

A CHINESE WEEKLY OF NEWS AND VIEWS

Beijing Review

北京周報

Vol. 31, No.26

June 27-July 3, 1988

China's Largest Water-Diversion Project



**SCIENTISTS
IN TIDE OF
THE REFORM**



Coral and amber ornaments worn by Tibetan men and women of northwest Sichuan Province.

Xue Chao



CONTENTS

NOTES FROM THE EDITORS 4
More Educational Funding

EVENTS/TRENDS 5-9

Planning Body Faces Big Tasks
Beijing Ponders Traffic Problems
Statue of Famous Poet Unveiled
Private Firms to Get Boost
Idle Employees Cost Great Waste
China Advances in Dam Building
Teenagers Want More Democracy
Shanghai Sets Mortgage Rules
Weekly Chronicle (June 13-19)

INTERNATIONAL 10-13

Greece-Turkey: Visit Promotes Bilateral Relations
Soviet Union: All Eyes Turn to Party Conference
The Philippines: Agrarian Reform—a Major Decision
Maghreb: Signs of Reconciliation Appear

Scientists: In the Tide of Reform 14

Large Water Diversion Project Under Way 20

Facts and Figures: Progress in China's Social Welfare 22

Index for Nos. 1-26 Centrefold

BUSINESS/TRADE 24-27

CULTURE/SCIENCE 28-30

Cover: Scientific and technological entrepreneur, Jin Yanjing (centre), with technicians testing a type-286 super-microcomputer produced jointly by the Syntone Company and the US Miranda Company.

Xue Chao

HIGHLIGHTS OF THE WEEK

More Educational Funding

■ Officials of the State Education Commission recently proposed an increase in educational funding in the GNP from 1989. To this end, encouragement should be given to raising fund through multiple channels and running schools by communities and public organizations (p. 4).

Scientists in the Tide of Reform

■ The tide of reform has pushed China's coastal areas to the forefront in the development of export-oriented economy. Our correspondent looks at how scientists with the Guangzhou Branch of the Chinese Academy of Sciences and in Shenzhen are adapting to the new situation (p. 14).

Beijing Seeks Cure for Traffic Headaches

■ China's capital, plagued by overcrowded traffic conditions and a high accident rate, is looking for solutions to the problems. The city plans to step up the pace of road construction and modernize its traffic control system (p. 5).

Maghreb Countries Move Towards Unity

■ In the wake of some positive recent developments in the Maghreb region, Algeria, Morocco, Tunisia, Libya and Mauritania are seeking ways to resolve their outstanding disputes and achieve unity (p. 13).

Published every Monday by
BEIJING REVIEW
24 Baiwanzhuang Road,
Beijing 100037
The People's Republic of China

General Editorial Office Tel: 8314318
English Dept Tel 831.5599 Ext. 546
Distributed by **China International Book Trading Corporation** (GUOJI SHUDIAN)
P.O. Box 399, Beijing, China

Subscription rates (1 year):
Australia A.\$24.00
New Zealand..... NZ.\$33.00
UK..... £13.00

USA US\$24.00
Canada..... Can.\$23.00

More Educational Funding

by Xin Xiangrong

The officials of the State Education Commission recently proposed that from 1989 in the spirit of the report to the 13th National Congress of the Chinese Communist Party, educational funding (including investment in capital construction for education) be increased; the proportion of educational funds in the GNP be gradually raised; the percentage of educational funds in the total state expenditure should also be raised. Effective measures be adopted to ensure a relatively stable source of educational funds.

The proposal represented a definite response to the motion on education raised at the Seventh National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC) held in April. Education was among the most discussed topics at the meetings. Many NPC deputies and CPPCC members appealed to the government to pay more attention to education needs and increase the level of educational funding.

According to statistics, educational funding in developed countries averaged 6.1 percent of the GNP, and 4 percent in developing nations. Education in China suffered greatly during the "cultural revolution" (1966-76) and although funding has been increased considerably in the past decade, it is still a very low percentage of the GNP. The State Education Commission officials stress that efforts should be made to raise educational funding to the average level of developing countries.

In 1987 educational funds allocated by the Chinese govern-

ment increased almost four times the 1978 figure; this represented an average 14.7 percent annual growth rate. However, the increase in funding was largely offset by increased wages for teaching staff and rising prices. According to 1987 statistics, 68.38 percent of the nation's total educational funding went to teachers' wages while expenditure on public

Officials of the State Education Commission proposed an increase in educational funding and presented measures to ensure achievement of this end.

utilities was only 31.62 percent. Furthermore, price rises reduced the actual benefits from educational funding.

Education in China faces many problems due to the funding shortages. For a long time, teaching facilities, especially in middle and primary schools, have been inadequate, teachers' wages low and their working and living conditions poor.

To bring about improvements as quickly as possible, it is necessary to increase state allocations. For this, officials of the State Education Commission recently presented the following proposals:

—From 1989, provincial and autonomous regional governments should gradually raise the



proportion of educational funds in the total expenditure in the region concerned; county governments should also increase allocations for education.

—Encouragement should be given to raising funds for education through multiple channels and running schools by communities and public organizations. Society should support any effort to raise funds and encourage donations for education. At the same time, adequate attention should be paid to the collection of extra educational funds in the urban and rural areas.

—Scientific researchers in universities should be encouraged to provide services, and work-study programmes should be introduced mainly in the higher grades of middle and primary schools. Incomes gained through these activities could be used by schools to raise teachers' salaries, improve teaching equipment and construct school buildings.

—Local governments should offer preferential tax treatment to schools, exempting them from unreasonable charges collected by society.

—Tighter controls should be put on the spending of educational funds to eliminate waste. Embezzlement of funds is strictly forbidden and severe punishment will be meted out to violators.

Through the above measures it can be expected that teaching conditions can be improved and educational undertakings steadily developed. ■

Planning Body Faces Big Tasks

The most urgent task of the State Planning Commission is to get involved in research into the country's price and wage reforms, and propose a firm plan, Chinese leader Yao Yilin said in Beijing on June 15.

Speaking at a meeting inaugurating the newly formed commission, Yao, vice-premier and minister in charge of the commission, said China's reform has reached a crucial period, during which the problem of prices must be solved.

It will take the Chinese government about five years to coordinate the relation between prices and wages, he said.

The commission is a high-level organ in charge of overall management. The former State Planning Commission and Economic Commission were disbanded in the reform of the State Council.

"From now on, the commission should start formulating economic plans for 1989 which will be suited to the price and wage reforms, as well as development plans for the last two years of the Seventh Five-Year Plan (1986-90) and the Eighth Five-Year Plan (1991-95), and suggestions for the year 2000."

Yao said that while making long-term plans, the commission also should supervise production, markets and foreign trade, and coordinate the co-operation between departments and regions so as to ensure normal industrial and agricultural production.

He said the commission will focus on formulating development strategies, industrial policies, important technological policies and medium- and long-term plans; and on directing the economy by

various regulatory means and economic laws and regulations.

The commission should develop a new working style, Yao said. All its staff should be willing to serve the people, and be modest and honest in performing their official duties.

"Everything the commission does should be based on science. Commission members should speak less, do more, overcome bureaucracy and improve their work efficiency."

The new commission is the largest department directing China's national economic and social development.

It will be run by a committee headed by Yao. Among the 18 leading members, in addition to the commission's vice-ministers, are heads of departments under the State Council.

According to Fang Weizhong, one of the vice-ministers, the commission has 26 divisions with a total staff of 1,200—41 percent less than the combined staff of the former State Planning Commission and Economic Commission.

About 88 percent of the cadres of the new commission are college graduates. ■

Beijing Ponders Traffic Problems

China's capital is looking for solutions to its serious traffic problems.

Beijing is experiencing a 16 percent annual rise in the number of motor vehicles—eight times the world average—compared

with a 2 to 3 percent increase in road construction. The city is plagued by overcrowded traffic conditions and a high accident rate.

Buses, the most important means of transportation for Beijing's 9 million residents and 1 million transients, can travel only 10 kilometres an hour during rush hours, 6 kilometres slower than bicycles. As a result, more people are riding bicycles rather than trying to press themselves into slow and overcrowded buses. The city has about 7 million bicycles, which further strain its limited roadways.

In 1986, 729 people were killed in traffic accidents in Beijing, while in Tokyo, which had 13 times as many motor vehicles, the death toll was 418.

A recent survey showed that Beijing added 110,000 motor vehicles in the past three years. The average purchase price of a vehicle is 60,000 yuan (about US\$16,000), which is lower than the real cost. Thus in 1985, for example, the city spent a 3.6 billion yuan on motor vehicles, 10 times its investment in road construction during the whole Sixth Five-Year Plan (1981-85).

The strained traffic conditions are caused by an imbalance between road construction and the development of the city that has existed since the founding of new China, said officials from the Beijing Construction Planning Institute. The investment in road construction should be 3 percent of total capital construction, but the average investment since 1950 has been only 1.3 percent, they said.

With the city's development and population growth, the volume of passenger traffic has increased a hundred-fold and goods traffic

Statue of Famous Poet Unveiled

A 1.8-metre-high bronze statue of Guo Moruo—a famous Chinese poet, writer, historian, archaeologist and social activist—was unveiled in Beijing on June 12, the 10th anniversary of his death.

Guo (1892-1978) served as vice-premier and later vice-chairman of the Standing Committee of the National People's Congress after the founding of new China in 1949. In the 1950s, he founded the Chinese Academy of Sciences and became its first president.

The statue was placed on the lawn in front of his former residence, surrounded by his favourite trees, ginkgos and pines.

by Yang Liming



fifty-fold, while the length of roads has grown only twelve-fold.

In addition, they said, only one-fifth to one-third of the city's allocation for road construction has been directly used for this purpose. The lion's share has gone to tear down old houses and move the residents.

The survey showed that every day about one-third of the city's 10,000 taxis are idle. About 50 percent of its 90,000 trucks travel the streets without a load. The city has more than 5,000 buses

belonging to army units and various units of the central government and Beijing municipality, compared with only 4,000 public buses. But the units' buses are used only 22.1 percent as much as the public ones.

"Most of the city's crossroads are controlled by its 5,100-strong traffic police force, a system which is too inefficient," said Duan Liren, director of the Beijing Transportation Science Research Institute. Duan suggested that besides building more roads, the capital should modernize its

traffic control system.

This year Beijing has doubled its planned investment on road construction and has already installed two computerized traffic control systems, in the east and central districts.

"We will build three similar systems by 1992, which will then cover 400 of the city's major crossroads," Duan said. He also suggested that the local government set up a central bureau of motor vehicles and limit the increase in the number of bicycles. ■

Private Firms To Get Boost

A regulation to further encourage the development of private business in China is expected to be published soon, an official from the state administration for industry and commerce said on June 11.

Wang Huixin said the Provisional Regulation on Private Enterprises in the People's Republic of China will legally confirm the status of private business as a supplement to socialist public ownership.

Wang defined private enterprises as those whose assets belong to individuals and which have more than eight employees. The definition applies to 225,000 enterprises in the country, employing 3.6 million workers.

The figure does not include enterprises which are actually private but are run as collectives for reasons of expediency.

The new regulation is expected to entice these enterprises away from their public identity as collectively run, Wang said.

The regulation will allow private business properties to be inherited and will give private business people the same tax treatment as their counterparts in state-run enterprises.

It will allow private businesses to co-operate with foreign companies in joint or co-operative ventures and to process foreign parts and materials, things they had previously not been allowed to do.

China's private businesses were taken over by the government in the 1950s and did not reappear until after 1978, when the government launched new economic and political policies.

"Private business has more good points than bad points in present-day China," Wang said.

The bad points will be checked through legal and administrative means. ■

Idle Employees Cost Great Waste

China is now more worried about the increasing number of surplus employees idling in enterprises than about the unemployment it has faced since the late 1970s.

Newly appointed Labour Minister Luo Gan said that one of the ministry's most serious and urgent tasks is to make full use of the 15 million surplus workers in the state-owned enterprises.

Including those in collectively run enterprises, the number nationwide is estimated at 20 million, but some experts put it at 30 million.

A factory in Shijiazhuang, Hebei Province, found that on average workers did only 50 percent of the work expected of them during an eight-hour work day last year, *People's Daily* reported on June 13.

A deputy mayor of Harbin, in northeastern Heilongjiang Province, estimated that most workers there effectively put in only three working hours a day.

Some factories in Qingdao, Shandong Province, and Zhuzhou, Hunan Province, are reported to have improved labour productivity after cutting their work force by one-third.

The problem of idle labourers is seriously damaging the national economy. Based on an average annual spending per worker of 2,000 yuan (about US\$538)—including wages and benefits—idle labourers are costing the state 50-60 billion yuan a year.

Some experts attributed the low efficiency to the country's employment policy, which guarantees a job to every citizen. Most factories

find it nearly impossible to fire workers because of China's life-long employment system.

The experts said that if the situation remains unchanged, productivity cannot be improved, and laziness will infect the work ethic of the Chinese people.

Luo said experiments are being conducted to solve the problem. Surplus workers are being encouraged to develop new products, offer services within enterprises, or leave their jobs and receive training for new ones.

He said regulations are being formulated to make it possible for factories to fire workers. Insurance programmes for the unemployed and arbitration of labour disputes have been introduced.

The labour contract system, introduced as part of the country's economic reform programme, will continue to be used in recruiting new workers, Luo said. By the end of last April, China had 7.5 million contracted workers, representing 7.8 percent of all workers in state-owned enterprises.

Meanwhile, the unemployment rate has continued to fall around the country. In Hebei Province the rate dropped from 6.73 percent in 1978 to 0.51 percent last year—one of the lowest in the country.

With more people reaching employment age, the number of surplus labourers in some enterprises and institutions will get larger, experts say. ■

China Advances In Dam Building

China is still behind the top world level in dam-building technology, but it will catch up soon and could take the lead in the near future.

This prediction was made on June 5 by Pan Jiazheng, chief engineer of the Ministry of Energy and vice-chairman of Chinese

National Committee on Large Dams.

Pan said China has a long history of dam construction. Some of the dams built in the Qin Dynasty (221-206 BC), such as the Dujiangyan project in Sichuan Province, still exist today.

Since the founding of new China in 1949, dam-building technology has developed rapidly. A total of 60,000 dams 15 metres or more in height have been built nationwide for flood control, water supply, irrigation and hydroelectric power generation.

Most of the dams of the 1950s were built from earth and stone because of financial constraints. As the national economy developed, China began to construct more concrete dams with large and medium-sized hydroelectric stations, including the new Longyangxia project with a 178-metre-high gravity arch dam.

Pan has witnessed the evolution of China's dam engineering technology. He was one of the designers of the Xinanjiang power station on the Qiantang River in Zhejiang Province—China's first hydroelectric mega-project—and helped design and plan many later projects.

He said China is approaching the most advanced world level in dam construction thanks to the experience it has accumulated in building dams under complicated geological conditions and on rivers with huge flows. The latest dam technology has been widely adopted in China, including the use of roller-compacted concrete (RCC) and rock-fill with a concrete face.

In certain aspects of dam construction, sedimentation for example, China is already in the lead as a result of its experience in harnessing the muddy Huanghe (Yellow) River, Pan said.

Six power stations have been built on the upper reaches of the river, which carries 1.6 billion tons

of silt to the sea every year. "More are being and will be constructed," he added.

He also mentioned the multi-purpose Gezhouba project on the massive Changjiang (Yangtze) River. The project, which will have a total installed generating capacity of 2,716 mw, is expected to be completed in September.

"It is the first big project to be built on the main channel of the Changjiang. Experience with it has confirmed our confidence about other projects on the river," Pan said.

A survey conducted between 1977 and 1980 estimated that China's total theoretical hydroelectric potential is 676,000 mw while its developable potential is 379,000 mw. To date, only 7 percent of this potential has been developed.

Pan, who was about to leave for the United States for the 56th executive meeting of the International Commission on Large Dams, said China's abundant water resources provide Chinese engineers and technicians with plenty of opportunities.

"China will lead the world in large dam construction in the near future," he said. But he added that this development would have come much soon had it not been for a shortage of capital as well as poor management. ■

Teenagers Want More Democracy

The biggest complaint of secondary school students in Dalian, a port city in northeast China's Liaoning Province, is that they are not on an equal footing with adults.

More democracy is what they want.

In the past two years, 90 percent of the 100,000 students who have passed through the Dalian

Consultative Centre have decried the undemocratic treatment they get at home.

The problem, which exists nationwide, can be traced to the notion that paternalism is the only form of relationship between parents and children.

"We have grown up," one frustrated student said. "We feel it is reasonable for us to enjoy the same family status and self-respect as our parents."

An official from the consultative centre said most students complain that their parents are too hard on them. They are not free to listen to music, go to movies or read novels without permission.

Some parents eavesdrop on their children's conversations with friends and read their diaries or private letters, which the children can neither forgive nor forget.

Children are upset by parents who try to chart out a future for them, the official said. Some parents force their children to do things they do not want to do. The parents may think they are acting in their children's best interests but their children are likely to think otherwise.

Students may become alienated by this "invisible obstacle" between them and their parents.

One student said that whenever he returns home, he feels like he has returned to a prison.

Some students take out their frustrations by committing crimes or becoming rebellious.

The student's cry for more democracy has had some effect. Some parents are beginning to pay more attention to their children's feelings.

The parents of a student at Dalian No. 24 Secondary School felt guilty when their daughter wrote them a letter to express her dissatisfaction with them.

A government official was shocked when his son said he wanted more freedom at home. He said it was the first time he had

realized that children want democracy, too.

But most parents just cannot accept the notion.

"Children are children. What would the world look like if fathers and sons were equal in everything"? one worker asked. ■

Shanghai Sets Mortgage Rules

Local banks in Shanghai, Shanghai branches of foreign banks and banks abroad have been empowered to grant mortgages in local and foreign currencies to Chinese and foreign-funded companies.

According to a recent decision by the Shanghai municipal government, Shanghai companies can secure loans by using their assets as collateral. Real estate, land use rights purchased through public bidding, machinery, raw materials and securities including stocks, bonds and commercial bills can be mortgaged under the new rules.

Banks abroad can claim compensation on mortgages granted in foreign currency, with the approval of the local foreign currency administration bureau, and the money can be taken out of China.

"This approval of mortgage loans, China's first, is another step in Shanghai's banking reform," said Luo Shilin, vice-president of the Shanghai branch of the People's Bank of China.

Luo said mortgages will help promote the transfer of land use rights, accelerate capital flow, and improve enterprise management.

In the past, Chinese enterprises had to be guaranteed by Chinese banks before they could use foreign funds. Now Shanghai companies can secure loans from foreign banks by using their assets as collateral. ■

Weekly Chronicle (June 13-19)

POLITICAL

June 15

■ A spokesman for the Ministry of Public Security denounces as sheer fabrications the reports in some foreign newspapers that students from northeast China were beaten and injured by police when they participated in a sit-in demonstration in Beijing on June 10.

The spokesman says the police stopped the illegal action, but none of the students was arrested or detained.

June 16

■ China will focus the reform of its personnel structure on developing a civil service system, says Personnel Minister Zhao Dongwan.

"Administrative offices should speed up the introduction of the system," Zhao says, adding that from now on, new civil servants must be hired through examinations.

■ The China Democratic National Construction Association, one of the country's eight non-Communist political parties, opens its fifth national congress in Beijing.

The party rolls list 41,700 members, including many business people, economists and intellectuals.

The party has helped bring in foreign capital, technology and equipment worth US\$2 billion in the past three years.

ECONOMIC

June 15

■ The Bank of China announces that its assets are worth 441.97 billion yuan (about US\$120 billion).

A spokesman for the State Council says the bank's legal

status as China's state foreign exchange bank remains unchanged, and its role in raising foreign funds will also remain unchanged.

CULTURAL

June 13

■ More than 200 Chinese and foreign guests gather in the Great Hall of the People in Beijing to celebrate the 50th anniversary of the founding of the China Welfare Institute.

Founded by Soong Ching Ling, the late Chinese honorary president, the institute was called the China Defence League during the anti-Japanese war and the China Welfare Fund after the war. The institute contributed much to the work of national reconstruction and earned both moral and material support within China and abroad.

June 14

■ The first group of 37 students has graduated from the China Advanced Institute of Tibetan Buddhism in Beijing.

Most of the graduates were lamas or living Buddhas when they enrolled.

China has also opened Tibetan Buddhist institutes in Tibet as well as in Qinghai, Gansu and Sichuan provinces in recent years.

SOCIAL

June 13

■ Beijing police say they have in custody a foreigner who illegally obtained a total of US\$30,000 in 12 hotels in Beijing between January 7 and 10 by using invalid travellers cheques.

The man, who entered China on a forged passport bearing the name Mohammad Ali, was arrested on March 18 while he was trying to cash a cheque for US\$1,500 at the Beijing International Hotel.

GREECE-TURKEY

Visit Promotes Bilateral Relations

Turgut Ozal's recent visit to Greece has given a boost to Greek-Turkish relations, although no breakthrough was made on the major issues dividing the two countries.

Turkish Prime Minister Turgut Ozal visited Greece June 13-15, the first visit by a Turkish prime minister to Greece in 36 years.

Ozal called his talks with his Greek counterpart, Andreas Papandreou, "frank, positive and successful." He stressed that it is impossible to resolve all the conflicts between the two nations overnight and that patience is needed to further improve

bilateral relations.

Although the prime ministers failed to make substantial progress on major issues, they said in a joint communique that a climate of mutual understanding has formed since their historic meeting in late January at the Swiss resort of Davos, where they were attending the annual World Economic Forum.

The neighbouring countries of

Greece and Turkey — both members of the North Atlantic Treaty Organization — have been at odds for decades over territorial and mineral rights in the Aegean Sea and control of the airspace above it, as well as over the divided eastern Mediterranean island of Cyprus. They came to the brink of war in March 1987 over disputed oil exploration rights in the northern Aegean.

Relations between Athens and Ankara have improved since Papandreou and Ozal met in Davos and agreed to avoid war and try to resolve their long-standing disputes. The countries have taken measures to ease tension in the Aegean and are making efforts to expand commercial co-operation. But little progress has been made — including during the recent talks — on key issues including Cyprus.

Turkey has maintained an estimated 29,000 troops in northern Cyprus since 1974 when the island nation was divided into two parts following a coup in Nicosia backed by the military junta then ruling Greece.

Just before Ozal's visit to Greece, Turkish President Kenan Evren and other top Turkish officials ruled out in strongly worded statements the possibility of an immediate removal of Turkish troops from northern Cyprus. Pressure within Turkey, including from the army, makes it impossible for Ozal to concede on this point.

Moreover, while Papandreou told Ozal that progress towards improving Greek-Turkish relations "is directly affected" by the settlement of the Cyprus issue, Ankara insists that the Cyprus problem is not between Greece and Turkey. Papandreou renewed his proposal for the demilitarization of Cyprus, whose primary goal, he said, is the removal of the Turkish troops.

Turkish Prime Minister Turgut Ozal (front) arrives at Athens airport. He is accompanied by his Greek counterpart, Andreas Papandreou.



During his visit, Ozal repeatedly called for patience in seeking solutions to the deep-rooted problems between Greece and Turkey. The problems date back many years and cannot be resolved. "with a single stroke of a sword like the Gordian knot," he said.

He suggested that as the first step, Athens and Ankara should develop "bilateral co-operation in non-controversial fields and increase contacts at all levels in the right direction."

The two countries "have a long and arduous way ahead" before they establish lasting peace, Ozal said.

He cautioned against unrealistic expectations from the Greek-Turkish rapprochement, which is only six months old.

Ozal's visit was mainly aimed at discussing bilateral relations and developing bilateral co-operation to help pave the way for Turkey's entrance to the European Community. The Turkish prime minister was accompanied by a large delegation, including nine influential parliamentarians and some 80 leading business people.

But whatever the aims or outcome of the visit, it represents a positive step in the process started in Davos and will contribute to the development of mutual understanding and confidence between Greece and Turkey. Analysts said the top-level talks could give fresh impetus to the peace process and help narrow the gap on deep-rooted problems between the countries.

by XI De

key reform supporters were not elected.

In Moscow, for example, of the 12 strong supporters of reform nominated by Lev Zaikov, head of the Moscow Party Committee, only four were elected.

Letters to the newspaper *Izvestia* indicate that many people are disturbed by the election results. They are unhappy because candidates were chosen without extensive discussion and many delegates, including some who are against reform, were elected because of their official positions.

Yuri Afanasev, president of the Moscow State Historical Archives Institute, who was not originally on the official candidate list, was elected after his supporters submitted a petition demanding his candidacy.

In contrast, Peter Tretiyakov, first Party secretary of the Soviet far-east region of Sahalin, who was elected a delegate, lost both his delegacy and his official position after several thousand people held a protest rally.

On May 28 hundreds of Moscow residents took to the streets demanding "no socialism without democracy." They shouted, "We want *perestroika*, not rampant bureaucracy" and "All power to the soviets" during an hour-long demonstration and a rally in Pushkin Square. Many people spoke at the rally, criticizing undemocratic election practices and raising alternatives to the proposed conference agenda. Other disturbances, mainly in the form of petitions and rallies, were reported in the course of the elections.

Within the Soviet Union opinions differ about the unprecedented election incidents. Some see them as reflecting a new enthusiasm among people both inside and outside the Party, while others see the sponsors of these activities as "provocateurs" who are seeking to establish a "parallel

SOVIET UNION

All Eyes Turn to Party Conference

Various unusual incidents accompanied the election of delegates to the coming national conference of the Soviet Communist Party.

The recent election of delegates to the 19th National Conference of the Communist Party of the Soviet Union (CPSU) drew widespread attention within the country.

The CPSU holds national conferences between congresses, generally two years after every congress. The 27th Party Congress was held in February 1986.

A May plenary session of the Central Committee adopted the theses for the 19th National Party Conference, which is scheduled to open in Moscow on June 28. The gathering will evaluate the initial results of the *perestroika* (restructuring) programme and discuss how to overcome the obstacles in the way of reform.

The conference, like the 27th Party Congress, will be attended by 5,000 delegates. For several months CPSU members have been preoccupied by the questions of who should be elected and how the elections would proceed.

Soviet leader Mikhail Gorbachev called for the election of strong supporters of reform. He said the traditional practice of designating a certain proportion of workers, farmers and women among the delegates should be abandoned in favour of choosing enthusiastic and active backers of the reform programme.

But judging by the Soviet press and public response, the results of the elections did not fully fulfil Gorbachev's expectations. Some

government.”

Soviet public opinion has voiced both hopes and worries about the conference. Many people hope that the conference will make strides in promoting the political restructuring process, as well as reforms in various fields. Others are puzzled, doubtful or worried about what the confer-

ence will be able to accomplish. Some people demanded that the meetings be televised live so that everyone can identify the supporters of reform and the preachers of conservative ideas. The struggles continued as the conference grew increasingly imminent.

by Tang Xluzhe

THE PHILIPPINES

Agrarian Reform — a Major Decision

The recent passage of an agrarian reform bill proves that the government of the Philippines is trying to lift millions of its landless citizens out of poverty.

Philippine President Corazon Aquino recently signed into law a comprehensive agrarian reform bill. The president suggested the broad outline for the plan last July but left congress to work out the details, including a land retention ceiling and compensation for landowners.

It took congress almost a year to approve the bill, which Aquino has called the “centrepiece” of her government’s programme. Conflicts of interest among congressmen stalled the bill’s passage, with the lobby of landed law makers winning emotional and often bitter floor debates on the programme while people in the countryside grew increasingly impatient.

With the signing of the bill, land reform will finally go ahead full steam this year, and the stage will be set for subdividing agricultural lands among landless farmers and farm workers.

Under the programme 5.6 million hectares of farmland—including sugar, coconut and banana plantations—are to be distributed over 10 years among some 3.2 million tenant farmers, lease-holders and farm workers.

The programme allows landowners to keep 5 hectares of their land and give 3 hectares to each direct legitimate heir who works on it.

To encourage landowners to place their land under the programme, the bill provides for cash down payments ranging from 25 to 35 percent. The remainder will be paid in government financial instruments, negotiable at any time, which can be used to pay school fees, hospital bills or income tax.

The programme drew mixed reactions. Aquino extolled the land reform programme as a vehicle that would lift millions of rural Filipinos out of their “ancient poverty.” She said she believes the programme has “great chances of success.” House of Representatives Speaker Ramon Mitra said that while the programme is not perfect, “It will change the lives of millions in the countryside.” Some congressmen said that in the present circumstances, the programme is the best possible legislation.

Their optimism, however, is not shared by some landless farmers, who feel frustrated because the

retention of 5 hectares by landlords and 3 hectares by their heirs will exempt a large proportion of agricultural land from the programme. Some landowners are also unhappy about the programme and have threatened to take legal and extra-legal steps to dramatize their opposition. But most landlords and peasants have adopted a wait-and-see attitude, saying that the programme’s implementation is still very much in doubt.

Observers in Manila noted that for the first time in the country’s history the land reform programme covers all agricultural lands, including sugar and coconut plantations, although the retention ceiling reduces the amount of land that will be available for distribution.

Analysts say the programme represents a social pact full of compromises—an accord of the elite to promote gradual change. Every opportunity is given to the landlords to reduce their holdings with minimum pain.

Observers believe the success of the programme will depend on whether the government can get enough money to finance it and can overcome the resistance from different sectors, especially landowners. About 145 billion pesos (US\$70.25 billion) are needed to implement the 10-year programme, and some people doubt that the government will be able to obtain the funds.

by Chen Shupel



Signs of Reconciliation Appear

The five Maghreb countries are actively seeking to resolve some long-standing disputes and are progressing towards the establishment of peace and stability in North Africa.

At a summit meeting on June 10 in Algiers, the Maghreb countries—Algeria, Morocco, Tunisia, Libya and Mauritania—set up a committee to seek ways to realize unification.

The meeting followed a recent series of positive developments in the region. Algeria and Morocco restored diplomatic relations on May 16 and subsequently opened their borders to permit free exchanges between people of the two countries for the first time in 12 years. Tunisian leaders and their counterparts in Libya and Mauritania exchanged visits and signed agreements on personnel exchanges, the circulation of goods and economic co-operation.

The five contiguous Arab countries share a common religion, culture, language and tradition, as well as similar experiences, especially in the struggle for national liberation.

In the course of their fight for liberation, the Maghreb countries helped and supported each other and even made sacrifices for each other. In April 1958, Algeria, Morocco and Tunisia held a meeting in Tangier, Morocco to discuss the fight against colonialism and for Maghreb unification.

In April 1983, the three countries again met in Tangier. This time they passed the Tangier Declaration, which calls for creating a political, economic and social union of the Maghreb region.

Unification represents the as-

pirations of the region's people and a goal they have long fought for. But the problem of Western Sahara—a legacy of colonialism—has cast a shadow over the unification process. After Spain withdrew from Western Sahara in 1976, Algeria and Morocco scrambled to control the area. The falling out over Western Sahara led to the severing of diplomatic relations and even armed clashes between Algeria and Morocco.

Despite this and other problems, the unity aspirations of the Maghreb people have proved irresistible. In recent years, through mediation by Saudi Arabia and other Arab countries, leaders of the Maghreb countries developed contacts, exchanged visits and began to resolve some problems. They also energetically developed bilateral relations on the basis of seeking common ground while reserving differences. These efforts finally helped bring about the restoration of diplomatic relations between Tunisia and Libya, and Algeria and Morocco.

Unification conforms not only to the long-term national interests of the Maghreb countries but also to the demands of their current stage of development. The five developing countries face a grim economic situation: prices for their primary products have fallen sharply; the prices of imported industrial products have skyrocketed; and Western countries have set up steep tariff barriers. The

Maghreb countries' economies are at the mercy of the irrational international economic order.

The European Community's plan to establish a unified internal market for raw materials, goods, manpower and capital represents a particular threat to the Maghreb countries, which have close economic ties with Europe. They feel an urgent need to form and economic union and develop regional economic co-operation in order to effectively deal with the challenges from outside.

The Western Sahara problem remains an obstacle to unification. But all parties concerned surely are aware of the heavy burden caused by the war and hope to appropriately resolve it through consultation in order to speed up the unification process. The conditions now exist to resolve the conflict in a peaceful atmosphere without resorting to arms. It is hoped that reconciliation will continue in the Maghreb region until the realization of unification.

The first meeting of the unification committee will be held in Algiers on July 13.

by Ke Yuellin



Scientists: In the Tide of Reform

The tide of reform has pushed China's coastal areas to the forefront in the development of an externally oriented economy. How are scientists in the Guangzhou branch of the Chinese Academy of Sciences and in Shenzhen, both located in the highly developed Zhujiang (Pearl) Delta, adapting to this situation?

by Our Correspondent Wei Liming

In the Guangzhou Branch of the Chinese Academy of Sciences and the Guangdong Provincial Academy of Sciences, all talk is about reform, the open policy and the reform of the scientific and technological management system. The two organizations oversee 14 research institutes and employ 2,000 scientists and technological experts. More and more of these experts are now coming out of their laboratories to become involved in national economic construction.

Zhang Jingwei, deputy head of the Guangzhou branch of the Chinese Academy of Sciences, told this correspondent that over the last two years research institutes under the branch have undertaken 300 research projects in co-operation with productive enterprises, including 50 technological transfer projects, more than 180 projects in technological development and 80 technological advisory service projects. In addition, they have co-operated with Guangdong enterprises to establish more than 20 associations linking research and production units. "The reform of the management system of science and technology promotes the integration of scientific research with production, and this in turn accelerates the pace of reform to the science and technology

management system," said Zhang.

The previous science and technology management system in China was designed to suit the framework of a planned economy. Under this system, the economy and science developed independently of each other. Key scientific research projects were listed by the state in a separate plan. All funds were provided by the state, so any research achievements were directed back to the state. This divorce of scientific research from economic construction did not offer much for economic development.

To gear scientific and technological work towards economic construction, the Chinese Academy of Sciences introduced a separate management system for research work in 1984—establishing a basic research fund for promising projects; adopting the contract system for tackling key scientific and technological problems; and strengthening support for development work through granting loans and encouraging investment.

In 1987, the academy recommended "deploying the major forces to national economic

Scientists and technicians at work at the Huaxing Company.

SHAO XIAOCHUAN



construction efforts while keeping a capable contingent for 'basic research and the monitoring of high-tech development.'" By the end of November 1987, more than 6,000 scientists had embarked on the road of technological development and established 217 companies.

Zhang Jingwei said that the Party Central Committee recently decided to develop an export-oriented economy in coastal areas which could cater to international markets and enter into international competition. Scientific workers in the coastal province of Guangdong are determined to find new ways to establish joint production and scientific research complexes with enterprises and to set up a chain system embracing scientific research, development, marketing and after-sales service. Projects now underway include the production line to be jointly undertaken with Belgium for producing proteinase from papaya, the joint production with Singapore of condensed drinks from Hippophae rhamnoides and aloe, and the joint production of animal penicillin with Thailand.

Finding Their Own Places

Today with the rapid development of the commodity economy, every scientific research institute is trying to establish its own so-called "fist" product and the concept of socialist commodity economy is gradually taking root.

The Southern China Institute of Plant Research has made use of cytogenetics to breed banana seedlings in test tubes, and co-operated with Xinhui County to build a test-tube banana seedling production base. The venture's output last year was valued at 2 million yuan and this year, output is expected to exceed 6 million yuan.

The Guangzhou Institute of



LIU QUANRUI

He Nengbo (centre), deputy president of the Guangzhou Branch of the Chinese Academy of Sciences, inspects a crop of fine-breed corn.

Energy has succeeded in developing a solar energy drying system for the Guangzhou Huangshanghuang Cured Meat Factory, shortening the drying time from the former 72 hours to 44 hours and reducing energy consumption by 30-40 percent.

The Guangdong Institute of Insect Research has provided technical guidance to 23 hotels and office buildings in the province for eradicating rats, and used fees for the service to make up for shortages of state-allocated funds. The institute is planning to export its rat poison to the United States and Canada.

Scientists with the Guangzhou Institute of Chemistry have been even more successful. The hemp fibre research initiated by the institute's founder Feng Yunhe has helped turn ramie, which could not be machine-spun in the past, into a much-sought raw material for textile mills. The "dual treatment method" developed by Liang Feng, a research fellow with the institute, makes it possible to produce a better fibre from ramie. The technology has been transferred to a number of textile mills throughout the

country, earning a total of 520,000 yuan. Now, linen textile mills fitted with technology provided by the institute can be found everywhere in the country.

The institute's chemical grouting company has undertaken more than 100 projects in the seven years since its establishment, reaping 1 million yuan a year in economic returns.

Over the last century, cassia oil has remained an important additive in Coca-Cola. In the past, farmers extracted the oil using natural methods, which had an oil recovery rate of only 0.5 percent. Scientists in the institute developed a new cassia oil extraction method and transferred it to some factories, raising the recovery rate to about 0.8 percent. The cassia oil extracted using the new technology does not contain metal elements.

Borneo camphor is an important raw material in ready-made traditional Chinese medicines. In the past, the processes for its production were very complicated and often dangerous. The method developed by the institute is simple and safe; it was awarded a first-class prize by the Chinese Academy of Sciences for techn-

ological progress. The technology has been transferred to the Huangpu Chemical Works and another two factories, earning a total income of 300,000 yuan.

Since 1984, the institute has made 42 breakthroughs in scientific and technological research, more than 90 percent of which have been applied to production.

The enthusiasm on the part of the scientists involved in these projects comes from their sense of responsibility and an awareness of the urgent need for reform. Ye Linhong, deputy director of the Guangzhou Institute of Chemistry, said that in the past the institute ate from the "big pot" of the state and had no real worries. As a result, institute personnel lacked motivation and had no idea of economy. With the reforms to the funding system, they immediately began to feel the pressure and worried that their scientific work would suffer due to insufficient funds.

In order to win financial support, the institute encouraged its staff to undertake state and local economic construction projects as well as research projects under the Fund of Natural Scientific Research. At the same time, it saw that contacts were established with units using their research results through signing agreements with production units. In this way, the scientists' sense of responsibility was enhanced, and the pace of progress accelerated.

Bringing Aid to the Poor

While scientists have turned their efforts to servicing national economic construction, they have not forgotten that farmers urgently need the help of science and technology.

In January 1987, scientists from the Guangzhou branch of the Chinese Academy of Sciences visiting Zaibei Village in Yangshan County, northern Guan-

gdong, were stunned by what they saw. There were no trees on the bare limestone mountains; rain quickly washed down the thin layer of soil and the precipitous mountain slopes, causing serious water shortages. Farmers there ate sweet potatoes and corn all year round. The total property of some families was valued at less than 50 yuan. Many people did not even bother to lock their doors when they went out, for they had nothing to lose.

The situation reminded the scientists of Han Yu, a great eighth-century man of letters who once served as the local governor and considered the place the poorest in the whole of China. The scientists felt they had a duty to help the farmers overcome poverty.

In March that year, a group of geographical, insect, soil and plant experts went to Yangshan County and helped draft a comprehensive plan for economic development, which focused on readjusting the agricultural structure, changing traditional cultivation methods, popularizing fine crop breeds, scientifically tilling the land and developing cash crop and fruit production.

The scientists introduced fine rice, corn and cassava breeds to Zaibei Village. In only one year, the per-hectare rice output increased by 80 percent; corn, more than 100 percent; and cassava, by over 200 percent. Last year, the per-capita grain output for the village reached 600 kilogrammes, double that of the previous year; and the per-capita income, 709 yuan, a three-fold increase. On the once barren mountains, fruit trees and medicinal herbs have been planted, and fertilizers containing trace elements have been applied to improve soil quality.

Zhan Tianren, an engineer involved in the group aiding the poor, said the scene in Zaibei

Village after harvest was really moving. The bamboo houses of Li Huoxu, a farmer in the village, were packed full of grain; he had to use four props to support the houses for fear they might collapse. Another farmer Li Shanshui said, "The scientists have helped me clear all my debts." Li Chengnian, leader of the production team, earned more than 9,000 yuan in one year. His newly acquired prosperity has attracted offers from a dozen farmers eager to marry their daughters to Li's only son, who is just 13 years old.

Now, five families in the village plan to buy televisions and two expressed a wish to buy tape recorders—a thing they would never have dared dream of in the past.

In the words of the Party secretary of the village, "Zaibei Village is proof that science and technology can be used as productive forces."

The scientists have also popularized fine crop and animal breeding, animal and poultry inoculation and the introduction of trace elements to fruit trees in the county. The fine-breed cassava they introduced, for instance, can produce a 50-80 percent higher output than the local breed; new breeds of tomato and other vegetables, imported either from abroad or other parts of China, can generate more than 10,000 yuan in economic return for every hectare of land. Local farmers have thus been given the means with which to overcome poverty and achieve prosperity.

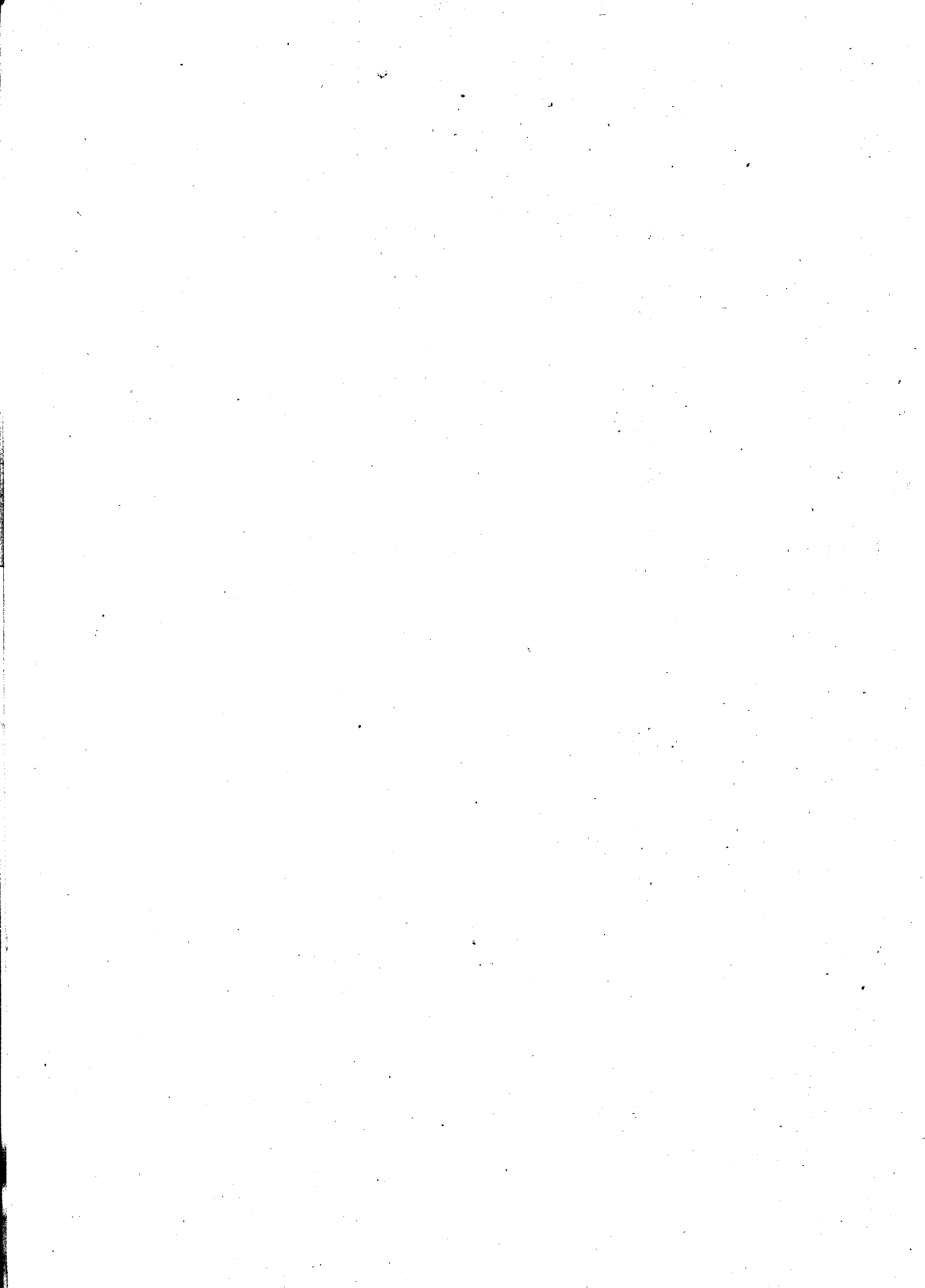
—The Guangdong Provincial Institute of Microbiology transferred its advanced soybean milk production technology to the Yangshan County Food Factory free of charge and enabled the factory to produce an output valued at more than 1 million yuan a year.

—The Guangzhou Electronics Institute and the Guangzhou New

BEIJING REVIEW

Index

Nos 1-26, 1988



BEIJING REVIEW

Index

Nos. 1-26, 1988

I. DOMESTIC

1. Political

1) General

China's Reform Enters Its 10th Year	1: 4
Harbin Stamps Out Corruption	1: 6
Chinese News Highlights, 1987	1: 7
'One Country, Two Systems' Concept: Its Formation and Development	1: 17
Major Tasks of 1988—Li Peng	2: 5
Promoting Consultation and Dialogue	2: 18
Away With Dogmatism & Ossified Pattern	4: 14
Democratic Election System Discussed	5: 29
Emancipating the Mind Underlined	6: 5
Zhao Urges Independent Thinking	7-8: 5
Economic Features of Primary Stage of Socialism	7-8: 14
Reunion After 38 Years of Separation	7-8: 21
Reform and the Party's Work Style	9: 4
Zhou Enlai a Remarkable Statesman	10: 18
Railway Minister Offers Resignation	11: 8
Anyang Begins Political Reform	12: 17
Restructuring Maanshan's Government	14: 25
Relations Between Planning and Market	15: 19
Experts and Scholars on Reforms	15: 25
Three Types of Socialist Monopolies	15: 27
NPC No Longer a Platform of One Voice	16: 4
Profiles of New Leaders	16: 26
Government Restructuring Forges Ahead	17: 4
New Government Leaders Answer Questions	17: 12
State Council Duties Divided	18: 5

Meeting Boosts National Unity	19: 5
Zhao Ziyang on Nationality Issue	20: 14
China's Sovereignty Over the Nansha Islands Indisputable	21: 4
A Special Mission History Entrusted to Me (I)	21: 22
Theoretical Debate of 1978 Marked	22: 7
A Special Mission History Entrusted to Me (II)	22: 19
Emancipation of the Mind & Reform	23: 4
The Criterion for All Work	24: 18
Discussion on Criteria for Judging Truth	24: 19
If I Am Elected Mayor of Shanghai	24: 28
Central Institutions Undergo Evolution	24: 29
Planning Body Faces Big Tasks	26: 5

2) Chinese Communist Party

Political Bureau Meets on Economy	7-8: 6
Zhao Discusses Reform Programme	13: 5
Party Consults Non-Communists	13: 7
Political Bureau Examines Proposals	19: 6

3) National People's Congress and the Chinese People's Political Consultative Conference

Seventh NPC Assembly Set for March	5: 5
Agenda of National People's Congress	13: 4
China Welcomes Foreign Investment	13: 5
NPC Delegates Set for Congress	13: 7
Li Peng Reports to Seventh NPC	14: 5
CPPCC Committee Opens First Session	14: 7
Government Bodies to Be Restructured	15: 5

	Issue Page No. No.
NPC Examines Draft Amendment	15: 6
China Elects State Leaders	16: 5
CPPCC Session Completes Tasks	16: 6
Progress Made in Legal System	16: 6
Anti-Crime Drive Brings Results	16: 7
CPPCC Members on State Affairs	16: 17
New Leaders Address NPC	17: 5
Members Named to State Council	17: 6
Report on the Work of the Government	17: 18
Report on the Draft 1988 Plan for National Economic and Social Development (Excerpts)	20: 28
Law of the People's Republic of China on Chinese-foreign Contractual Joint Ventures	25: 25
4) People's Liberation Army	
PLA Establishes Civilian Posts	20: 7
Dictionary of Military Figures	22: 34
5) Democracy and Legal System	
Party Consults Non-Communists	13: 7
Democratic Party Active in Social Life	16: 21
6) Hong Kong, Macao and Taiwan	
Work Progressing on HK Basic Law	1: 5
NPC Condemns US Meddling	1: 6
Current Policies & Prospects for HK	1: 14
Zhao Sends His Condolences to Taiwan	4: 5
Sino-Portugal Declaration Comes Into Force	4: 6
The Way Forway for Macao	5: 34
Revaluation of NT\$ Hits Taiwan's Exports	6: 26
How Come Taiwan's Policy Changes	7-8: 17
Reunion After 38 Years of Separation	7-8: 21
Again on Formula for China's Reuni- fication	13: 19
Bainqen Reaffirms Policy on Dalai	15: 8
Taiwan's Political Situation After Chiang	15: 14
HK Panel to Hold 7th Session	16: 9
HK Basic Law Made Public	19: 6
Draft Basic Law of HKSAR, PRC	19: 19
Hong Kong's Political Structure Plan	25: 22
7) National Minority	
Police Free 59 Held Over Riots in Tibet	5: 8
Tibetan Resolution Blasts Separatists	5: 9
Lhasa Celebrates Tibetan New Year	9: 6
Policeman Killed in Lhasa Riot	11: 8
Tibetan Leaders Condemn Rioters	12: 5
Changes Proposed for Constitution	12: 6

	Issue Page No. No.
Tibet Reopened to Individual Tourists	13: 27
Tibetan-Inhabited Areas: Demographic Changes	14: 21
Tibetan Leaders on the Tibet Situation	16: 14
Folk Singers Revive Tibetan Epic	16: 41
Ethnic Minority Enters Modern World	22: 14
Training Qualified Personnel for Tibet	22: 17
8) The Legal System	
China Expels Reactionary	1: 7
Current Policies & Prospects for HK	1: 14
Draft Enterprise Law Discussed	3: 5
Gang of Four Still in Jail	3: 6
Putting the Law Into People's Hands	3: 24
Regulations to Keep Out AIDS	6: 7
China Cracks Big Drug Case	13: 8
HK Basic Law Made Public	19: 6
Draft Basic Law of HKSAR, PRC	19: 19
Party Promotes Enterprise Law	21: 7
Official Arrested for Kidnapping	23: 8
Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures	25: 25
9) Others	
Martyr Li Shuoxun, Li Peng's Father	10: 29
2. Economic	
1) General	
Facts & Figures: 1987—A Year of Stable Economic Growth	2: 23
China Aims to Wipe Out Monopoly Prices	6: 20
State Considering Aid to Consumers	9: 5
Shanghai Takes on a New Look	9: 14
Prices and Economic Situation	10: 4
Statistics for 1987 Socio-Economic Development	10: centrefold
Food Subsidies to Float With Price Index	14: 4
Scientific Work Must Get Priority	14: 7
Facts and Figures: 1987 Retail Price Index Rises 7.3%	14: 27
Importance Attached to Coastal Development	17: 16
Diet, National Conditions and Health	20: 4
Facts and Figures: Economic Growth Between 1983-87	23: 23
Sino-US Trade Co-operation Expands	25: 14
Sino-US Symposium on Economy	25: 15

	Issue Page No. No.		Issue Page No. No.
2) Industry, Communications and City Construction		Facts & Figures: Thriving Retail Markets	4: 26
Dam Completed Ahead of Time	2: 5	1987: Basic Balance in Foreign Trade	5: 18
Beijing Metro Has New Circle Line	2: 6	China Opens Securities Market	5: 20
Shanghai Opens Railway Station	2: 6	Trade Flourishes Across Regions	9: 7
Jiaxing—Silk Producing Centre	2: 21	Price Hikes Hit China's Markets	18: 8
Developing Energy-Intensive Industries in Energy Centres	3: 28	Food Prices Jump 30-60%	21: 6
New Year Marred by Accidents	5: 6	Mainland-Taiwan Trade Increased	5: 30
China's Burgeoning Electronics Industry	6: 22	Foreign Exchange and Gold Reserves	26: 25
Railway Minister Offers Resignation	11: 8	Shanghai Sets Mortgage Rules	26: 9
China at Frontiers of Space Technology	11: 14	6) Tourism	
Traffic Accidents in Beijing Fall Off	13: 29	'Only in China' Distributed Abroad	2: 30
The Contract System on the Rails	14: 14	Lushun: A Thawing City	2: 30
Li Calls Session on Rail Accident	15: 7	'Silk Road' Opens to Tourists	3: 27
China's Ocean-Going Fleets	15: 22	Immunity Radiometric Assay Service	3: 27
Facts & Figures: The Development of Energy Resources	20: 26	International Tourist Film Festival	6: 34
Phone Network Grows in Beijing	21: 10	Newest Tourist Centre: Hainan	6: 34
Contract System Animates Jilin Enterprises	21: 15	Professional Tour Groups in China	6: 34
The Growth of China's Mining Industry	23: 21	Activities Set for the Year of the Dragon	7-8: 34
China's Nonmetallic Industries	23: 22	Bad Tourist Guides to Be Punished	12: 29
Oil Industry Joins World Exchange	25: 18	Free Travel for Prize Winners	12: 29
Air China Takes Flight to the World	26: 25	'Planets' Land on Beijing Horizon	12: 29
3) Agriculture, Animal Husbandry And Sideline Production		Glacial Park Built in Southwest China	13: 27
Socialist Reform in Rural Areas	2: 26	Statues of Two Ancient Emperors	13: 27
Farmer Yao and the Governor	2: 26	Company Set Up for Book Exchanges	13: 34
Family Industry Thrives in China	3: 7	27 Million Tourists Come to See China	14: 34
Deepen Reforms in Rural Areas	3: 29	China's Exploration Tours	18: 29
Grain Production: Today and Tomorrow	6: 4	Suzhou Garden in Friendship Hotel	18: 29
China's Agricultural Policies Challenged	6: 6	Farmers Run Holiday Village	22: 27
Will Reform Lead to Polarization?	6: 28	Tourist Environment Improved	23: 27
Moving the Rural Labour Force	6: 28	Commemorative Trees Planted	23: 27
Deserts Engulf Fertile Land	11: 8	Xuanbi Great Wall Opens to Tourists	23: 27
Taiwan Businessmen Invest in Fujian	16: 20	Outlook Bright for Zhuyuan Hotel	25: 29
Farmers and the Law of Value	19: 4	7) Opening to the World	
Water Conservancy Given Top Priority	22: 6	Firm Promotes Labour Exports	2: 8
Study Continues on Three Gorges	24: 6	Direct Dialling to Outside World	2: 28
China Advances in Dam Building	26: 7	Rural Exports Earn US\$5 Billion	2: 28
Large Water Diversion Project Under Way	26: 20	Chinese Claim Toshiba Damages	2: 28
4) Forestry		Foreign Ventures Make Profits	2: 29
Diseases Insect Threaten Forests	14: 28	Nabisco Promotes Mutual Benefit	2: 29
One Year After China's Worst Forest Fire	23: 16	The ABC of Investing in China (XI): Differences in Wage Systems	3: 25
5) Finance and Trade		Registration of External Debts	3: 30
What Does Reform Mean to Shop Assistants?	4: 22	China in More Exhibitions	3: 30
		Hubei Holds Foreign Trade Talks	3: 30
		PENAVICO Improves Its Service	3: 31
		New Orders for Bull's Computers	3: 31
		Non-Governmental Economic Co-operation	3: 31
		Sinochem to Widen Scope	4: 8
		International Agricultural Aid	4: 28
		New Regulations for JV Partners	4: 30
		Foreign-Funded Enterprises in Dalian	4: 30

	Issue Page No. No.		Issue Page No. No.
Hainan Aquaculture Attracts Foreigners	4: 31	The ABC of Investing in China (XII):	
Land-Use Right for Foreigners	5: 4	Insurance Service	16: 24
Zhao Maps Out Coastal Development	5: 5	Sales of Duty-Free Goods Increase	16: 35
Ningxia Seeks Co-operation With Islamic		China's Foreign Aid in 1987	16: 35
World	5: 14	Japanese Patent Invalidated	16: 36
China to Readjust Car Imports	5: 30	Northern Ireland Seeks Co-operation	16: 36
Foreign Currency Market to Open	5: 30	The Second Photographic Art Exhibition	17: 45
Beijing's Outskirts Seek Investment	5: 31	Open Coastal Economic Zones Expanded	17: 46
More Cereals and Oils Exported	5: 31	Coca-Cola Co. Markets Products	17: 46
Zhao on Coastal Areas' Development		Foreign Trademarks Protected in China	17: 46
Strategy	6: 14	Tianjin's JVs Recall Investments	17: 47
Solving Joint Ventures' Problems	6: 30	Three-River Plain Set for Development	17: 47
More Ship Exports Registered in 1987	6: 30	Hainan Province—China's Largest SEZ	18: 14
Power Projects for Foreign Investment	6: 30	Hitting Out Against Smuggling	18: 30
More Dukang Liquor Exported	6: 31	Sino-Pakistan Trade Increases	18: 30
Third-Round Bid in Offshore Oil	7-8: 30	GDR's Commodity Exhibition in Beijing	18: 31
Barter Deal Seen Boosting Southwest	7-8: 30	Container Liner Trade Route Opens Up	18: 31
New Customs Tariff Effective on Feb. 1	7-8: 30	China Exports Forestry Machinery	18: 31
China Increases Investment Abroad	7-8: 31	Technology Zone to Get Support	20: 7
Oil Prospecting in Northwest	7-8: 31	The ABC of Investing in China (XIII):	
Fuzhou Courts Foreign Investors	9: 8	Technical Transfer	20: 24
The Collapse of a Joint Venture	9: 20	New Measures to Cover Losses for	
Nonferrous Metals Market Thriving	9: 30	Foreign Oil Companies	20: 38
Imported Lines Cater to Varied Needs	9: 30	Beer Agreement Signed With Japan	20: 38
Know-How Export on the Increase	9: 31	Tianjin Attracts US Investors	20: 38
Stocks and Bonds a Hit in Shanghai	10: 8	Beijing to Host 1st International Fair	20: 39
Co-operation in Animal Farming	10: 30	Shanghai Plans to Increase Exports	20: 39
Beijing Holding Trade Talks	10: 30	Sichuan: A Long Way to the World	
Shoe Industry Set to Expand	10: 31	Market	21: 26
Coastal Areas Prepare for Push	12: 5	More Sino-Foreign Space Co-operation	21: 30
Export of Machinery & Electronic		Machine Tool Exports Expand	21: 30
Products	12: 30	Fujian Isles Open to Taiwan	22: 7
Wuxi Economy to Be Export-Oriented	12: 30	More Leeway for Foreign Ventures	22: 8
Export of Transport Technology	12: 31	New Measures to Lure Investment	22: 30
Coca Cola Expands in Chinese Market	12: 31	Investment Service Set Up in Beijing	22: 30
EBILC Established in Beijing	12: 31	Shandong Peninsula—Fifth Open Zone	22: 30
Worthwhile Investment in China	13: 28	China Imports Benz Technology	22: 31
Company Exports Electronic Products	13: 30	China Welcomes Foreign Investors	23: 6
EC, China Sign Aid Agreement	13: 30	Reforming Railways With Foreign Funds	23: 30
Third Sino-EC Trade Week Ends	13: 30	Donkey Hide Gelatin Market Grows	23: 30
China Exports More Machinery	13: 31	Instrumentation Exhibition in Beijing	23: 31
More Preferential Terms for Xinjiang	13: 31	China Curbs Import of Production Lines	24: 30
China Reforms Foreign Trade System	14: 30	Thailand Invests in Hainan Province	24: 30
Xian Makes Tails for US Boeing	14: 30	Loan for Nuclear Power Station	24: 31
Police Attend Traffic Exhibition	14: 30	Sino-British Venture in Heavy Vehicles	24: 31
China Exports Forklifts to USSR	14: 31	Poor Quality Found in Imported Goods	25: 30
Land-Use Rights Transfer Bids	14: 31	Import Licence to Be Adopted	25: 30
6 Export Bodies to Be Established	15: 29	Shantou SEZ Improves Traffic	25: 31
Progeni Plans Computer Venture	15: 29	Transform Steel Industry With Foreign	
Shandong Invites Talented People	15: 29	Funds	26: 24
Japan Invests in China's Leasing	15: 30	Preferential Policies for Foreign	
		Investors	26: 24

	Issue Page No. No.		Issue Page No. No.
Panama-registered Ship Auctioned	26: 25	Beijing Review Celebrates Its 30th Birthday	11: 5
8) Economic Reform		Beijing Review and Me	11: 20
Wuhan: Enterprises Compete and Thrive	3: 20	Ancient Law Book Comes to Light	20: 37
Famous Lessee on Leasing System	5: 22	New Progress in Tibetan Studies	25: 32
Hainan to Feature Market Economy	6: 5	2) Art and Literature	
Enterprises Likely to Bankrupt Merged	6: 7	Chinese Films: Can They Go to the World?	1: 19
More Losing Firms Going Bankrupt	6: 9	Chinese Film Wins World Acclaim	1: 29
The Coast to Intensify Its Export Orientation	7-8: 4	Rustic Shanxi Folk Songs and Dances	1: 30
China Seeks More Investment Input	7-8: 6	International Photography Exhibition	2: 32
Contract System: A Key Reform	10: 7	Soloists Captivate Beijing Audience	2: 33
Urban Reform Experiment Goes in Depth	12: 4	Televised Documentary on Military History	3: 32
Private Businesses Produce Millionaires	12: 14	Folk Dough Modelling Artist	3: 33
Discussions: Contract System in China's Enterprises	14: 18	Tibetan Dance Dramal Has National Flavour	4: 33
New Trend in Enterprise Reform	14: 19	National Minority Singing Contest	5: 33
Hainan to Adopt More Special Policies	18: 4	Favourable Response to Scientific Films	6: 32
China Launches Housing Reform	18: 8	Teaching Violin Abroad	6: 33
Enterprise Law: A Milestone for Reform	18: 20	Oil Painting in China—History and State of the Art	7-8: 29
Reform Plans Set for This Year	19: 8	The Dragon in Chinese History	7-8: 32
Deng on Current Price Reform	22: 5	Report on Dunhuang (I): A Grotto Treasure House	9: 24
Australian Play Performed in China	22: 32	Harbin's Ice and Snow Festival	9: 32
The Chinese Nude Is Revealed	22: 34	Jia Zuoguang—A Dancer of Great Accomplishments	10: 32
Nantong Wall Hangings Give Local Flavour	23: 32	Log Art Attracts Beijing Spectators	10: 32
Art Show From Taiwan	23: 34	Cliff Paintings Along Altay Range	10: 34
Deng Optimistic on Price Reform	24: 5	A Start in Writing at the Age of 63	11: 21
Party to Extend Economic Reforms	24: 6	Latest Research of Dunhuang Art	11: 23
Price Reform: Opportunity With Risks	25: 4	'Parisians' on Beijing Stage	11: 33
Private Firms to Get Boost	26: 7	Report on Dunhuang (III): Dunhuang Institute: Devoted to Its Caves	12: 21
9) Environmental Protection		National Music Greets Dragon Year	12: 32
Nanjing Road Shanghai's Pride	2: 27	New Image of Lenin Appears on Stage	12: 33
Business Women Receive Praise	10: 6	Blind Writer Overcomes Handicaps	13: 32
Service Industries Need Development	14: 28	Art Exhibition From Jiangsu Province	13: 33
Industrial Pollution Poses Big Problem	20: 8	Dance Drama Brings Legend to Life	14: 32
10) Others		Bamboo Root Sculpture	14: 33
Job Markets Challenge Systems	22: 9	Zhao Zhunwang—A Creative Artist	15: 32
3. Culture		Miao Dragons Are Something Special	15: 33
1) General		Movie Makers Face a Critical Public	15: 34
Shanghai's Rural Intelligentsia	4: 21	Facts and Figures on Tibetan Cultural	16: 40
Changes in People's Cultural Life	4: 28	Director of 'Red Sorghum' Interviewed	17: 48
Middle East: Efforts to Resolve the Palestinian Problem	6: 10	Ba Jin: A Great Chinese Writer	17: 49
Greetings From Chinese Leaders	10: 14	Dance Drama Wins Acclaim	18: 32
Greetings From Our Readers: On the 30th Anniversary of 'Beijing Review'	10: 15	'The Grassland, My Homeland'	18: 34
Looking Back, Looking Ahead	10: 16	Harmonica Concert a Hit	19: 48
After Our Birthday Celebrations	11: 4	Gallery Exhibits Opera Make-up Art	19: 48
		Niu Weiyu: Photographer	19: 50
		Miners Enjoy Comic Talking	19: 50

	Issue Page No. No.		Issue Page No. No.
Su Cong—China's First Oscar Winner	20: 42	Silk Road Rally Set for October	17: 50
Agricultural Films Win Acclaim	21: 32	Climbers Break World Records	20: 6
Young Composer Makes His Debut	21: 34	Mass Sports Activities in South China	20: 40
Woodcuts by a Guizhou Artist	25: 33	High-Jump Star Still Promising	20: 42
3) Education		Folk Art Exhibition From Northeast	21: 32
Re-orienting Rural Educating	3: 4	Chinese Women in the Running	21: 34
College Graduates to Choose Jobs	4: 6	China Cup Tournament Ends	23: 33
Students Helped to Face Pressure	10: 7	Two-Route Ascent of the World's Highest Peak	24: 32
Shanghai Post Fills English Gap	12: 8	Records of the World's Highest Summit	24: 33
Non-Government Universities	12: 27	Chinese Swimmers Take Gold Medals	24: 34
Raising the Nation's Level of Education	15: 27	7) Archaeology and Culture Relics	
Better Students Are Rewarded	15: 28	Imperial Tombs 2,000 Years Old	6: 32
China Reaffirms Policy on Students	16: 8	Neolithic Site Found in Henan	11: 32
The Need for a Spirit of Dedication	19: 16	Archaeological Finds Shed New Light	11: 34
Drilliant Children Get Head Start	21: 9	Prehistoric Fossils Shown in Beijing	18: 33
International Academy of Chinese Culture	20: 18	8) Books	
Education Improves for Handicapped	20: 37	'The Making of Modern Tibet'	1: 31
Rules Will Ease Students' Load	24: 7	Album on China's Grand Canal	2: 31
Rulings on Students Up for Public Debate	24: 8	An Accurate and Up-to-Date Guide	15: 31
Higher Education: Reforming and Restruc- turing the System	24: 21	Album of Deng's Life and Work	16: 37
University Coffee Bar With a Difference	24: 26	Book Series Appreciated by Readers	25: 34
Self-Employed Express Desires	24: 28	9) Others	
More Educational Funding	26: 4	'China Reform'—New English Journal	22: 33
4) Science and Technology		Heidegger Translated Into Chinese	24: 34
China Reports Fewer Quakes	3: 6	4. Social	
Zhao Zhongxian: A Superconductor Star	4: 32	1) General	
China Launches a Comsat	11: 9	Neighbourhood Committee in Cities	3: 29
China at Frontiers of Space Technology	11: 14	Attitude Survey of City Dwellers	5: 24
Man and the Biosphere Programme	11: 32	Survey Looks at Chinese Opinion	9: 7
Model Helps in Treasure Hunts	13: 32	Lonely Heart Stirs the Nation	9: 22
How Many Years Can Pandas Live?	17: 44	CAFIU Promotes International Ties	15: 7
Burgeoning Soft Sciences	19: 12	Fang Lizhi's Academic Achievements	18: 23
Fouling Marine Life Studied	22: 32	Shanghai Elects New Mayor	20: 8
Making Use of Solar Energy	22: 33	Marriage and the Family	21: 19
Science Reform to Be Deepened	23: 9	Mao Zedong and His Father	23: 28
Scientists: In the Tide of Reform	26: 14	Beijing Ponders Traffic Problems	26: 5
5) Medicine and Health		Idle Employees Cost Great Waste	26: 7
First Institute of Stomatology Set Up	2: 34	Facts and Figures: Progress in China's Social Welfare	26: 22
Chinese Capital on Hepatitis Alert	10: 5	2) Trade Union	
China Moves to Wipe Out Leprosy	14: 8	3) Youth	
Tobacco or Health: Choose Health	16: 8	China to Ban Juvenile Smoking	2: 7
VD Spread Causes: Public Concern	22: 8	Young Managers in Rural Areas	9: 28
6) Sports		Youth League Holds Congress	20: 5
China's Football Team Wins Olympic Berth	2: 32		
Sports in China: 1987	5: 32		
Winter Swimming—a Craze in Beijing	9: 34		
Mount Qomolangma Expedition	12: 28		

	Issue Page No. No.		Issue Page No. No.
Youngsters Grow Taller & Heavier	21: 8	Student's Death Stirs Discussion	25: 6
Students Lack Good Books	21: 8	Auction Will Help Preserve History	25: 7
Students Struggle on Low Budgets	25: 7		
Teenagers Want More Democracy	26: 8		
4) Senior Citizens		II. International	
5) Women		1. General	
Women Should Participate in Politics	9: 28	Top 10 World News Events of 1987	1: 12
Why Fewer Women at Leading Posts?	10: 23	Europe After the INF Treaty	13: 14
Graduates to Be Airline Stewards	13: 28	COCOM: Embargo Policy Behind the Times	10: 10
Changing Attitude to Marriage	13: 29	OPEC: Facing a Severe Test	5: 12
6) Children		Road to the Elimination of Hot Spots	4: 4
China to Ban Juvenile Smoking	2: 7	After the Agreement on Medium-Range Missiles	4: 34
For the Shake of Tomorrow	22: 4	World Prospects for the Years Ahead	3: 14
Statue of Famous Poet Unveiled	26: 6	Eurpoe—A Force for Maintaining Peace	2: 14
7) Disabled		Kissinger on East-West Relations	2: 14
Handicapped Find Their Niche in Factory	13: 24	World Bank-IMF: Uncertainty Lingers	
Education Improves for Handicapped	20: 37	After Meetings	18: 12
8) Population and Life		New Trend Towards Arab Unity	24: 4
Moving Population Hard to Control	3: 8	Moscow Summit: More Detente, Less Conflict	24: 10
Curbing Births Key to Future	10: 6	EC-Comecon: East-West European Ties Get Closer	24: 11
The Hu Yaobangs, What They Do	24: 29	China's Stand on Disarmament	24: 14
9) Religion		China Applauds US-Soviet Summit	25: 6
Party Members and Muslims	10: 28	2. China and the United Nations	
10) Others		United Nations: Cordovez's Mission on the Afghan Issue	5: 10
Student's Injury Causes Concern	3: 6	For a Better World—China's Foreign Policy	23: 14
Personal Ties Hamper Reforms	4: 8	3. China's Foreign Relation, Countries and Regions	
Book Collectors Multiply in Beijing	4: 29	Commonwealth: Fight Against Apartheid Strengthened	7-8: 12
Remarriage for Mao's Daughter-in-Law	6: 29	Islamic World: Leaders Discuss wide Range of Issues	17: 11
Animals With Economic Value	6: 29	Changes in International Relations	18: 24
One-time Reformer Told to Retire	7-8: 8	1) Asia	
'Red Capitalists' in China	9: 29	Israel: Palestinian Uprising Brutally Suppressed	1: 10
17 Billion Yuan—Joy or Worry	9: 29	South Korea: Roh Faces Bumpy Road	11: 12
Busy Traffic Policemen	12: 25	Israel: Palestinian Struggle Hurts Economy	12: 13
Rural Society Composed of Five Forces	12: 27	Israel-South Africa: Military Collusion Is Reprehensible	15: 12
A Strange Couple of Medicinal Plants	14: 29	Asia: 'Four Dragons' Enjoy Economic Success	16: 12
Lottery Tickets Draw Depositors	17: 44	EC-ASEAN: Blocs Pledge to Strengthen Ties	20: 10
Statistics Bureau Defines Term	20: 37		
Beijing's Bird Market	21: 28		
On Some People Becoming Well Off First	21: 28		
Marriages Between Chinese and Others	21: 29		
Taiwan Dwellers' Families Prosper	22: 28		
Comments on Ma Shengli	22: 29		
Prisoner's Inventions Win Patent Rights	22: 29		
Passengers Demand Punishing Hijackers	23: 7		
Beijing Cancels Building Projects	24: 7		
Ph.D. Graduate Starts Company	24: 8		

	Issue Page No. No.	Issue Page No. No.
Israel: Avenging Atrocities, Committing Others	20: 12	
Arab Summit: Leaders Rally Behind Palestinian Struggle	25: 10	
Afghanistan		
Outlook for Political Settlement Still Dim	2: 10	
Peace Agreement Signed in Geneva	17: 9	
Soviet Troops Begin to Withdraw	22: 10	
Foreign Ministry Spokesman on Geneva Agreement	17: 10	
India		
Sri Lanka-India: Leaders Hopeful About Ending Violence	7-8: 11	
Indonesia		
Suharto to Serve Fifth Term as President	16: 13	
Japan		
Military Budget a Blow to Peace	3: 10	
Japan-US Takeshita's Visit a Qualified Success	4: 10	
Japan-USSR: Economic Relations Improve	9: 12	
Changes in Japanese Foreign Aid Strategy	11: 27	
Japanese Envoy Visits Beijing	18: 7	
Paving the Way to Send Troops Abroad	18: 11	
Okuno Seeks to Reverse Verdict on War	19: 9	
Takeshita Visits Western Europe	21: 12	
Kampuchea		
Zhao Praises Sihanouk's Efforts	7-8: 7	
Laos		
Thailand-Laos: Ceasefire Opens Door for Negotiations	10: 10	
Cautiously Taking the Road of Reform	18: 13	
Pakistan		
National Day: a Lot to Celebrate	13: 12	
Pakistan: President Dissolves Assembly, Cabinet	24: 11	
Palestinian		
Palestinian Struggle: Assassination Will Not Stop Uprising	18: 10	
The Philippines		
Aquino Government: Two Years in Power	11: 10	
Aquino Comes to Promote Relations	15: 4	
Aquino Visit Promotes Ties	17: 7	
The Philippines: Agrarian Reform — a Major Decision	26: 12	
Sri Lanka		
Sri Lanka-India: Leaders hopeful About Ending Violence	7-8: 11	
Syria		
PLO-Syria: Arafat's Visit Signals Reconciliation	19: 10	
Thailand		
Thailand-Laos: Ceasefire Opens Door for Negotiations	10: 10	
Investment, Exports: Key to Success	14: 12	
Prem Tinsulanonda Visits Soviet Union	22: 11	
Turkey		
Greece-Turkey: Summit Aims for Lasting Peace	7-8: 10	
Greece-Turkey: Another Step Towards Reapprochement	12: 10	
Greece-Turkey: Visit Promotes Bilateral Relations	26: 10	
Viet Nam		
Viet Nam 'Must Quit Nansha Islands'	12: 9	
Viet Nam: 'Partial Withdrawal': Same Old Trick?	25: 11	
2) Africa		
South Africa: New Apartheid Action Condemned	11: 11	
Africa: OAU Croup Discusses Debt Conference	14: 11	
Chissano Accorded Chinese Support	22: 5	
OAU: Grand Gathering Marks 25th Anniversary	23: 10	
Algeria		
Algeria-Morocco: Normal Ties Good for Arab Unity	22: 13	
Chad		
Chad-Libya: The Dawn of Reconciliation	24: 12	
Egypt		
Increasing Role in the Arab World	5: 11	
Development in Relations With Moscow	23: 11	
Ethiopia		
Ethiopia-Somalia: Diplomatic Relations Restored	16: 11	
Ghana		
Steps Taken to Resurrect Economy	20: 13	

	Issue Page No. No.		Issue Page No. No.
Liberia		United States	
Farming Seen as Economy Salvation	4: 13	Sino-US Relations Over the Past Year	7-8: 25
Libya		Time Running Out for President Reagan	1: 25
The Dawn of Reconciliation	24: 12	Canada, US Sign Free Trade Deal	3: 13
Maghreb		Japan-US: Takeshita's Visit a Qualified Success	4: 10
Signs of Reconciliation Appear	26: 13	US-Soviet Union: Talks Move to Strategic, Space Arms	4: 11
Mauritius		Nicaragua-US Peace Efforts Encounter Interference	6: 12
Tiny Country Makes Economic Strides	14: 12	Reagan — Before the Curtain Falls	6: 13
Morocco		Spain-US: US Forces to Withdraw From Air Base	7-8: 13
Algeria-Morocco: Normal Ties Good for Arab Unity	22: 13	Congress Vetoes Contra Aid	9: 11
Somalia		Shultz's Difficult Middle East Mission	11: 11
Ethiopia-Somalia: Diplomatic Relations Restored	16: 11	Chinese Leaders Welcome Mondale	13: 8
Southern Africa		United Nations: US Move to Close PLO Mission Unwise	13: 10
London Talks Yield Few Results	20: 10	Shultz Returns to the Middle East	16: 10
Zambia		How Will US-Soviet Summit Fare in Moscow?	22: 24
Deng, Kaunda Hail Friendship	11: 7	US-Panama: Talks End with Noriege Still in Control	24: 13
Zimbabwe		Sino-American Economic Relations in a Changing World	25: 16
Political Parties to Join Forces	2: 11	5) Europe	
3) Latin America		Western Europe: INF Treaty Receives Tepid Praise	1: 11
Peace Eludes Central America	4: 19	Europe's Role in Maintaining World Peace	2: 4
Argentina		Western Europe on the Road to Unity	7-8: 28
Financial Troubles Stir Social Conflict	16: 11	The Balkans: Ministers Pledge to Promote Co-operation	10: 11
Alfonso Pays Friendly Visit	21: 6	European Community: Pact Clears Way to One Internal Market	10: 12
Brazil		NATO: Summit Achieves Show of Unity	12: 11
Deficit Cutting: A Difficult Task	17: 10	EC-ASEAN: Blocs Pledge to Strengthen Ties	20: 10
Nicaragua		NATO: Nuclear Deterrence Faces New Challenge	20: 11
Nicaragua-US: Peace Efforts Encounter Interference	6: 12	Western Europe: Detente Viewed With Ambivalence	25: 12
Truce Pact Promotes Peace Process	15: 11	Austria	
Panama		'Returning to Europe'	25: 13
Political Skirmishes Continue	2: 13	Belgium	
Political Turmoil Escalates	11: 13	New Government Faces Big Tests	21: 14
US-Panama: Talks End with Noriege Still in Control	24: 13	Britain	
4) North America		Thatcher Diplomacy & East-West Detente	3: 10
Canada			
Canada, US Sign Free Trade Deal	3: 13		

	Issue Page No. No.	Issue Page No. No.
Bulgaria		
Hungary, Poland, Bulgaria Practise Reform	3:17	
Czechoslovakia		
Keep Up With the Reform Trend	2:12	
China Shares Views With Czechoslovakia	23:5	
Steady Progress in Reform	23:11	
FRG-Czechoslovakia: A New Starting Point in Relations	6:11	
Denmark		
Nuclear Arms Ban Leaders to Election	19:11	
Federal Republic of German		
FRG-Czechoslovakia: A new Starting Point in Relations	6:11	
Finland		
President Wins Re-election	9:12	
France		
France-GDR: East and West Come Together	4:12	
Unusual Political Partnership Ending	12:12	
Tough Electoral Contest Under Way	15:10	
Socialist Mitterrand Re-Elected	21:11	
German Democratic Republic		
France-GDR: East and West Come Togethes	4:12	
Greece		
Greece-Turkey: Summit Aims for Lasting Peace	7-8:10	
Greece-Turkey: Another Step Towards Rapprochement	12:10	
China Values Ties With Greece	18:6	
Greece-Turkey: Visit Promotes Bilateral Relations	26:10	
Hungary		
Hungary, Poland, Bulgaria Practise Reform	3:17	
Ireland		
Open Policy Leads to Development	23:12	
Italy		
Government's Resignation Accepted	14:10	
Netherlands		
Netherlands Seeks More Co-operation	25:31	
Norway		
Sino-Norwegian Ties Strengthened	5:7	
Poland		
Hungary, Poland, Bulgaria Practise Reform	3:17	
Strikes Pose Challenge to Reform	21:13	
Premier Meets Polish Leader	25:8	
Soviet Union		
Soviet Reform Programme Faces Test	2:16	
China, USSR Exchange Views	3:9	
US-Soviet Union: Taks Move to Strategic, Space Arms	4:11	
New Ideas Embodied in Nordic Visit	5:13	
China-USSR: Talks Still Conditional	5:13	
Big 'Ifs' Hang Over Afghan Pullout	9:10	
Japan-USSR: Economic Relations Improve	9:12	
Soviet Union-Yugoslavia: Visit Highlights Good Relations	13:11	
Letter Sets Off New Debate on Reform	18:11	
How Will US-Soviet Summit Fare in Moscow?	22:24	
Soviet Union: All Eyes Turn to Party Conference	26:11	
Spain		
Spain-US: US Fores to Withdraw From Air Base	7-8:13	
Yugoslavia		
Fighting Back Against Economic Troubles	3:12	
Soviet Union-Yugoslavia: Visit Highlights Good Relations	13:11	
Challenge of No-Confidence Motion	23:13	
6) Oceania		
New Zealand		
Rewi Alley: Bridge of Friendship Builder	4:17	
New Zealand Prime Minister on Rewi Alley	4:18	
Meeting Honours Rewi Alley	19:7	
Rewi Alley: Writer and Poet	20:22	
New Caledonia		
New Government Set to Ease Tension	22:12	

Geological Technology Institute have supplied the Yangshan Marble Factory and the Yangshan Electronics Equipment Factory with technology, thus strengthening their competitiveness on the market.

—The Guangdong Provincial Institute of Insect Research has sponsored training classes for the prevention of endemic diseases in animals and poultry and trained more than 30 people in this field. These people have played a vital role in controlling outbreaks of diseases affecting chickens and pigs, raising their survival rate in the locality from 36 percent to 90 percent.

The successes in crop cultivation and animal husbandry in the county left a deep impression on Zhu Rong, vice-minister of the former Ministry of Agriculture, Animal Husbandry and Fishery and deputy head of the group under the State Council in charge of work to aid the poor. Zhu said the biggest headache was the high lime content in some areas, and the example in Yangshan County has opened a new road for the development of these areas.

Problems

Reform is not all plain sailing for some scientific research institutes. For instance, leaders of the Guangdong Provincial Soil Research Institute are far from optimistic about the current situation. They claim the very nature of their field of research preordains difficulties.

As the institute has not been assigned scientific research projects by the state, it lacks a steady source of funds. It is supplied with only limited funding, which is in itself insufficient for the projects assigned to them by the province. Scientists with the institute complain that it is impossible for basic research units like theirs to

support themselves. "In addition," a leader of the institute said, "we find it difficult to popularize our research results because farming is now done mainly on a household basis."

Li Deshen, a ramie expert with the Institute of Chemistry, said some research projects called for longer-term commitments and more money. But it is very difficult to apply for natural science research funding. Moreover, basic research can not be given up, so a contradiction has appeared between the need to continue basic research and the lack of funding.

Li also mentioned some problems involving transferring technology. He said research units should serve enterprises, but at the same time, enterprises should augment their demand for science and technology through economic structural reform. Some enterprises do not have a proper understanding of this and are unwilling to pay for technology. Some factories put off payments for technology they receive, taking advantage of insufficient legal guarantees against technology transfers.

Seeking to participate in the international arena, some scientists appealed to the government to give them power to handle their own exports. Some felt the complicated procedures for going abroad made it inconvenient for them to do business overseas and

acquire timely information about international markets.

Zhang Tao, a leader of the Policy Bureau under the Chinese Academy of Sciences, said one of the important reasons for the delays in applying many research breakthroughs is a serious lack of funds. He said his bureau would suggest that financial and banking institutions at various levels further open up credit channels for scientific and technological research and encourage scientific research administrative departments and monetary organizations to co-operate with setting up credit facilities. At the same time, Zhang added, efficiently managed research institutes should be allowed to raise their own funds.

China plans to further reduce tax levies on enterprise income from technological trade so that enterprises may become the major buyers and sellers in technological trade. For a three-year period beginning this year, scientific and technological research institutes will be free to keep all extra foreign exchange earnings from exports and use the money for their own development. With regard to procedures for overseas travel, the Ministry of Foreign Affairs will be asked to consider measures to simplify them. All these attempts are aimed at encouraging scientific workers to play a greater role in developing an export-oriented economy.

Shenzhen Science & Industry Park Corp.

In the past two years, a comprehensive production, research and education base—the Shenzhen Science and Industry Park Corporation (SSIP)—has been making its presence felt in the Shenzhen Special Economic Zone. Aiming to introduce updated

foreign and domestic technology and investment to develop and manufacture high-tech products, the park places emphasis on information, new materials, bioengineering, photo-electronics and precision machinery industries catering to the world market.

From Blueprints to Reality

The general manager of SSIP is Zhang Yiyi, a former diplomat and leader of a scientific research institute. The 55-year-old entrepreneur seems to possess inexhaustible strength. He said that many developed industrial countries in the world and developing Asian countries have set up technology- and information-intensive science and industry parks in a bid to upgrade their industrial technology.

The SSIP was set up in July 1985 by the Shenzhen City People's Government and the Chinese Academy of Sciences. There are now five such parks in China; the other four are in Beijing, Shanghai, Tianjin and Wuhan.

Zhang believes that in the face of increasingly strong competition from other coastal areas, the focus of Shenzhen's economy should shift as quickly as possible to export-oriented, labour- and technology-intensive industries. However, it is obvious the city's scientific and technological forces cannot meet the demand. SSIP, supported by the stronger Chinese Academy of Sciences, hopes to make up for this shortcoming.

Zhang said full use will be made

of Shenzhen's favourable geographic location, flexible policies and early growth and of experience overseas to build a science and industry park suited to Chinese conditions.

So far, 20 industrial enterprises have been set up in the 3.2-square-kilometre science and industry park, including nine Sino-foreign joint ventures. Of them, 10 have begun operating. The SSIP office building has been erected in the shape of a white ship, symbolizing the corporation's pioneering spirit of progress. More than 28,000 square metres of factory and office buildings have also been completed; 2,200 metres of highway and more than 5,000 metres of pipeline have been laid; and power supply and telecommunications lines are basically completed.

High-Tech Products

SSIP set a clear goal in its early stages. All enterprises established in the park would be technology-intensive, export-oriented and high-return operations.

The newly emerging industries are representative of modern high-tech and electronics developments. For example, Huaxing Science and Technology Co. Ltd.,

a joint venture between Wearness Technology Ltd. of Singapore and Lishand Micro-electronic Company under the former Ministry of Astronautics, is one SSIP enterprise which mainly produces computer hardware and printed circuit boards. While importing foreign technology and equipment, the company also imports advanced managerial know-how. Their major products meet the UL (Underwriters Laboratory) standards of the United States. In 1987, the company's output value totalled 8 million yuan. Most of its products were exported to the United States, and earned US\$260,000 in foreign exchange. It is estimated the company's output value this year will reach 15 million yuan.

Deputy General Manager of Huaxing Xin Yuantao said this year his company will concentrate on developing a new product—a 3.5-inch floppy disc drive—in line with market information provided by the company's Singaporean partner. This is a move to further extend the company's international market, Xin confided.

Changyuan Applied Chemistry Co. Ltd. is a joint venture between the SSIP and the Changchun Institute of Applied Chemistry. Its main products are cable accessories made with radiation cross-linked, heat-shrinkable materials, high-tech products much needed in electric connections. With an initial investment of 500,000 yuan, the company started trial production in December 1986. In 1987, its output value reached 2 million yuan, with profits of more than 500,000 yuan. This year it intends to export its products and its output value is expected to reach 5 million yuan.

In the biological field, SSIP has set up the Shenzhen Bioengineering company. With imported advanced technology, the company produces a vaccine for hepatitis B. Once put in produc-

The Shenzhen Science and Technology Park Corp. office building.

SHAO XIAOCHUAN



tion, the product will play an important role in controlling the high incidence of hepatitis B in the south of China. With a designed capacity of 20 million injections a year, the company's annual output value will amount to 100 million yuan.

A clear understanding of the importance of links between the SSIP and financial circles was grasped in SSIP's early stages. The direct participation of the Guangdong International Trust and Investment Corporation in the construction has further strengthened these links. It not only enforces SSIP's contacts with enterprises both at home and abroad and opens up more information and funding channels, but also encourages improvement in SSIP enterprises' economic returns and financial management.

Scientists/Entrepreneurs

The rapid development of SSIP can in a way be attributed to the pioneering spirit of a group of entrepreneurs like SSIP General Manager Zhang Yiyi. How have these former scientists and bookworms become businessmen? Each one of them has his or her own story.

Immaculately dressed Wang Yunshi was formerly a research worker with the Shenyang Institute of Metal Research and is now SSIP's general engineer and manager of the research and development department.

Wang was one of the first group of scientists the Chinese Academy of Sciences sent to the United States to study management. He said he was fascinated by this discipline of study. After completing his course, he went to a US company to engage in practical work for one year. In 1987, he joined SSIP, bringing to the



Senior engineer Chen Jiayan.

SHAO XIAOCHUAN

managerial staff a more creative spirit.

Wang said the most important element in successful management is choosing the right person for the job. One question he always has at the back of his mind is how to stimulate the initiative of the staff. He believes first, one must treat people equally and listen to their opinions; second, one must show respect towards them, regardless of their background and age; and third, one must show concern. Wang fully encourages young employees to display their talent in business discussions and thus gains their wholehearted support.

Wang's mind is literally stuffed with new concepts. He said advanced equipment alone cannot turn out advanced products. For China to become involved in the international economic arena, people must shake off their narrow-minded concepts; only emancipation of the mind can lead to major improvements in management. To do this, he said, it is not only necessary for us to fully utilize advanced science and technology to develop competitive new products, but also to gain a good grasp of marketing skills. "We must provide quality services for foreign investors approaching

SSIP, and really improve the investment environment," he said.

Lai Shuxiang, 39, was formerly an engineer working on optical fibres at the Lanzhou Institute of Modern Physics. With a 70,000 yuan loan from SSIP, he set up his own Sanyi Electronic Co. Ltd. in the park. He agrees that the modernization programme depends on sound policies and advanced science and technology. However, they are not enough to arouse the enthusiasm of scientific and technological workers as their personal interests and the interests of their units are not linked.

Lai recalled his own experience. After graduating from Shanghai's Fudan University, he was assigned to a key research project. He completed his assigned job in only three years, but had to sit idle for five years to wait for others to finish their share. He said, "In all, the project cost me eight years. How many years can one afford to lose? I decided to set up my own company; in this way I could use my talent to the fullest."

It is not easy for scientists to decide to become businessmen. Influenced by Confucian ideology and feudal ethical codes, many adhere to the concept that to engage in business is inferior to

pursuing knowledge. Chen Jiayan, formerly a senior engineer in the Dalian Institute of Chemophysics under the Chinese Academy of Sciences, for example, needed a long time to make his decision. When this scholar, who worked in a Federal German laboratory for two years and had worked successfully on membrane separation technology, first visited SSIP, he could not understand why a high-tech corporation should be built in such an out-of-the-way place. He admitted he was not very enthusiastic at first. But

after looking around the place for some days, he changed his mind, realizing that SSIP indeed created an environment in which scientific research achievements could be quickly applied to productive purposes. All the preferential policies offered by SSIP also looked quite attractive. In October 1987, he decided to move his home to Shenzhen.

Now, Chen has plunged himself heart and soul into the production of a Wulong tea concentrate using membrane separation technology. Wulong tea is a healthy drink

which enjoys very good sales in Japan. Chen's company expects to begin production of the concentrate in July.

A man who likes to have long-term plans, Chen repeatedly stressed it is not his intention to give up scientific research for business. He only wants to accumulate more funds for scientific research. So his company not only includes a workshop but also a laboratory. Chen is determined to make a new breakthrough in membrane separation. ■

Large Water Diversion Project Under Way

by Our Correspondent Li Rongxia

The project to divert water from the Changjiang (Yangtze) River to the dry North China Plain—the largest of its kind in China—recently made a breakthrough with the completion of a test tunnel across the Huanghe (Yellow) River in Donge County, Shandong Province. Designed by the Tianjin Survey and Design Institute under the Ministry of Water Resources, the test tunnel solves one of the major technical problems of the water diversion project.

Taking Yangzhou on the lower reaches of Changjiang as its starting point, the project will divert water from the Changjiang River to the north-bound Hangzhou-Beijing Grand Canal which will be linked with four lakes—the Hongze, Luoma, Nansi and Dongping. The water will then be directed across the Huanghe River via an underwater tunnel and again into the Grand Canal on the eastern part of the North China Plain to its final destination in Tianjin.

Many proposals were put forward on how to carry Changjiang water across the silted Huanghe, but designers finally chose to build a tunnel 60 metres under the Huanghe riverbed. The construction of the test tunnel, which is 2.6 metres high, 2.9 metres wide and 488 metres long, began in April 1986. Completed last March, the tunnel has a water flow capacity of 60 cubic metres per second. The final tunnel based on the test model, with an expanded diameter of 9 metres, will have a water flow capacity of 200 cubic metres per second, and will help solve water shortage problems in Shandong, Hebei and Tianjin north of the Huanghe River.

The Best Option

China's water resources and communications departments and scientific research institutions began exploring the possibility of diverting water from Changjiang

to north China in the 1950s. After investigation, three lines for water diversion—the west, central and east—were chosen from a dozen proposals.

The west line project plans to divert the water from the Tongtian and Jinsha rivers on the upper reaches of Changjiang to the upper reaches of the Huanghe River to supplement northwest China's water supply.

The central line is designed to divert water from the Three Gorges Reservoir on the Changjiang River and the Danjiangkou Reservoir on the Hanshui River to water channels around Funiu and Taihang mountains in Henan and Hebei provinces. The water will be directed to the western part of the Huanghe-Huaihe-Haihe river plain in north China.

The east line is the 1,180-km cross-Huanghe line which begins in Yangzhou and terminates in Tianjin. It is estimated that the water drawn from the Changjiang River and crossing the Huanghe River will have a capacity of 1,100-

1,300 cubic metres and 400-600 cubic metres per second respectively, supplying 7-10 billion cubic metres more water to north China annually, and raising the area of irrigated farmland along the line to 13 million hectares.

Difficult terrain poses problems which will render the completion of the west line and central line projects unlikely in the near future. The more practicable east line project is the best option. It has the following advantages:

—The starting point is on the lower reaches of Changjiang which has adequate water resources;

—The water diversion line can basically follow the course of the Hangzhou-Beijing Grand Canal, reducing the number of complications. It will also yield the highest returns economically, as it will satisfy navigational needs and assist in flood control and the prevention of field damage by water;

—The large lakes along the line can be used as reservoirs to store water for peak consumption periods;

—In the 1960s, the Jiangdu Pumping Station in Jiangsu Province was constructed, forming a large irrigation system for the area near Yangzhou. This station provides an established starting point for the water diversion project. The largest in China, the pumping station has a capacity of 460 cubic metres per second. One main problem, however, is that the station requires large quantities of electric power to raise the water level. To draw water from Yangzhou to the Dongping Lake on the south bank of Huanghe, the water level must be raised 40 metres; 13 power-driven pumping stations will need to be built to gradually raise the water level.

The entire east line project will be divided into two stages. The first stage, which focuses on drawing water from Changjiang to the Dongping Lake through the Jiangdu Pumping Station, is about 650 km long and has a pumping capacity of 600 cubic metres per second. This will help meet the needs of the driest areas of the

Huaihe River valley and require an investment of 2.8 million yuan. The second stage involves digging the cross-Huanghe tunnel and diverting water to Hebei and Tianjin through the improved navigational channel on the Hangzhou-Beijing Grand Canal.

In March 1983, the State Council approved the feasibility study report for the first stage of the project. The blueprint of the project, drawn up by the Tianjin Survey and Design Institute, has met with the approval of experts and has been submitted to the State Planning Commission for final approval. Work on the first stage is expected to begin in the near future.

The first stage will produce the following results:

It will help improve water supplies to Xuzhou, Lianyungang and 30 other cities. Annual water consumption in these cities will be raised from the present 130 million cubic metres to 180 million cubic metres.

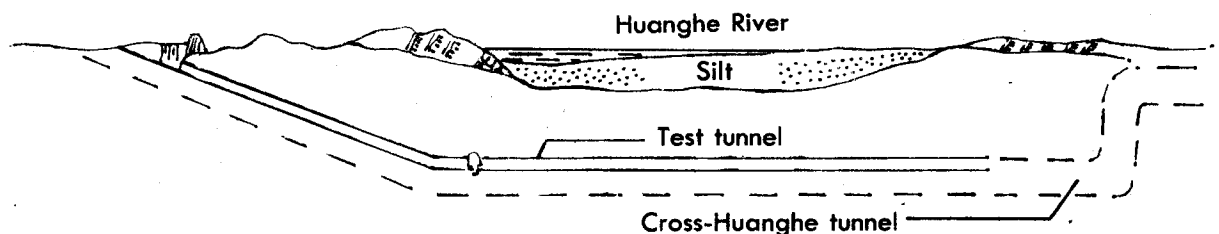
It will provide a reliable source of water for coal and power centres in north Jiangsu Province and southwest Shandong Province, relieving local industries of the current need to limit production in dry years.

It will facilitate year-round navigation on the Grand Canal's Shandong-Jining section which at present can only be used in rainy seasons.

It will ensure the irrigation of 1.4 million hectares of farmland in dry years.



SECTIONAL DRAWING OF HUANGHE RIVERBED TUNNEL



Strategic Importance

Specialists maintain that the water diversion project is also of strategic importance to the eastern North China Plain.

China's water resources total 2,700 billion cubic metres, sixth in the world. However, distribution is uneven owing to the varying levels of rainfall in different areas. Rainfall levels gradually decline from the southeast coastal areas to the northwest inland areas, and there is a huge gap between the rainfall in coastal and inland areas and in south and north China, the highest being 6,558 mm a year and the lowest 6.3 mm annually.

Although Changjiang is only 800 km longer than Huanghe, its annual volume of flow is 960 billion cubic metres while that of the Huanghe is only 68.6 billion cubic metres. The river flow volume in the Changjiang valley and areas south is 82 percent of the country's total but the area of cultivated land in the region is only 38 percent of the total in the country. The volume of the Huanghe, Huaihe and Haihe

rivers comes to 6.6 percent of the country's total and the cultivated land in the three river valleys accounts for 40 percent of the country's total.

Since the founding of New China in 1949, many water conservancy projects and reservoirs have been built in the north of China. However, they still cannot meet the needs of local industrial and agricultural production. Since 1972, Tianjin has constantly suffered water shortages and on five occasions had to divert water from Huanghe River to meet its needs. Also, the excessive tapping of underground water has caused Tianjin proper to subside 3.38 metres between 1959 and 1985. The city's water shortages were not eased until Luanhe River water was diverted to the city in 1985. It is estimated the city will still face water shortages of 1 billion cubic metres before the end of this century.

Currently, areas to the north of the Huaihe River valley are also suffering from water shortages. Weishan Lake, the largest in Shandong Province, has long registered low water levels which

have made it impossible for local power plants to operate to full capacity. The development of the new Yanzhou industrial area has also been held back by water shortages. The project has had to rely heavily on underground water sources which has depleted reserves of underground water, lowered water quality and increased energy consumption. In Dezhou Prefecture the fluorine content of drinking water is up to 3-10 mg, 4 to 11 times higher than the standard level. The North China Plain is also experiencing water shortages, especially in its northern areas, and hindered economic development.

In the long term, north China can only rely on Changjiang to ease its water shortage problems. Diverting Changjiang water will not have any negative effects on the river valley as the average annual water flow volume in the lower reaches of Changjiang is as high as 900 billion cubic metres. However, to protect the ecology along the Changjiang River, there would be only minimal amounts or no water diverted during dry seasons. ■

FACTS AND FIGURES

Progress in China's Social Welfare

China's sustained, stable economic development brought with it new progress in civil administration undertakings in 1987. The result is a better social environment for political and economic restructuring and an assurance of social stability and unity.

Public Welfare Institutions Develop. In 1987, there were 37,368 welfare institutions of various kinds throughout the country, 2,370 more than in 1986. The number of beds totalled 650,000, and 518,000 people were taken in, 10 percent more than the previous year.

Before reform measures were adopted, most of the welfare institutions in China were run by the government. But now, they are run simultaneously by the government, collectives and individuals. In the past, welfare facilities merely provided social relief. Today their services have been

extended to a wider ranging form of social welfare and many are equipped with modern medical and care facilities.

The number of collectively run welfare institutions now totals 35,575 with 520,000 beds, respectively accounting for 95.2 percent and 80 percent of the total.

In the rural areas, a public service network which places emphasis on homes for the aged is growing up. In the cities and towns, community and public welfare service networks based on neighbourhood committees are being formed.

Social Welfare Enterprises Increase. In 1987, there were 27,793 social welfare enterprises throughout the country, 7,928 more than in 1986. Their output value totalled 11,470 million yuan and profits 920 million yuan, an increase of 67 percent and 46 percent respectively from 1986. Out of the 27,793 social welfare enterprises, 3,079 are run by civil administration departments, and 24,714 by neighbourhoods, towns, villages, factories and mines. Those run by disabled individuals involve 24,699 people.

Welfare enterprises continued to develop export production. Over 140 products are now produced for sale abroad, bringing in US\$60 million last year.

Out of the 1.139 million workers and staff in welfare enterprises, 433,000, or 38 percent of the total employees, are disabled people. Special arrangements for the working disabled have produced good social and economic results.

Special Care System Established. A system of special care for disabled servicemen and the families of revolutionary martyrs and servicemen was first set up in 1987, under the responsibility of the government, society and the people. The system is being

legalized, systematized and socialized.

The distribution of regular, fixed pensions for the 150,000 Red Army soldiers who went missing in service during the revolutionary wars began in 1987, solving one problem remaining from the war years. Last year pensions paid out in various fields totalled 1,760 million yuan.

Arrangements Made for Retired Military Officers. In 1987, arrangements were made to cater for the needs of 10,000 retired military officers, and 51 sanatoriums for retired officers were constructed. By the end of last year, there were a total 1,200 sanatoriums (or rest homes) for retired officers, with 41,000 residents.

Last year also saw the establishment of special offices in more than 2,000 counties and cities throughout the country aimed at helping ex-servicemen with military and civilian skills find jobs. By the end of 1987, arrangements had been made for the placement of 1.5 million demobilized soldiers.

Relief for Poor Families and Natural Disaster Victims. In 1987, China's 20 million hectares of farmland were hit by natural disasters and the number of people affected topped 100 million. The government lost no time in allocating relief funds to 43 million victims. About 10.65 million poor families also received economic support from civil administration departments. There are now 72,000 bodies dealing with the needs of these people; they have already provided jobs for 385,000 people from poor families.

Local governments at various levels also provide relief for some poor families, and organize poor families to achieve self-sufficiency through productive labour. Last year, the number of poor in China

was reduced by 9.26 million from the year before.

In 1987, civil administration departments in large and medium-sized cities collected 38.24 million articles of clothing and bedding, which were then allocated to 11.88 million poor families in 848 counties.

Marriage. In 1987, 9.701 million couples applied for marriage registration and 9.247 million couples were registered under the Law of Marriage of the People's Republic of China. The country's marriage rate is 17.2 per thousand people. Divorce cases filed at marriage registration offices or courts involved 1.027 million couples; of these 581,000 ended in divorce after court decisions or approval by concerned departments. The divorce rate now stands at 1.1 per thousand people.

Funeral Services Improved. In 1987, there were 1,446 funeral and interment facilities throughout the country, and the number of cremations rose to 27 percent of the total number of funerals, 0.8 percent higher than the 1986 figure. A number of garden-like funeral parlours have been set up to provide improved service.

Funds for Civil Administration Increased. State expenditure on social relief funds and pensions for disabled servicemen and families of revolutionary martyrs and servicemen increased slightly in 1987. This expenditure accounted for 1.53 percent of state spending. Fixed asset investments in civil administration was 0.11 percent of the total for the nation.

From the second half of 1987, more than 20 provinces and cities launched social welfare activities approved by the State Council to raise funds through the issue of lottery tickets. A total of 125 million lottery tickets were issued, bringing in funds of 35 million yuan.

Transform Steel Industry With Foreign Funds

To get around the long-term need to import steel products, China's Ministry of Metallurgical Industry has worked out a plan to use foreign funds to transform China's iron and steel enterprises.

According to the China International Iron and Steel Investment Corp. (CSI), in the next decade China is expected to pool more than US\$4 billion from abroad to renovate and expand iron and steel enterprises in Anshan, Wuhan, Benxi, Meishan, Laiwu, Maanshan, Xiangtan and Taiyuan. New projects in Zhujiang (Pearl) River and Meizhou Bay are also likely to get the go-ahead. According to estimates, these projects will require a total investment of 30 billion yuan.

This is the first large-scale use of foreign funds for transforming enterprises in China. Various methods for raising the funds will be adopted, including government loans, export credit, commercial loans and leasing. The loans will be used to import equipment and software.

A document concerning feasibility studies on the proposed projects in Anshan, Wuhan, Benxi, Meishan and Laiwu has been jointly compiled with the UEC of the United States, SNC of Canada and an Austrian company. In the next half of this year or the first six months of 1989, CSI will begin raising funds, calling for bids and purchasing equipment for the projects on a selective basis. After these projects' completion, China will be able to produce 5 million tons of iron, 10 million tons of steel and 9 million tons of steel products in extra each year. The major products will be welded pipes, seamless steel tubes, and hot and cold rolling steel sheeting, all of which are in large demand.

China now needs to import 15-20 million tons of steel products a year. The increased production capacity would mean big savings for the country in foreign exchange.

As well as the above-mentioned projects, China's iron and steel enterprises are looking at the possibility of using foreign funds in the production of ferroalloy, carbon steel products and refractory materials.

by LI Ning

Preferential Policies For Foreign Investors

Hebei Province, encompassing Beijing, Tianjin and their environs, has decided to adopt a series of preferential policies for the Bohai Bay Open Economic Zone to encourage foreign businessmen, overseas Chinese and Hong Kong, Macao and Taiwan compatriots to invest in the zone.

Hebei's governor Yue Qifeng announced the following policies in Beijing on June 16:

— Foreign-funded productive enterprises in the Bohai Bay Open Economic Zone and enterprises engaged in export-oriented production in other prefectures and municipalities of the province may be allowed reductions or exemptions from fees for the use of urban public facilities and land use, and from local income tax, real estate tax and transportation license. Foreign-funded enterprises with export output value exceeding 70 percent of the total production value will be granted reductions or exemptions from real estate tax and transportation license tax.

— Projects in the areas of energy, transport, ports, telecommunications and high-

technology, and large projects with a total investment of US\$30 million or more will be offered income tax reductions of 15 percent.

— Foreign investors will be allowed to directly manage the enterprises in which they invest, and contract to run, lease, or purchase existing state-owned or collectively owned industrial or commercial enterprises in the province.

— Within designated areas in Qinhuangdao, Tangshan and Cangzhou, foreign businessmen will be allowed to contract or lease land for development. The maximum term for land use is 50 years, and land use rights will include the possibility of subletting.

— Water, electricity, coal, steam and other energy supplies will be ensured for foreign-funded enterprises; their needs in transportation, circulating funds and local raw materials will receive priority attention.

To improve the investment environment, Yue said, Hebei Province has decided that Qinhuangdao, Tangshan, Cangzhou, Handan and Shijiazhuang will be entrusted with the power to examine and approve projects involving investments of below US\$30 million; other prefectures and cities may examine and approve projects involving investments of below US\$20 million. Foreign-funded project applications will receive official replies within 10 days; feasibility study reports will be replied to within 15 days; contracts and agreements, and other documents will be approved within 7 days; managerial personnel in foreign-funded enterprises may directly report to the local governments any serious problems they come up against.

The Bohai Bay Open Economic Zone was established in March with the approval of the State Council. The zone encompasses

Qinhuangdao, Tangshan, Cangzhou and 12 coastal counties. It covers a total area of 16,900 sq. km and has a population of 7.08 million. In 1984 Qinhuangdao became one of the 14 open coastal cities.

by Yao JIanguo

Air China Takes Flight to the World

Air China, a new airline company which will use the phoenix as its symbol, was set up in Beijing on July 1. Deng Xiaoping inscribed the name for the company.

The new company, which grew out of the Beijing Civil Aviation Administration, is the largest of six key airline companies to be set up in China and has more than 20 large and medium-sized airplanes. Its passenger transport volume has been 20 percent of China's air passenger traffic so far; its volume of freight transport, 30 percent; and the transport turnover volume, about 45 percent. The company's assigned business scope is international aviation with some domestic and local business. The company has reportedly established 29 international, four local and more than 40 domestic air routes.

The company will operate under a president responsibility system. Xu Yangling, the first president, is an ex-pilot with a safety flight record of 11,000 hours. He was also the leader for China's first civil flight teams that handled international flights. Before taking on the presidency, Xu acted as vice-president of the Civil Aviation Administration of China and president of the Beijing Civil Aviation Administration.

The establishment of the company is an important step towards the reform of China's civil aviation industry. Before this, the



Southwest China Airline Co. and the East China Airline Co. were established. In the next six months, Northwest, Northeast and South China airline companies are expected to be set up. These six companies plan to operate independently and be solely responsible for their own profits and losses, with the aim of encouraging competition and improving the quality of civil aviation services.

by Yao JIanguo

Foreign Exchange And Gold Reserves

According to statistics from the People's Bank of China, by the end of March, China's foreign exchange reserves totalled US\$17.109 billion, an increase of US\$1.873 billion over the corresponding period last year.

Of the total foreign exchange reserves, state treasury reserves accounted for US\$4.533 billion and the remainder was reserves of the Bank of China.

By the end of March, China's

gold reserves amounted to 12.67 million ounces. The country's total foreign loans came to US\$9.179 billion, an increase of US\$766 million. ■

Panama-Registered Ship Auctioned

A Panama-registered freighter was auctioned on June 9 by the Qingdao Maritime Court (QMC) according to the Regulations on Distraint Ship for Debt Payments. The Jiangsu Ocean-Shipping Company acquired the US\$300,000 worth freighter *Las Salmass*.

Disputes broke out this April between the owner of the freighter and a shipping company in South Korea. QMC received an application from the South Korean company to lodge action. On April 25, the freighter was distrained at Qingdao with an order that it serves as the defendant's guarantee. But the ship owner refused to abide by the ruling.

After receiving notice of legal proceedings from the applicant for the auctioning of the vessel, QMC decided on May 24 to auction the freighter to clear the unsettled debts according to Article 93 of the Law of Civil Procedure of the People's Republic of China (Trial Implementation).

It is reported this was the first time that a foreign-registered ship was auctioned in China by the maritime court to clear a debt since China's Supreme People's Court passed the regulations last August. ■



Beijing '89 1st International Mechatronics Fair



The 1st International Mechatronics Fair will be held in the Beijing Exhibition Centre on September 5-11, 1989.

The first of its kind in China, the fair will be held with the support of the China Ministry of Foreign Economic Relations and Trade and the Ministry of Machine-Building and Electronics Industry. The exhibition will occupy 10,000 square metres of floor space and the programme will include import and export trade talks and technological exchanges.

Mechatronics is the combined product of machinery, electronics, information and optical technologies. The fair will display advanced science, technology, equipment, instruments and meters both from China and abroad, including automatic equipment, automatic and intelligent measure and display instruments, process automation control devices, electronic, laser or numerical-control equipments and components.

Beijing is the main centre for economy and trade in China. The fair will provide participants with a good opportunity to introduce products, technology and business scopes to Chinese clients. Beijing is also an ideal place to seek partners in economic co-operation and commercial agents and to gain an understanding of the Chinese market.

Next year will be the 40th anniversary of the founding of the People's Republic of China. The occasion of this great celebration will afford a good opportunity to trade with China.

Foreign companies, enterprises and businesses are welcome to participate in the fair.

The 1st Int'l Mechatronics Fair Business Reply Card

Company name _____

Address _____

Cable _____ Telex _____

Person in charge _____

Title _____

Signature _____

Date _____

For more information please fill in the card and return to:

Int'l Mechatronics Fair Office,
19 Caihefang, Haidian District, Beijing, China
Tel: 2562470 2562773
Telex: 22186 EQUIP CN 22610 EQUIP CN
Fax: 362375
Attn: 1305
Contact: Ms. Wang Xiaolan
China Machinery Engineering
Consulting Service, Beijing, China

Business and Trade News

■ The Automotive China '88 Fair, jointly sponsored by Adsale Exhibition Services Ltd. of Hong Kong and the China Council for the Promotion of International Trade, was held at the China International Exhibition Centre in Beijing from June 21 to 26.

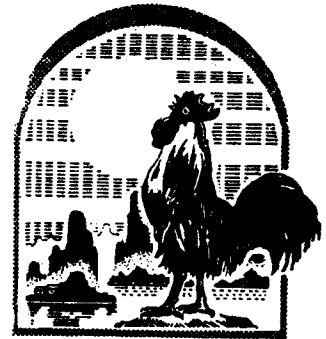
General Motors of the United States, Benz of the Federal Republic of Germany, Italy's Fiat, Toyota of Japan, the French Peugeot and another 110 companies from Switzerland, Poland, Yugoslavia and other countries participated in the fair. The Soviet Union also exhibited motor vehicle products for the first time in China. On display at the exhibition were a range of vehicles, vehicle fittings, electrical equipment, and testing and maintenance equipment.

■ In mid-June, the UN Development Programme, the UN Children's Fund, the United Nations Relief and Rehabilitation Administration, World Health Organization and the United States, Japan and Britain donated US\$500,000 for flood relief after the May floods in Fujian Province. The Japanese government had previously provided food and medicine to the value of US\$200,000.

An official in charge of international liaison work for the Ministry of Foreign Economic Relations and Trade accepted the money on behalf of the Chinese government and the victims in the flooded area, saying he would convey the regards of the donors to the victims.

■ According to the Ministry of Foreign Economic Relations and Trade, during January and May China's export volume amounted to US\$16.243 billion, an increase of 15.8 percent from the same period last year.

The export volume of oil and coal decreased slightly while exports of machinery, mineral products, hardware, silk, light industrial products, cereals, oils, food, animal by-products, art and craft articles and electronic products increased by a large margin.



The 1st Int' 1 Machatronics Fair Business Reply Card

- We are interested in participating in the _____

(exhibition/seminars/trade negotiations)
- Our main products and services are _____

- We are looking for an agent to handle our Chinese market.

- We would like to recommend the following companies to participate in the fair _____

Women's Volleyball Teams Analysed

The Cuban Women's Volleyball Team, known the world over as the "Black Caribbean Tornado," has decided not to participate in the coming Olympic Games, which removes one of the biggest threats to the Chinese team's success. But the Cubans have proved themselves the real world champions in the four-nation international women's volleyball tournament held in Jinan and Nanjing late last month.

The competition at Jinan was stiff. In the first stages, China and Cuba won 3 straight sets over the United States and Japan. Then, Cuba outspiked China 3-1 to win the title, and the United States defeated Japan 3-1 to finish third.

On May 22, the four teams moved on to compete in Nanjing with the same outcome.

The Cuban team stole the limelight in both tournaments. They outshone in all departments — height, fitness, skill and tactics. Nireya Luis, Regla Bell and Lazara Gonzalez are killing spikers whose dynamic attacks render opponents almost helpless. Cuba took 16 points

more than China with their spiking, 19 more than the United States and 11 more than Japan. They often used the techniques of male volleyball players, such as back-court spiking and jump-serving. In their last match against China, the Cubans won three straight sets, 15:12; 15:5; 15:7. George Eugenio, head coach for the Cuban team, said frankly: "We will not take part in the coming Olympics, but we will make the world known that we are the world champions."

Although China performed better than the United States and Japan, many of the team's weak points were exposed during the course of the tournaments. The team's overall prowess has fallen off since the retirement of its more experienced veterans. The older players were injured many times, while their young teammates still had a long way to go in terms of skill and experience. Poor passing, serving and receiving, and a too rigid attacking line added to the shortcomings.

Li Yaoxian, the team's coach,

seemed rather disheartened after the match: "We are sure to meet with a strong challenge in this year's Olympics. Members of the Chinese team are comparatively older and their competitive capacity can not be easily drawn out. But we will go all out to defend our championship."

The American team has made outstanding progress. Although the team lost the match against China 0-3, it was superior in many ways, such as stature, age and physical power. Kaba Phipps, the 1.91-metre tall spiker, displayed her talent for back-court spiking, reminiscent of her former teammate Flo Hyamn. Her teammates Caren Kemmer, the head spiker for the team, and Cathy Noth, the setter, also showed a high level of skill during the matches. The Americans are good spikers and remarkable when it comes to receiving and serving. Their main weakness lies in their defensive ability: they are ineffective at blocking and stick to predictable tactics. "My team is young and less experienced but we have great potential. We are confident of becoming one of the strongest teams in the next two years;" said coach Terry Liskevych.

The Japanese team is also a power not to be quietly dismissed, despite their tournament losses. Shigeo Yamada, the team coach, said: "We come here mainly to select qualified players for this year's Olympics. Our goal is to win the championship in the Olympic Games in 1992." This time Japan sent 21 players to China and in every match they put a new squad on court. They impressed their opponents with their effective blocking, fast reactions and versatile skills. The team is obviously building strength for

Chinese team competes against Cuban team.

WANG HONGSHENG



later prominence.

China will have a hard fight to recapture the championship in the coming Olympic Games. Apart from the US and Japanese teams, Peru and the German Democratic Republic are also posing strong threats to a Chinese victory.

by Zhang Wei

Shanghai: Season of Music and Dance

In mid-May, the people of the heavily populated metropolis of Shanghai revel in the sweet joys offered by spring in its prime. In a wonderful addition to the lure of the season, the city's performing artists dedicate special selection of chosen works of music and dance to local audiences.

Entitled 'Spring in Shanghai,' this year's art festival is the 13th of its kind. The tradition began in 1960 and after a decade-long interval was resumed in 1978. The 10-day series of artistic presentations from May 7 to 18, was hailed a major hit in the local cultural scene and a real feast for the ears and eyes of music and dance lovers.

The unique opening ceremony gave an elegant, beautifully arranged start to the gala event. Instead of the usual theatre or large stadium this year's event was set on a special stage across the huge pool of the city's swimming hall. Fountains served as the backdrop for young musicians playing Mozart; in a tiny boat sailing on the still waters, Chen Xiaoqun, an internationally acclaimed young soprano, performed *Ode to the Moon*; the presentation of the modern dance *Shadows in Water*, designed by an American choreographer, created surprising dramatic effect; and for the finale the famous ballet dancers Xin Lili and Yang Xinhua as the White Swan and Prince, defeated the devil, and were joined

by the 'swans'—their colleagues and figure-swimmers—dancing on and off the light-filled stage. Enshrouded by mist and a wealth of colour, the ceremony ended like a beautiful dream.

During the festival, a total 20 performances in 12 programmes of music and dance were staged by 11 professional units from Shanghai. The bulk of the selected works were recent in most cases, demonstrating the achievements of the city's efforts in the realm of the arts. The major downtown theatres attracted more than 30,000 people. Apart from a few foreign artists, over 300 invited outside observers were also present in the audience.

According to Ding Shande, deputy director of the organizing committee and a well-known musician, the previous festivals contributed greatly to the promotion of music and dance, and to the rise of a number of China's established musicians and dancers. "Spring in Shanghai" also heralds other similar local festivals to follow throughout the country, such as "Ram-City Music Flower Fair" in Guangzhou, "Harbin's Summer" in the northeast and the "North China Music Festival."

In spite of the comparatively limited preparation time, strict judgment and selection of sound works guaranteed the quality of the performances. The chosen items are only half the original number considered. They were organized into ten special programmes, taking in symphonies, chamber music, vocal music and opera, and ballet and modern dance.

The Shanghai Symphony Orchestra (SSO) presented three new masterpieces by Qu Wei, composer and vice-chairman of the Shanghai Musicians' Association, and Zhu Jianer, an enterprising composer with the SSO. Qu's piece is in honour of the founding of the Province of

Hainan and Zhu's is an expression of his impressions on Tibet and its people. A rich programme of world classics and Chinese works were appreciated in the chamber and vocal music specials. A special presentation of the works of the late Huang Zi, one of China's most famous composers and music teachers in the first half of the century, was given in his memory.

At the last "Spring in Shanghai" festival, the Shanghai Opera Theatre (SOT) failed to be selected for performance, scoring only few points less than what was required. Two years later, they succeeded, not only in qualifying, but in pushing forward the development of China's opera. In line with its 30-year-old tradition of promoting national opera and introducing world classics, the SOT gave opera-lovers two excellent performances. "Love's Melancholy Revenge" (or "A Wild Goose at the Top of the Woods"), a musical adapted from the best selling novel by Taiwan novelist Qong Yao, tells the story of a Chinese girl who returned to Taiwan from Britain find her elder sister's boyfriend and his younger brother to revenge her sister's death. The other opera performed was Puccini's *Tosca*, no easy task for the SOT.

"I was greatly touched by *Tosca* starring Domingo which I saw when I was in the U.S.A.," said Chang Yuanwen, the female director of the opera. "This inspired me to stage it in China with Chinese performers. Just before the festival, a group of American opera artists headed by the conductor P. Summers helped with the preparations for the opera in a city-to-city cultural exchange between Shanghai and San Francisco.

The audience appreciated the outstanding performance of Huang Baohui as *Tosca* and Shi Honger as *Cavaradocci*. Gu Xin, the only guest tenor with the SOT,

received warm applause for his performances the role of Cavaradocci. He believes that the staging of *Tosca* in Shanghai serves as a demonstration of the talent and ability of Chinese singers.

Two other highlights of the 13th "Spring in Shanghai" were the invitational billings of Elly

Ameling and Fu Cong. Ameling is the world famous Dutch Soprano, known as Holland's "uncrowned queen," and Fu Cong is a British Chinese pianist and the son of the late Fu Lei, China's remarkable translator of Balzac. Neither are strangers to Shanghai people.

by Dai Gang

An Important Discovery of Porcelain

More than 200 recently unearthed pieces of porcelain have been on display in the Jingdezhen Porcelain History Museum in China's southeast Jiangxi Province. The porcelain, dating back to the rule of Emperor Cheng Hua (1465-1487) in the Ming Dynasty, come in a variety of shapes, exquisite glazes and beautiful designs and decorations. Experts see this find as the most important archaeological discovery to be made since the founding of New China.

During the Ming Dynasty, (1368-1644), a government-run kiln specially for firing porcelain ware for use in imperial families was established in Jingdezhen. During the reign of Emperor Cheng Hua, porcelain from the government-run kiln was evaluated by experts against porcelain made in previous years and proclaimed first grade. The *dou cai* (strongly contrasting colours) porcelains with under-glazed blue-and-white flower designs and coloured designs painted on the glaze are masterpieces. The pity is that they were seldom handed down. There are only three to five pieces in the Palace Museum in Beijing and one piece in Shanghai. "The Palace Museum" in Taiwan collected about 70 or so pieces. Britain has six or seven pieces and the United States has one.

Among the exquisite pieces restored in Jingdezhen are a small

flat cup with a grape design, a porcelain cup with a posy and bird design and a covered jar decorated with a sea horse design, all in *dou cai*. Also on display are a large sacrificial red bowl with a white dragon design and a large sapphire blue bowl with a white phoenix design never before recorded in documents.

A tricolour incense burner in the shape of a duck has beautiful, bright colours. When the incense is burnt in it, the smoke rises out of the duck's mouth. The blue-and-white long-necked vase with a flower and dragon design has a peculiar shape: the narrow tall neck is two times higher than the body of the vase and has a small

porcelain ring. This piece is supposedly in the Korean style, specially made on the orders of Emperor Cheng Hua as a gift to the Korean king.

Another bright, eye-catching piece is the 0.6mm thick white glazed eggshell porcelain cup. The inside wall of the cup has a lively veiled dragon decoration.

The porcelain treasures were discovered in May 1987 at the site of a rebuilding project in Jingdezhen city. A bulldozer unearthed some thin pieces of porcelain marked with dates from the reign of Emperor Cheng Hua. The city Party committee and city government immediately organized a special group from the Jingdezhen Porcelain History Museum to retrieve the pieces. They quickly found the cache of porcelain, and carefully cleaned and put the pieces in order.

The discovery in Jingdezhen provides valuable material and realia for the study of China's histories of science and technology, and of art and culture, as well as the government-run kiln systems and palace life of the Ming Dynasty.

