other health concerns believe the mineral water contains a variety of trace elements such as lithium, strontium and zinc which are good for health.

Using an environmentally sound operation process, the mineral water factory has an annual output of 2,500 tons. The mineral water has been used as health supplements by the Chinese women’s volleyball team. It won a gold medal at the First Food Fair held in China in 1988, and also won the right to bear the title of the 11th Asia Games logo.

Liu Kangning, deputy governor of Hunan Province said, that when the 45 wells in Pingjiang County are tapped, the annual output is expected to reach 260,000 tons. The province is willing to pool foreign funds and import advanced foreign technology to improve the quality and expand production capacity.

by Li Ming

**Small Motors Put on Sale**

By June this year, the Shijiazhuang Electrical Machinery Plant (SEMP) in Hebei Province had produced a total of 2.1 million fractional horse power motors, 1.5 million of which were exported, accounting for more than 70 percent of its total output.

SEMP, China’s special small horse power motor producer, can
manufacture more than 300 kinds of motors such as single-phase capacitor starting fractional horse power motors, single-phase resistance starting motors, fractional horse power multiple-velocity motors, vertically different-step motors, water pump motors, sewer machine motors, servomotors, washing machine motors and vehicle air conditioner motors.

These motors are produced in line with standards set by the International Electrical Commission. Their installation and outline are in accordance with IEC34-7 standards and their capacity also conforms with DIM 42673 standards of the Federal Republic of Germany widely used in EEC. They can be attached to small machines such as wood-working machinery, medical apparatus and instruments, water pumps, compressors, fans, air conditioners and condensers.

The plant, which began to export in 1966, has sold its products in more than 30 countries and regions in Western Europe, Central America, the Middle East and Southeast Asia as well as Hong Kong and Macao. It ranks first in China in export volume among the country's similar enterprises.

In recent years, SEMP has developed complete sets of special equipment for plastic machinery, building machinery, electronic instruments and electric motors. Its explosion-proof tools won a gold medal at the Eurek Fair held in Brussels.

As of 1988, the plant used 1.26 billion yen in loans granted by the Japanese government to conduct technological transformation using advanced foreign equipment imported from the United States, Switzerland, Japan and Federal Germany. By the end of 1991, it is expected to produce 1.2 million fractional horse power motors worth 140 million yuan a year.

by Han Baocheng

New Ink Business Attracts Foreigners

The Yinghe Y-OA tube-packaged, high-grade quicksetting printing ink produced by the Kexing Ink Screen New Technology Co. in Beijing has been well received by foreign businessmen since it first came off the production line. At the Beijing New Technological Products Sales Exhibition held in Hong Kong in March 1989, foreign businessmen placed orders worth US$2.5 million for Yinghe ink. In May this year, orders worth US$2 million were placed at the Asian New Technology and New Products Sales Exhibition held in Japan.

Yang Xiaoying, general manager of the company said that the ink is long-lasting, quick drying and non-toxic. It is of the same quality as British and Japanese ink but it is blacker and available at a cheaper price.

Yang said her company also produces the Yinghe Y-model ink screen. Compared with the similar products produced by other countries, it is 1.67 times harder and 1.44 times less breakable. Its service life is doubled, but the consumption is 30 percent less.

The ink screen was given a patent in 1987. It can be used for various types of inks, papers and printers of different types in China and abroad.

by Hong Lanxing

News in Brief

- According to statistics released by the People's Bank of China, China's foreign exchange reserves have increased considerably from the first quarter of the year, reaching US$23.439 billion by the end of June. There are still some 12.67 million ounces of gold in reserve.

- The Second International Boiler and Welding Exposition Manufacture and Equipment Exhibition will be held at the China World Trade Centre in Beijing from November 6 to 12. On display will be many newly developed products from 200 companies, factories and scientific units in 16 countries and regions including the United States, Switzerland, Italy and Japan. The exhibition is sponsored by the Ministry of Machine-Building and Electronics Industry, the Ministry of Energy Industry, the Ministry of Chemical Industry and the Ministry of Labour and Personnel as well as the Huaneng Group Corp. and the China National Petrochemical Corp.

- The Kunming Tenghua Joint Operation Stock Co. Ltd. signed a letter of intent with a Japanese firm in Kunming, Yunnan Province for the joint production of jewelry.

According to the letter of intent, the joint venture to be established will have a total investment of 1.8 million yuan, with two-thirds of the shares contributed by the Chinese side and the remainder by Japan. The Japanese side will offer the technology and equipment needed for production. Some 70 percent of products will be sold abroad. The term of co-operation is 10 years.

Rich in gem and jade deposits, Yunnan Province has been an important gem and jade producer in south China. Tenghua exported US$350,000 jewelry in 1989, and US$150,000 worth in the first half of this year. The company has prepared 10 million yuan worth of jewelry for the 11th Asian Games to be held in Beijing from late September to early October.
Western Xia Relics Found in Ningxia

A large collection of valuable relics of the Western Xia Dynasty (1038-1227) was recently found in the Hongfo Pagoda in Helan County of northwestern China’s Ningxia Hui Autonomous Region. They include painted sculptures, boards for printing in the Western Xia language and silk paintings, most the first examples ever found in China.

The discovery proves that the Hongfo Pagoda was originally built in the Western Xia period. Experts say this is the first Western Xia pagoda ever found in China.

The Western Xia Dynasty held sway from the 11th to the 13th century. It developed a unique culture, with its capital at Yinchuan, now capital of today’s Ningxia Hui Autonomous Region.

The Hongfo Pagoda, 15 kilometres from Yinchuan, was originally a Buddhist pagoda in a temple. It is about 25 metres high and has a singular appearance, with upper half built in Lamaist style and lower half with eave-rafters. The pagoda is now split with many crevices and leans 1.8 metres to the northwest.

Recently as Ningxia’s cultural relics protection department was repairing the pagoda, they found a large quantity of cultural relics scattered about near the upper tip of the central column.

Preliminary sorting out brought to light more than ten painted clay heads of Buddhist figures and nearly ten bodies, along with lots of shards. The Buddha statues look serene and benign. What archaeologists found interesting as well as rare were several Buddhist figures with painted faces. Their rare upturned moustaches characterize northern minority nationalities. According to associate research fellow Xu Cheng, vice-president of the Ningxia Archaeological Institute, these clay sculptures, having the same facial features as clay male attendants in the Dunhuang Grottoes, are most probably works of the Western Xia period.

More than 1,000 fragments of carved wooden boards for printing Buddhist Scriptures in Western Xia language were also found. A few of them fairly complete. Most of these printing blocks have both sides carved with Western Xia ideograms of different sizes. Although the wood has decayed with the passage of time, many words are still clear and legible.

The tangka is a religious silk painting done in a style that prevailed in Tibet during the Tang Dynasty (618-907). Together with the above-mentioned discoveries, about ten comparatively intact tangka and other colour silk paintings were found, along with hundreds of frayed strips and remnants. The paintings have smooth lines, bright colours and vivid figures. What draws particular attention is that some of the paintings reveal short comments and annotations in an excellent state of preservation.

There is one carved wooden figure Guanyin (Bodhisattva). Though 24 centimetres in height, it is beautifully decorated and covered with gold, reflecting the Song Dynasty (960-1279) style of sculpture. In addition, the discovery includes painted picture board carved with flowers, Western Xia-Han language bilingual lined paper, wooden slips inscribed with the Western Xia ideographs and bronze coins of the Song Dynasty.

This is the next significant archaeological discovery made in the course of maintaining and protecting ancient architecture and cultural relics in Ningxia as well as all over the country, following that of the numerous Western Xia classics and writings at the Heicheng site, Inner Mongolia, in 1914. On inspecting some of the objects and photos, many experts find it hard to constrain their admiration.

Because there are few objects and written records about the Western Xia, any discovery in
this field is extremely valuable. According to some professionals, although the dates and authenticity of these relics still need to be authoritatively and finally assessed, they certainly fill in gaps in the array of Western Xia cultural relics, and will be highly useful in studying Western Xia's history, architecture, painting, sculpture and printing technology. The value of some relics, they say, is hard to determine at present.

Currently, departments concerned are busy restoring these precious relics.

Documentary on Cultural Heritages

A documentary film series entitled Protection of Cultural and Natural Heritage is now being shot by the Beijing Scientific and Educational Film Studio. Three episodes of the series, namely The Protection of Ancient Architecture in Europe, The Protection of Famous Cities in Europe, and European Architecture have been recently completed with aid from UNESCO and co-operation from the French, Italian and Greek governments.

European Architecture focuses on the architecture of Greece, Italy and France. Against the background of European culture, the film gives a systematic introduction to the evolution of the different types of European architecture, citing representative buildings.

One of the most important features of European architecture is that it bears evident marks of its age. Based on this, European Architecture is divided into six sections, introducing the architecture of ancient Greece, ancient Rome, the Medieval period, the Renaissance, the classical period and modern times.

The Protection of Ancient Architecture in Europe and The Protection of Famous Cities in Europe are respectively the foreign parts of the two independent documentary films entitled Ancient Architecture and Famous Cultural Cities in the series on Protection of Cultural and Natural Heritage. The Chinese parts of the two documentaries began to be shot in China's 25 provinces in July 1990.

The Protection of Ancient Architecture in Europe introduces the basic theory and practice of European countries in protecting ancient architecture and generalizes them as "the principle of being faithful and scientific." This film also points out that the protection of ancient architecture in Europe is based on teaching all the people to attach great importance to the protection of cultural heritage, and that China lags behind in this respect.

The Protection of Famous Cities in Europe introduces some unique and practical methods concerning the preservation of such world-famous cultural cities as Florence, Athens, Paris and Venice. The film states that one of the fundamental questions is to protect a city's individuality and cultural versatility.

These three films are directed by Yu Zhongning. It is the first time since the founding of the People's Republic of China for this country to produce such a scientific documentary with aid from UNESCO and to give a systematic introduction to the development of European architecture and its preservation, in the form of film.

H. L. Teller, a UNESCO representative in China, said the three films have outstanding cultural and educational value.

The Protection of Cultural and Natural Heritage consists of eight separate films. The first one, entitled Natural Beauty and Human Wonder, includes two episodes—Natural Beauty and Beautifying Nature, which were completed in 1988. The second episode won a special award at the Lausanne International Film Festival in 1989. The second film, Ancient Architecture, and the third, Famous Cultural Cities, are now being shot. The following five are provisionally named Treasures Underground, Ancient Wall Paintings, Ancient Sculpture, Natural Reserves and Protection of Rare Wild Animals.

Founded in 1960, the Beijing Scientific and Educational Film Studio is one of the biggest of its kind in China. In the past 30 years, it has produced over 900 films. Among them more than 70 have won best film awards from the Chinese government and film institutions and 39 have won awards at international scientific and educational film festivals.

by Hong Lanxing

Protection for Grottoes

The Dunhuang Grottoes in Gansu, the Yungang Grottoes in Shanxi's Datong and the Longmen Grottoes in Henan's Luoyang are China's three largest treasure-houses of grotto art. In recent years, the protection of these cultural relics has received renewed attention and changed from a "dust-wiping" stage to more "high-tech" preservation.

The Protection of Dunhuang Grottoes. The main area of Dunhuang Grottoes, centred on the Mogao Grotto, includes the Yulin Grotto in Anxi and the grotto clusters within the Qianfodong (Thousand Buddha Cave) in Dunhuang. The grottoes with a
total of 549 caves were first cut in 366. There are some 53,000 square metres of frescoes and an excess of 3,000 coloured statues, making it the largest, oldest and most concentrated collection of rich grotto art. For more than a thousand years, natural and man-made forces have caused the frescoes and coloured statues of Dunhuang Grottoes to discolour, fade, peel and collapse. They have become moth-eaten, damaged and mildewed. Given such a situation, adequate protection for the historical and artistic treasure-house is a very complicated technical project.

Over the past 40 years since the founding of the People's Republic, the Chinese government has repeatedly allocated funds for organizing and strengthening a scientific research contingent to protect cultural relics. Their efforts have borne fruit in keeping the Dunhuang Grottoes preserved. Some 2,550 square metres of frescoes and 288 damaged statues have been restored or renovated and the precipe of Mogao Grotto reinforced. At the same time, a systematic classification and analysis of "diseases" afflicting the frescoes have been made, theoretical studies of causes behind the natural decay conducted and a number of well-written research papers published.

Of particular benefit to this process has been the use of a variety of high technology measures. The digital processing and computer management system at the archives of the Mogao Grotto is being used for drawing, photographing and recording the figures and colour of the frescoes. These are, in turn, stored. In this way, even if Dunhuang Grottoes are damaged by serious natural disaster, the artwork can be completely and accurately reproduced. The modern Environmental Meteorological Monitoring Station set up with foreign help monitors all changes in the grotto environment. The temperature, humidity, wind direction and speed, the time and strength of sunshine, ground temperature, evaporation and other data acquired through monitoring can be directly analysed by computer. The information provides the basis for prompt protective measures to prevent decay. Moreover, the research and application of materials on recent renovations will help restore the original styles and features of the damaged grotto murals. According to Dunhuang authorities, once the ongoing research and trial application of new technologies are complete, they will be able to maintain the Dunhuang Grottoes in their original styles and keep any naturally occurring damage to a minimum.

The Protection of Yungang Grottoes. The Yungang Grottoes, carved during the Northern Wei period (386-534) in the fifth century, are renowned throughout the world for their size and the vigorous, firm style of their statues. The 53 existing grotto caves and more than 51,000 statues of different sizes are gems of ancient Chinese sculptural art. Yungang Grottoes were cut in a loosely structured stratum of general sandstone in the Jurassic Period, where the stones were rough and coarse. Over 1,500 years, wind, water, earthquake and other elements, both natural and man-made, caused the grottoes to cave in and expose the statues to weathering and serious damage. In some grotto caves, the statues on the outer walls were completely exposed to the elements and the inscriptions thereon almost all disappeared. After the founding of New China, the government has attached great importance to the protection of the Yungang Grottoes and organized several large-scale maintenance and reinforcement projects. The work basically controlled the collapse of stone statues, but their slow decay even now has not been effectively resolved.

Between July 3 and 6 this year, more than 40 experts and scholars gathered in Datong, Shanxi Province, to discuss future measures for protecting Yungang Grottoes. They agreed that water was the most general and serious threat to the Yungang Grottoes during the long-term, slow interaction of water and rock. In addition, humidity, temperature, sudden climatic changes and serious pollution around the grotto aggravated decay of the statues. Comprehensive protective measures needed, therefore, to be taken.

It was agreed that the key to protection was control of the water. This principally meant solving the problem of stagnant and congealed water in the grottoes' upper layer. The work requires erecting a water-proof layer on top of the grotto and building a drainage system. The experts also suggested that a protective fringe around the grottoes be set up to protect the stone statues from ultraviolet radiation and from the corrosive influence of dust, wind, sand, rain and snow. Such a protective zone would moderate the sudden alternating change of dry and humid temperature. At the same time, attention needed to be paid to improving the surrounding environment, reforesting, and reducing coal dust. In addition, it is necessary to continue research on materials for salt-washing, sealing and protecting the stone surface of statues.

At present, the relevant departments are redoubling their efforts to complete the necessary work within five years. During the project, high-tech, modern instruments and equipment, such as weather monitoring equipment, will be used to protect the valuable art of the Yungang Grottoes.

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Sport Sculpture

The Windsurfer is the largest sculpture at the 11th Asian Games' Qinhuangdao Aquatic Sports Centre. The Monument to a Hero, expressing the strength and beauty of weight lifters, is at Zhaoqing City, Guangdong Province, known as the home village for weight lifters.

These sculptures were created by sculptor associate professor Li Deli. He was born in Qinhuangdao, Hebei Province in 1938 and now teaches at the Central Academy of Fine Arts.
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