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# Beijing Review

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## Foreign Trade Policy Remains Unchanged



NEW TIDE IN FASHIONABLE  
CLOTHES



**Weaving fishing nets.**

**Fisherwomen on the seashore.**

*Photos by Shi Li*





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**COVER:** Top left: Enjoying a stroll through the park. Top right: A private business clothing stall. Bottom: A fashion show.

by Wang Junchao

## Top Leaders on Domestic Situation and Foreign Policy

□ Chinese Communist Party leader Jiang Zemin and Premier Li Peng called for Chinese diplomats to work with vigilance in regards to the complicated political struggles in the world community. At a week-long meeting of Chinese diplomatic envoys to other countries, the leaders also briefed them about the domestic political and economic situation and reiterated China's foreign policy (p. 4).

## China's Foreign Trade Policy Remains Unchanged

□ In a recent interview with "Beijing Review" correspondent, Liu Xiangdong, an official from the MOFERT, answered questions of concern to foreign business people. He said that after the quelling of the rebellion in Beijing, situation is now calm, the safety of foreign businessmen can be guaranteed and China will not change its open foreign trade policy. He hoped that foreign businessmen would not give up the huge Chinese market available to them and miss the opportunity to operate with China (p. 13).

## Beijing's Door Remains Open

□ Public order in Beijing has returned to normal and its foreign trade activities have also been quickly restored following the quelling of the counter-revolutionary rebellion. The door to Beijing as well as to the whole country continues to remain open to the outside world (p. 15).

## Chinese Fashion Catches Up With World Trend

□ Despite its successful performance in keeping pace with the world's fashions and its expanding co-operation with foreign counterparts, China's clothing industry still faces many problems due to the lack of materials, well qualified managers and designers, sophisticated equipment and advanced management skills (p. 20).

## Most Serious Embezzlement Case Exposed in Beijing

□ Beijing's most serious embezzlement case since the founding of the People's Republic in 1949 was recently uncovered. A purchasing agent at the Micro-Electronic Centre of the Chinese Academy of Sciences took graft valued at more than 390,000 yuan in buying batches of high-priced commodities with public funds between 1985 and 1987 (p. 6).

Unless written by Beijing Review staff, the opinions expressed in signed articles do not necessarily reflect the view of the Beijing Review editorial board.

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# China's Diplomats Meet in Beijing

**A** week-long meeting of Chinese diplomatic envoys to other countries ended in Beijing on June 12 with speeches by General Secretary of the Communist Party of China (CPC) Jiang Zemin and Premier Li Peng to the participants at Zhongnanhai.

The two leaders talked about the quelling of the recent counter-revolutionary rebellion in Beijing, the domestic political and economic situation and China's foreign policy.

Premier Li told the group, which included about 150 ambassadors, consul-generals, commercial representatives and representatives to international bodies, that although the recent turmoil and rebellion in Beijing caused great losses to the country, from an overall point of view, history has proved the incident to be a good thing.

As a result of the incident, the premier noted, the Party has experienced another severe test.

The political consciousness of Party members and cadres and the people has been raised, he said. The obstruction to the implementation of the principles and policies set at the Third Plenary Session of the Party's 11th Central Committee has been removed and a new Party leadership headed by Jiang Zemin has been established.

He said most diplomats took a firm stand against the turmoil and defended the dignity of the country.

The premier said that the Party and government will not blame students studying abroad who took part in demonstrations

or who said some radical things as they were far away from the motherland, under the influence of the Western mass media and did not know the truth.

"Let them sum up their experience themselves and draw lessons from it," said Li. "We hope they will study hard and welcome them back to work for the motherland on graduation."

Jiang Zemin told the envoys that opening to the outside world is China's unshakable and basic policy.

However, he pointed out, vigilance should be kept over the complicated political struggles in the world community.

In handling diplomatic relations, he noted, attention should be paid not only to the economy, but also to politics, not only to friendship, but also to struggles, not only to principles, but also to tactics.

Reporting news about China to people abroad must be enhanced, Jiang said, so as to lay bare the fabrications by some Western media and help clear up misunderstandings among foreign friends.

The general secretary also stressed that the Party's lines and principles adopted since the Third Plenary Session of its 11th Central Committee are correct. Yet, he noted, the adherence to the four cardinal principles has slackened in recent years.

Education must be carried on unswervingly on the adherence to the four cardinal principles and opposition to bourgeois liberalization, he said.

It is also necessary, Jiang said,

to imbue the Chinese people, young students in particular, with patriotism so as to improve their sense of national self-respect.

Li reiterated that China will not change its independent foreign policy of peace. Neither will it change its policy to develop friendly relations with other countries on the basis of the Five Principles of Peaceful Co-existence.

He said he hoped Chinese diplomats would adhere to China's policies and principles, overcome difficulties and work harder.

Li also briefed the participants on the domestic economic situation in the first half of the year.

Elaborating on the four major tasks set at the Fourth Plenary Session of the Party's 13th Central Committee, the premier told the diplomats that the new Party Central Committee have made studies on curbing corruption, penalizing official profiteering and dealing with the problem of unfair distribution.

The central leadership will take the lead in carrying out the tasks and the measures should be practical, he added. □

## Martial Law Kept in Force

**M**artial law enforced in parts of Beijing will last to help stabilize the capital and protect both residents and foreign tourists, State Council spokesman Yuan Mu said at a press conference on July 11.

Although the government has won a decisive victory over the counter-revolutionary rebellion, Yuan said, "the struggle is not over yet."

He added that some rebels who had snatched weapons from



the martial law enforcement troops are still at large, posing a possible threat of further unrest.

"I am not clear when martial law will be lifted," he told the Chinese and foreign reporters, saying that it can only be lifted after social order is completely restored.

He said that all governments, organizations and individuals who want to maintain friendly relations and do business with China must abandon any demand for the abolition of martial law as a precondition.

**Open policy** China will not change its general policy of reform and opening to the outside world even though some countries have adopted a "short-sighted policy" towards China, said the spokesman.

"This opening includes Western developed nations, socialist countries and developing countries," he said.

He admitted, however, that sanctions by the United States and some European countries would bring "temporary troubles to China over the short term."

"But China will never yield to any external pressures," he said, adding that in the long run such moves would inspire "the spirit of plain living and hard work" among the people.

**About Zhao** Talking about the mistakes of former Party general secretary Zhao Ziyang, Yuan said Zhao had made a mistake by supporting the turmoil and splitting the Communist Party Central Committee.

His removal from his official posts was only a measure of Party discipline.

"Whether or not he should be further punished is a question that awaits the outcome of the investigation," he said.

Mentioning why there was much corruption in the Party and government, he said, "Our

ex-general secretary Zhao Ziyang should be held responsible for the worsening problem."

Yuan said that the students had raised some correct slogans at first, but were misled by a handful of conspirators, who in the end led them down the wrong road.

Referring to the two illegal organizations known as the "Beijing college students' autonomous federation" and the "Beijing workers autonomous federation," Yuan said some of the ringleaders have been arrested and some have fled. He refused to reveal how many have been arrested.

He noted that "many foreign organizations and individuals helped them escape and we feel that this is a matter of regret."

**Economic situation** The spokesman also briefed reporters on the economic situation in China in the first half of this year. As a result of savings increases and control of cash payments, China's savings deposits by both urban and rural residents towards the end of June grew by 64.4 billion yuan in comparison with savings at the beginning of the year, he said.

Yuan revealed that retail prices in the country in the former phase of the year were calculated to have risen by 25.5 percent over the corresponding period last year.

Attributing much of this year's price increases to the "after-effects" of last year's price hikes, Yuan said the new factors were responsible for only seven percent of the price rises in the first half of the year.

In reply to a question concerning China's ability to repay its foreign debts in the next two years, Yuan said that while making major economic decisions, the central government has already taken the issue into account.

He said the Chinese government will take resolute measures to cope with the situation during the peak debt repayment period in the next two or three years.

China's ability to pay back its foreign debts far exceeds the debt it owes, he claimed.

According to Yuan, the contracted value of foreign investment grew by 42 percent to reach US\$5.45 billion and the paid-in value went up by 32.7 percent compared with the same period last year, hitting US\$3.76 billion.

He said that customs statistics show that China's exports in the first half of the year totalled US\$22.26 billion, 6.5 percent over the same 1988 period and that imports jumped 26.7 percent to reach US\$28.04 billion.

The actual unfavourable balance for China in the first half of the year was US\$3.82 billion, Yuan noted, if donations, aid, imported equipment as direct foreign investment and other items that do not involve foreign exchange payments were deducted from the customs figures. □

## Taiwan Reporters Deported

Two Taiwan reporters have been expelled from China's mainland after they were found to have violated martial law regulations covering press activity.

One of them, Peter T.P. Huang, a reporter for the Taiwan-based *Independence Evening Post*, was released and deported under escort on July 11 morning, according to a spokesman for the Beijing Municipal State Security Bureau.

The spokesman said Huang, detained on July 3 by the

bureau, was dealt with leniently on account of his good attitude in admitting his guilt and in the overall interest of the relations between the two sides of the Taiwan Straits.

Following the declaration of martial law in parts of Beijing on May 20, Huang, according to the spokesman, conducted news coverage at Beijing University and other areas under martial law, concocted rumours, filed news stories designed to instigate turmoil and counter-revolutionary revolt, and drew maps of the deployment of martial law enforcement troops in violation of the stipulations in the No. 3 martial law order.

Huang came to Beijing again at the end of June as a tourist from Taiwan when he resumed his illegal news coverage and sent abroad stories distorting the facts.

On July 2, he even secretly contacted a leader of the illegal "Beijing college students' autonomous federation" who is wanted by the police and planned to assist him to flee the mainland.

After being arrested on July 3, Huang confessed all of these illegal activities and wrote a statement to that effect, the spokesman said.

Hsu Lu, another reporter with the *Independence Evening Post*, was summoned by the Beijing Municipal State Security Bureau and was also ordered to leave the mainland within 48 hours for her illegal activities, according to the spokesman.

The spokesman said, Hsu came to Beijing as a tourist from Taiwan when martial law had been imposed on parts of Beijing. In violation of the provisions in the No. 3 martial law order, Hsu had conducted news coverage in areas under martial law and sent stories abroad that distorted the facts.

In early July, the spokesman

said, Hsu participated in the plotting and implementation of a scheme aimed at assisting a leader of the illegal "Beijing college students' autonomous federation" to flee the mainland.

Hsu has admitted the above-mentioned illegal activities, the spokesman added.

On July 12, *Renmin Ribao* (People's Daily) published a commentary calling for joint efforts to cherish the harmonious atmosphere between the two sides of the Taiwan Straits.

The paper said, although Huang had violated the Criminal Law, relevant mainland departments showed leniency to him and released him for the sake of the relations between two sides of the straits.

The paper recalled that more than one year ago, two reporters from the *Independence Evening Post* took the lead in breaking the control by the Taiwan authorities and came to the mainland to do news reporting on the mainland, and were followed by reporters from many other newspapers in Taiwan.

Relevant departments and the press on the mainland have extended support to all these reporters, and this showed the sincerity of the mainland in promoting exchange and co-operation between the two sides, the paper said.

The mainland side will continue to welcome and co-operate with reporters from Taiwan, Hong Kong, Macao and other countries who come for news reporting with the necessary approval, provided they abide by the laws and regulations on the Chinese mainland, the paper said.

The paper pointed out that the Taiwan authorities still keep to their anti-Communist stand and even instigate and support activities against the government of the People's Republic of

China. "Their deeds are unpopular and they will not succeed," it said.

The paper noted increasing exchanges of visits, tourists and mails, and trade and investment activities between the two sides of the straits over the past two years.

"The recent turmoil in some places on the mainland and the counter-revolutionary rebellion in Beijing plus truth-distorting propaganda by some of the Chinese and foreign news media have to some extent had a negative impact on such activities," the paper said. But the turmoil and rebellion have been put down, it added.

"The social order is stable and construction and reform are progressing smoothly on the mainland," the paper said. "We hope the relations between the two sides of the straits will continue to develop, for promoting peaceful reunification of the country is in the fundamental interests of people of the whole nation including Taiwan compatriots, and is our sacred historical duty."

"We hope the Taiwan authorities will take the interests of the nation into consideration, judge the hour and size up the situation, and work for the realization of this goal," said the paper. □

## Corruption Cases Brought to Light

The news swept like wildfire through the campus of the Micro-electronic Centre of the Chinese Academy of Sciences in Beijing one day in March of last year when Shen Xiaoping was arrested on a charge of embezzlement.

Shen, 31, was a purchasing



agent for the centre, and his case was the most serious exposed in the capital since the founding of the People's Republic in 1949, according to a public prosecutor from the People's Procuratorate of Beijing's Chaoyang District.

Shen, taking advantage of his links with many businessmen operating outside the law in the city and in the name of making purchases for the centre, embezzled more than 390,000 yuan between March 1985 and December 1987.

Shen bought goods worth 41,000 yuan for the centre and made up the balance with fake receipts.

After taking bribes from Shen, his two direct leaders of the centre permitted Shen to submit the fake receipts and apply for reimbursement.

Shen came to the centre as a worker in 1977 when he was only 20 years of age. At that time, he was innocent though he was apt at boasting, the public prosecutor said.

In 1985, when some of his "bosom brothers" told him how to fake accounts, he even refused flatly saying that it would be a crooked thing to do. But when he was cornered and silenced by such arguments as "no more of that foolishness, don't you see everybody scrambling for money for themselves these days," his beliefs began to waver.

The Silver Swallow Studio Equipment Store was a place he frequented. Before long, Shen made "friends" with the store's manager Li Yucai and deputy manager Wang Zilong, both being greedy for money.

One day, Li asked Shen: "Would you like to buy anything for yourself? I can balance the cost with the formal receipt for your office."

"No, I won't," Shen replied casually.

However, a few days later, when Shen went to the store and saw a purchasing agent from outside Beijing take away a colour TV set, he asked the managers: "Is his personal expenditure also balanced with a fake receipt?"

After he got an affirmative answer, he was totally captured. He immediately said: "Give me two rolls of colour films." He was not at ease until he submitted his fake receipt and applied for reimbursement.

From that time on, he gradually "bought" a package of high-grade commodities such as cameras, colour TV sets, video-recorders and cinematographs using a total of 32 cheques.

Later, Shen also practised similar dirty deals with another collectively-owned enterprise called the Feiluo Technological Service Company. He gave the company at one time 13 cheques and got cash totalling 80,000 yuan illegally.

Now the case is being tried by the Beijing Intermediate People's Court. Twelve people are involved in the case and six of them have been arrested.

In another case, seven people, including four Party members and a veteran official, were arrested or taken into custody by police in Shanghai after being charged with embezzling more than 130,000 yuan in public funds.

Meanwhile, a 23-year-old cashier accused of stealing more than 240,000 yuan of public funds, by not reporting income and other means, has been arrested in Anshan city, Liaoning Province.

These two cases were discovered with the help of the telephone reporting system set up in most cities during a nationwide campaign against corruption that began at the end of last year. □

## Deaths Spiral As Floods Hit

**H**undreds have been left dead or homeless after floods ripped through west and south China causing destruction in hundreds of counties.

Floods have killed 814 people in Sichuan Province alone while leaving more than 3,000 people there injured.

In one of the worst cases, rescue workers uncovered 41 bodies of those buried under rock and mud in a July 10 hillside in Xikou township, Huaying City, Sichuan Province.

When the hill cliff collapsed that afternoon, more than one million cubic meters of rock and mud buried 238 people, most of whom were in a residential compound for a local grain shop, a cement plant and a coal mine next to the hillside.

Rescue workers were only able to drag 17 survivors from the debris while 180 people are still missing and feared buried beneath the rubble.

Behind the fatal slide was a heavy continuous downpour since July 7 that flooded 20 cities and prefectures in west China's Sichuan Province.

Daily rainfall on July 10 reached an average 50 mm over 86 counties. Wusheng County was the worst hit with a rainfall of 505 mm in a few days.

"The storms were likely caused by a huge heat wave that moved north from the Bay of Bengal and South China Sea carrying with it a tremendous amount of precipitation," said Zhou Qingliang at China's Central Meteorological Bureau in Beijing.

"When this warm humid air confronted a cold front over the highlands of west China the

rains came and disaster struck," he added.

Sichuan's rivers have swelled because of the deluge. The flood waters peaked in Chongqing City at 182.42 meters, 2.42 meters above the danger level on July 12.

Suffering the most are Nanchong, Daxian, Wanxian and Fuling prefectures and Chongqing City that were shaken by the floods and losses they endured.

More than 130 people have been killed in the Chongqing floods and almost 2,000 people were stranded in Jiangbei County near Chongqing where rescue missions are still searching for survivors.

In Huaying City, Nanchong Prefecture, 48 people were killed during the flooding adding to the hundreds of probable deaths caused by the landslide.

Crops losses were also heavy. The flooding in Wusheng, Penggan, Yuechi and Nanchong counties alone wiped out almost 100 square kilometers of farmland.

In another area, Daxian County, there have been 130 deaths from the storms, torren-

tial waters and landslides that have struck 10 counties and cities in the area since July 9.

In the neighbouring Wanxian area, 57 people were also killed and about 90 square kilometres of farm crops damaged by the floods.

Meanwhile, water levels are rising drastically in the Yangtze and Jialing rivers as a result of the continuous storms at the upper reaches of the rivers.

Further down the Yangtze River, many provinces have sounded flood alarms.

On July 11, Tian Jiyun, vice-premier of the State Council and head of the State Flood-Control Headquarters, telegraphed the leaders of provinces along the Yangtze River, urging them to be on utmost alert against floods.

According to a report, the flood is expected to peak at 60,000 cubic metres per second at Yichang and 20,000 cubic metres per second at Danjiangkou in Hubei Province.

In Anhui Province, more than 700,000 people are fighting to contain the flood which has inundated 420,000 hectares of farmland and damaged 23,000

houses between the Yangtze and Huaihe rivers.

Daily rainfall in the past several days in the four counties along the Huaihe River has ranged from 250 to 300 mm.

The water in the Jingjiang River Flood-Diversion Area has risen sharply also because of rainfall at the upper reaches of the Yangtze River since early July.

The water in Shashi hydrostation reached 43.45 metres on July 12, exceeding the danger level by 0.45 metres.

Built in 1952, the flood-diversion project is the key section aimed at controlling floods in the middle reaches of the Yangtze.

According to the Wuhan Flood-Control Headquarters, the water level of the Yangtze River in the Wuhan section was 1.01 metres above the danger level July 13, which means that the river is now literally two metres higher than Hankou, one of the three cities that make up Wuhan. With the waters still rising, flood-fighting and rescue teams are operating around the clock.

In Jiangsu Province, more than 100,000 people have been labouring to increase the height of a dike. Already they have physically moved 100,000 cubic metres of earth to the banks of the 920 km-long Yangtze River dike in the area.

The largest floods so far in Zhejiang Province have hit 27 cities and counties, turning more than 133,000 hectares of farmland into lakes that have left a total of 31 people dead and affected more than 2.62 million people throughout the province. Zhejiang's economic losses caused by the floods are estimated at more than 500 million yuan with more than 300 villages ruined and 10,000 houses destroyed.

**Some workers trying to break the flood waters near the Xiaguan wharf in the southern city of Nanjing.**

YANG LEI





In Jiangxi Province the number of people marooned by flood waters has increased to more than 300,000 with the death toll having risen to 32.

Meanwhile, the sluice gate for shipping on the Gezhouba Dam on the upper reaches of the Yangtze River was forced to close July 11, which has effectively clogged all river transport at the gate. **by Li Xingjian**

## News in Brief

### Protest Against France

A leading member of the West European Affairs Department of the Chinese Foreign Ministry, under instructions, made representations July 7 to the French ambassador to China over the activities of Wuer Kaixi and Yan Jiaqi in France against the Chinese government.

The leading member said that Antenne 2, a French national TV station, broadcast on July 4 speeches by Wuer Kaixi and Yan Jiaqi. On the same day, Agence France-Presse (AFP) and some Parisian newspapers carried a statement handed to AFP by the two men. In their speeches and statement, Wuer Kaixi and Yan Jiaqi attacked the Chinese government for putting down the counter-revolutionary rebellion in Beijing, vilified China's social system, hurled abuse at Chinese leaders and threatened to overthrow the present government in China and "rebuild the republic."

The leading member pointed out: "Wuer Kaixi and Yan Jiaqi are criminals for whom an arrest warrant has been issued by the Chinese public security organs for inciting and organizing the counter-revolutionary rebellion. Though aware of this, the French side still agreed to the two criminals' entry into France

and has allowed them to conduct openly on French soil activities aimed at overthrowing the Government of the People's Republic of China. Such acts by the French side constitute a flagrant violation of international law and norms governing state-to-state relations, a gross interference in China's internal affairs and a serious infringement on her sovereignty."

On July 13 at a news briefing a Chinese Foreign Ministry spokeswoman "firmly demanded that the French government take effective measures immediately to forbid any activities taken by Wuer Kaixi against the Chinese government," when commenting on Wuer Kaixi's making speeches and erecting a "goddess of democracy" statue in France.

"The Chinese side has lodged a strong protest to the French side for this," she said, asking the French government to "stop all the wrong conducts aimed at interfering in China's internal affairs and hurting the feelings of the Chinese people." □

### Qian to Join Paris Talks

China's Foreign Minister Qian Qichen will lead a Chinese government delegation to attend an international conference on Kampuchean issue which will be held in Paris.

"We are in favour of such an international conference. We will attend the discussion and formulation of a comprehensive, fair and reasonable resolution to the Kampuchean issue," said a spokeswoman from the ministry on July 13. She said that China hoped the conference would achieve progress. □

### Beijing International Fair Opens

The First Beijing International

Fair, the largest one of its kind ever held in China, opened July 14 at the China International Exhibition Centre in Beijing.

This was also the first large-scale foreign trade activity held in China since the unrest. The fair, which opened as scheduled unlike some activities that have been postponed due to the turmoil, demonstrates that China's situation is stable and that international business activities can be carried on as usual, according to a host. □

### Another Air Link to USSR

An air route linking Urumqi, capital of the Xinjiang Uygur Autonomous Region of China, and Alma-Ata, capital of the Soviet Union's Kazakh Soviet Socialist Republic, opened on July 11. This is the second air route between China and the Soviet Union, after the Beijing-Irkutsk-Moscow line. The Soviet Union will operate a flight every Tuesday and China, every Friday, on this 980-kilometre air route. □

### Shenzhen's Foreign-Funded Enterprises Run Well

Despite the recent turmoil in China, foreign-funded enterprises in the Shenzhen Special Economic Zone have been operating normally, according to the *Economic Daily* on July 12.

None of the city's 2,200 foreign-funded enterprises has stopped production or withdrawn any investment. Moreover, in June US\$41.61 million from overseas investors flowed into the city's industries.

The paper attributed this to successful explanation of the Chinese government's policies to overseas investors. Mayor Li Hao, for example, attended discussions and met foreign businessmen to dispel misgivings. □

# Economic Reform Boosts Nigeria's Economy

by Sun Shibin

**N**igeria has entered into the third year since it readjusted its policy for economic structure. Two years' practice of readjustment and reform has halted the drop in gross domestic product, which has begun to grow again slowly. In 1988, it increased by 4.1 percent. Income from exporting non-oil products was US\$900 million, nearly double that of 1987; domestic production of raw materials for manufacturing rose from 46 percent in 1987 to 50 percent, and it even reached 88 percent in a few sectors of light industry.

A big African country with 100 million people, Nigeria enjoys abundant natural resources and is especially rich in oil. In the last 20 years, problems arose in economic development for a variety of reasons which provided lessons for other developing countries.

Nigeria had ever been famous for the quantity of its agricultural exports such as cocoa, palm oil, rubber and peanuts. In the mid-1960s, agricultural products made up 60 percent of the GDP, and income from agricultural exports amounted to 70 percent of total export income. From the 1970s the oil industry boosted Nigeria's economy and the country became the largest oil producer on the African continent. Oil has brought US dollars, and at the same time, misfortune. A large part of the labour force flowed into cities and the proportion in national economy was dislocated, becoming lopsided because agriculture was neglected. In 1980, agricultural output dropped sharply in value to only 18 percent of the national total and income from agricultural exports was only 2.6 per-

cent of export income. Nigeria which had had a surplus of food began to import food.

Excessive dependence upon oil inevitably made the economy vulnerable to international oil market fluctuations. The drop in international oil prices in the mid-1980s reduced oil income from the peak of US\$25 billion in 1980 to as little as US\$7-8 billion, practically destroying the overall national economy. In 1985, foreign debt rose as high as US\$20 billion and the rate of inflation was 40 percent. Foreign trade was at a standstill and utilization of capacity in the manufacturing industries was only 30 percent. Many enterprises and schools closed because they could not pay wages or salaries and unemployment was serious. State-run enterprises, which involved investments of 30 billion naira, made losses year after year.

Facing this situation, the Nigerian government called on the people to concert their efforts in order to overcome difficulties. With the support of international banks like the World Bank, Nigeria has since July 1986 carried out a policy of reorganizing its economic structure. It planned to diversify production and increase the domestic supply of raw materials, changing from excessive reliance on oil and imported materials to increased self-reliance. It proposed to liberalize trade and greatly develop the foreign-oriented economy to earn foreign exchange and provide more jobs.

**The Nigerian government implemented a package of measures in adjusting and reforming the economy.** It opened the foreign exchange market and allowed

the naira to float freely according to the market. Free trade replaced the import licensing system and all kinds of incentives were offered to encourage private businessmen to deal in exports. It dissolved purchase bureaus set up to exercise state monopolies in cereals and industrial crops and cancelled price control of agricultural products. These measures reduced state interference in economic life and benefited operation of the market, revitalizing the economy and expanding exports.

**A salient feature in the readjustment is that the government takes a more active attitude to encourage and support private enterprises in the rejuvenation and development of the national economy.** It allows private enterprises to play a greater role. In the last two years, banking circles have been very active in the adjustment and reform and the number of industrial and commercial banks has increased from 47 in 1987 to 81 at the end of 1988. The utilization of capacity in manufacturing industries rose to 40.7 percent. Last January, President Ibrahim Babangida said in a speech that he hoped chairmen of private enterprises would take a leading role in the revival of the national economy and in international competition. Also, he announced a new industrial policy to improve the environment for investment and to attract foreign capital. To support medium-sized and small enterprises facing a shortage of funds and foreign exchange, the government recently founded the National Economic Construction Fund which so far has collected US\$550 million and 300 million naira. In addition, the privatiza-



tion and commercialization of state-run enterprises has been implemented gradually as scheduled.

**Nigeria is readjusting its economic structure by giving agricultural development priority.** In 1988, it staged a "Food first" movement in the countryside. The government formulated new agricultural policies which stressed that agriculture was based on small-scale farming. Governments at all levels have supported and developed small-scale farming by providing agricultural credits and insurance, introducing and spreading technology and supplying chemical fertilizers at fixed prices. To gradually achieve the goal of self-reliance in food and protect agriculture itself, the government has banned the import of

wheat, flour and maize since 1987. Last year it gave the wheat production priority. It is predicted that the six northern states, which are the major wheat areas, will harvest 300,000 tons of wheat this year. In 1987, cotton output was 300,000 bales, five times as much as in 1986.

**At present, oil is the chief source of foreign exchange and the oil industry is decisive in the national economy.** The government is conducting a significant readjustment in its energy policy, making full use of its advantage in resources. It is prompting the diversification of oil products and is gradually turning to the exploitation of natural gas as it develops the industry.

Nigeria has paid a high price in implementing its readjustment and reform. Just as Presi-

dent Babangida said, readjustment of the economic structure required the people to bear a heavy burden.

The devaluation of the naira by a big margin caused multiple price hikes. In 1988, the budget deficit went up to 8.5 billion naira and now Nigeria is burdened with US\$30 billion in foreign debt. Each year the government has to allocate US\$2 billion to pay back principal and interest which takes 30 percent of foreign exchange income. All these difficulties have from time to time slowed down the speed of economic construction. But the Nigerian government is determined to push ahead with the economic structural readjustment plan, endeavouring through development to overcome its difficulties. □

## Will Nepal-India Relations Improve?

by Ren Yujun

On March 23, after the expiry of the Nepalese-Indian trade and transit treaties India stopped the supply of petroleum products and essential commodities to Nepal and closed 13 of the 15 transit points to block goods and materials from third countries entering Nepal. The dispute between the two countries has lasted for more than three months.

The Nepalese government has said many times that it hopes to resolve the problems through negotiation. Late in March, the Nepalese foreign minister went to New Delhi to ask that the original trade and transit treaties continue in force until the signing of new treaties, but the Indian government rejected this. In April, Nepalese King Birendra indicated that Nepal was ready to resolve the problems between the two countries through friendly negotiations at any time. Howev-

er, the Indian side again made no positive response. Later in May, the Nepalese government again proposed talks between the two foreign ministers in the first week of June. Although India has said that it is willing to hold talks with Nepal, there is no indication that it will take positive steps to do so.

The three-month border blockage has brought many difficulties for Nepal, a poor and backward, landlocked mountain country.

The serious shortage of essential commodities has led to panic buying and touched off social unrest. People and students took to the streets to demonstrate, shouting anti-government slogans, a situation rare in Nepal's history.

Stocks of coal and petroleum products have run out and the supply of other industrial raw materials cannot be ensured.

This has greatly affected Nepal's industrial production, resulting in direct economic losses of tens of millions of US dollars. The country's economy has also slowed down, and it looks as if the economic growth rate in the current fiscal year ending July 15 may be reduced to zero from the 5 percent originally planned.

Tourism, the main source of Nepal's foreign currency, is also greatly affected. The government planned to gain US\$100 million this year, but it will be difficult to attain as foreign tourism has been greatly reduced because of the difficulties on crossing border.

Moreover, a great quantity of goods and materials has been piled up on the Indian side of the border and now losses in the rainy season are faced.

India, however, has also not benefited from the dispute politically or economically. It has

been condemned by the international press, and some South Asian countries especially have shown their concern at India's actions. The decrease in trade has struck India's transport and service industries which depend on carrying goods and materials into Nepal.

On the problem of signing a new agreement between the two countries, India wants to sign one agreement on trade and transit issues so as to link Nepal's transit right with their bilateral trade. But Nepal insists that these two issues should be separated because transit is a long-term right enjoyed by landlocked countries under international law. Because India is in a position of advantage, it does not appear anxious to take positive measures to resolve the deadlock. In fact, trade and transit issues are only a part of the problems existing between the two countries. The key is that India wants its security interests to take priority in its relationship with Nepal, while Nepal persists in keeping friendly relations with India on the basis of mutual respect for sovereignty, equality and mutual benefit.

Historically, India and Nepal have always been friendly neighbours. In 1950, three years after India's independence, the two countries signed a treaty of peace and friendship and trade and commercial agreements. The two countries also had very close political and economic contacts. In 1980, they became members of the South Asian Association for Regional Co-operation at the same time. Particularly in recent years when political and economic co-operation among South Asian countries has expanded, the current clash between India and Nepal obviously goes against the co-operative atmosphere in the region. People all over the world, especially in South Asia, want the two countries to resolve their problems through friendly negotiations. □

## Money Politics Produces Recruit Scandal

**The Recruit stock scandal reflects the relationship between money and politics. To remove money politics is the key to preventing similar political scandals.**

by Yu Qing

**A**n investigation of more than 260 days into the Recruit stock scandal that shocked the Japanese nation had come to an end.

The Recruit scandal, which can be traced back to the cabinet of Yasuhiro Nakasone, was first disclosed last June. Those tainted by Recruit money were exposed one by one. They included former Prime Minister Yasuhiro Nakasone, leaders of some opposition parties, government officials and newspapers executives. Noboru Takeshita, who took office last year as Japan's prime minister, was also forced to resign over links to the scandal.

Unlike other political scandals in the past, Recruit's bribery is modern alchemy. After all, the transfer of shares is more ingenious and less obvious than a direct cash donation. It is also unique in that so many personages in so many different fields received bribes from Recruit.

The shocking scandal best exposes Japan's money politics. Within the Liberal Democratic Party (LDP), a faction's money and its actual political strength determine its ability to win the post of prime minister. Statesmen who want to get the upper hand, and factions that want to expand their political strength and push their leaders up to the post of prime minister, must first try their best to collect funds. The ability to do so becomes an important condition for being a faction head or prime minister.

Enterprises which provide funds for statesmen also have skeletons in their cupboard.

Usually enterprises' development plans undergo the strict system of application and ratification. If any statesmen use their political clout on behalf of an enterprise, it will obtain more opportunities more quickly. Moreover, the interests of the business world will be better reflected in the government's policies.

According to published statistics, about 17 billion yen was contributed to the LDP in 1986 by Japan's Economic Communities Union. In 1987, registered political donations by the country's small- and medium-sized local enterprises reached 280 billion yen. Within this strange framework of mutual exploitation, the Recruit scandal is no longer surprising. As a leading financial expert said, it was not just a particular event stirred up by a certain enterprise, but one that reflects the deep-rooted problems in Japan's economic and political structures as well as in the country's social climate.

Although money politics is taken as something very common and as not out of the way in Japan, the Recruit scandal after all provides the Japanese people with an opportunity to think again. It has been pointed out that if money politics is not basically removed from the nation's political structure under legal guarantee, similar political scandals will happen again. Political reform thus becomes the most significant task of the new Uno cabinet which, under mounting pressure to resign, finds it a difficult task. □

## China's Foreign Trade Policy Remains Unchanged

**A**fter the counter-revolutionary rebellion in Beijing was put down, some foreigners, lacking an understanding of the details of the event, began to doubt about China's policy of reform and opening up, implemented in the last decade, and to demonstrate a concern about the country's future foreign economic and trade policy. In view of this situation, our correspondent recently interviewed Liu Xiangdong, director of the Department of Policies and Structural Reform under the Ministry of Foreign Economic Relations and Trade, who answered questions of concern to foreign business people.

**Beijing Review: What influences will the disturbances (which occurred in Beijing and some other places between mid-April and early June) and the counter-revolutionary rebellion (that broke out in the capital early last month), exert on China's foreign economic and trade activities?**

**Liu:** Despite the disturbances and counter-revolutionary rebellion, China's foreign trade business has been proceeding without interruption during this period. According to the ministry's statistics, in May the country's exports reached US\$3.5 billion, and imports, US\$3.17 billion, up 7.3 percent and 11.9 percent respectively for the same period last year. In the first five months of this year, China's total export was valued at US\$14.01 billion, basically equal to the level of the same period last year and reversing the downward trend of exports. The climate for attracting foreign funds has also improved. Between late April and May, the Ministry of Foreign Economic Relations and Trade ratified a number of important Sino-

foreign joint ventures. They include the Shenzhen Seg-Hitachi Colour Indicator Equipment Co. Ltd. with a total investment of US\$140 million, the Shenzhen Cnedc-Conic Glass Co. Ltd. involving US\$175 million in investment, and the Haiya 13-1 Natural Gasfield in Yingge Bay, South China Sea which is to be exploited jointly with the American Arco Corp. Additionally, there are still many Sino-foreign joint ventures being examined by the relevant authorities.

Of course, the counter-revolutionary rebellion has also brought some difficulties to our work and damaged the favourable international environment created in the past decade. During the disturbances, the staff of some foreign companies and enterprises withdrew from China, adversely affecting the routine work of related businesses and, although the rebellion was put down and many foreigners returned to China, some countries temporarily suspended their loans to China. But contracts which already have been signed are, by and large, being implemented and are not annulled or cancelled by investors. At present, we are adopting effective measures to quickly revive the prior investment environment which was disrupted by the disturbances in order that projects for which contracts have already been signed can be well managed. Our efforts will allow more foreigners to see that China's policies are consistent, China's situation is stable, and that their investment in China is lucrative.

**BR: A few countries are now attempting to impose economic sanctions upon China. What is the Chinese government's attitude?**

**Liu:** After the counter-

revolutionary rebellion was quelled in Beijing, many countries continued their economic and trade co-operation with China. But, the governments of a few countries and a few politicians in those countries, ignoring the facts, have adopted steps, such as a halt to the supply of loans and financial assistance and freezing the transfer of technology to China, to put pressure on our country and interfere in its internal affairs. These actions are unjust and short-sighted. In the 1950s, many countries and governments applied economic blockades against China, and we withstood that pressure, which was much greater than what is attempted today. Now, we are in the end of the 1980s, a time of peace and development and, after a decade of reform and opening up, our government is stable, our economic foundation strengthened. Those who employ the methods used in the 1950s can by no means attain their goal. We hope, therefore, that the governments, and people in the political circles of these countries, can respect the objective facts, proceed from a realistic perspective, return to the course of mutually beneficial co-operation with China and, thus, continue to develop bilateral economic relations with us.

As everybody knows, China practises an all-round open policy which means the country is open to the West, as well as Third World and socialist countries. At present, all developed countries hope to export capital to China, and there is cut-throat competition on China's monetary market. The suspension of loans, then, will undoubtedly cause losses to both sides. We hope that these countries can



broaden their vision and see not only the present but also the future. China's market has tremendous potential. People who abandon this market today will regret their actions tomorrow.

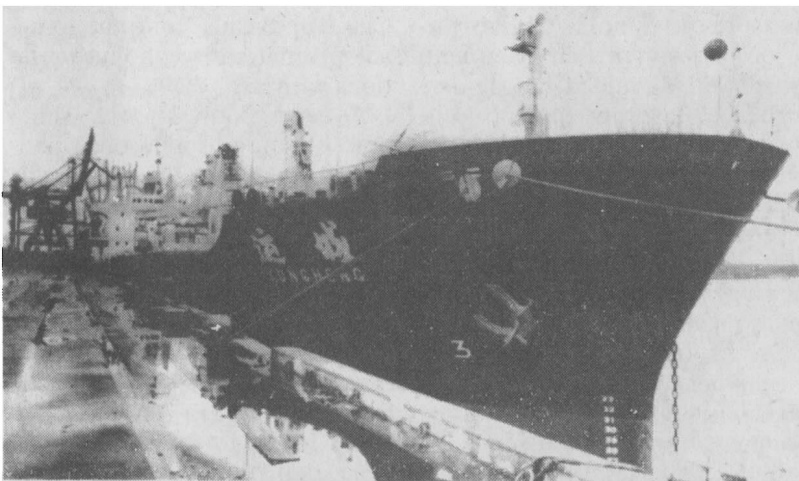
**BR:** After the rebellion was put down many foreign businessmen returned to China, but some others still have misgivings about China's political situation and hesitate about whether they should return. What do you think about the development of the situation and the prospect for the revival of economic and trade exchanges?

**Liu:** The stability of a country's political situation and social order is the precondition for any foreign investment. It is understandable that some foreign business people left our country during the period of turmoil. Now Beijing's situation has calmed down and the safety of foreign business people in China can be fully guaranteed. The return of many people has proved this. Moreover, many representatives of foreign enterprises and foreign experts never left China during this period, this suffices to prove that Beijing is safe.

With regard to whether China can adhere to the open policy, foreign industrialists and bus-

**"Yuncheng," a 10,000-ton ocean-going vessel, is about to begin its maiden voyage from Shanghai to South America; China's first scheduled navigation line with the continent for bulk cargo ships was opened by the Shanghai Ocean Shipping Co.**

XU YIGEN



The optical fibre production line imported by Shanghai Xinhua Glass Works from France began operation on July 4.  
XU YIGEN

ness people can set their mind at ease. The Communique of the Fourth Plenary Session of the 13th Party Central Committee, held a short time ago, has already made this clear. Now that China's political situation becomes increasingly stable, its foreign economic and trade activities are returning to normal. We are fully able to smoothly fulfil any agreement and contract signed with foreign business people.

Internationally, the governments of the many developing

countries and most socialist countries think our quelling of the rebellion understandable, while most developed countries would not like to see this situation affect their economic and trade relations with China. This indicates that there are favourable conditions for the development of China's foreign economic relations and trade. What's worth noting is that after the counter-revolutionary rebellion is put down, China will open its door wider to the outside world and will enjoy a more favourable environment for developing Sino-foreign economic relations and trade. I'm therefore confident in this regard. Here, I'd like to tell friendly personages of the industrial and business circles abroad, who are taking a wait-and-see attitude, not to miss the chance of co-operating with China.

**BR:** Will China change or readjust its foreign trade policies after quelling the counter-revolutionary rebellion?

**Liu:** Here, I can clearly tell you China's foreign economic and trade policies will remain unchanged, a position which was reiterated by China's Party and state leaders during their recent

meetings with visiting foreign friends.

As everyone knows, the decade of reform has brought about marked changes to China's economic development, and foreign economic relations and trade have played a decisive role. In the future, to promote the sustained and steady development of China's economy and carry out the policy of reform and opening up, China's foreign economic relations and trade will only expand, not contract. Of course, some necessary readjustments of the specific details of our business work may be made in line with the country's economic development.

For instance, in exports, China will actively develop competitive businesses and products according to the needs of the interna-

tional market and our economic foundations, will strive to improve the quality of our export commodities, will raise the rate of contract fulfilment, will optimize the mix of export commodities, and will develop its international market in an all-round way.

In imports, priority will be given to the import of raw materials needed in agriculture, key industrial projects and the production of daily necessities. Imports in other fields should be made according to the country's capability; imports of luxury consumer goods, for example, should be kept under control. This is because China is a developing country and its shortage of foreign currency will remain a long-term problem. The amount of imports, to a great extent, de-

pends on the expansion of its export volume.

In the days to come, with the development of China's national economy, its use of foreign capital will be further expanded to make up for a shortage of funds used in domestic construction. In the allocation of funds, however, established economic policies will be followed and priority will be given to agriculture, energy, raw materials, transport and communications and other infrastructures. In addition, efforts will be made to attract foreign funds, advanced technology and management skills to upgrade specific older enterprises with a better economic foundation and foreign businessmen will continue to be encouraged to establish wholly foreign-owned enterprises in China. □

## Beijing Continues to Open the Door

by Zhang Ming

**N**ot long ago, a serious anti-government rebellion occurred in Beijing. At that time, public order was seriously disrupted and the city's foreign economic and trade activities were considerably affected.

During the period of the rebellion, of more than 1,000 offices of foreign companies, about 80 percent stopped business. Most foreign staff left Beijing. In addition, more than 300 of the 500 plus foreign staff members in joint ventures in Beijing also left their jobs temporarily. And Beijing's international tourism also fell into straits. As for exports, in the first 10 days of June alone there were commodities worth US\$27 million that could not be delivered in time, and the various companies saw a direct foreign currency loss of over US\$10

million. In particular, the rebellion had a bad effect on the psychology of investors. Some investment projects have been temporarily suspended and some investors who have misgivings are still taking a wait-and-see attitude.

However, Beijing, after all, is an important economic base as well as an extremely attractive city. After the quelling of the rebellion, its foreign economic and trade activities have been restored at a speed which was unexpected. At present, more than half (about 600) of foreign company offices in Beijing have resumed operations, and 80 percent of foreign staff members in joint ventures have returned. Now, 14 foreign trade corporations dealing in clothing, knitting goods, machinery, drawn-work, nonferrous metals and chemicals have fulfilled over half of this year's plan. The

Chemical Product Import and Export Co. has finished 101.6 percent of its plan for the year.

At present, traffic, working and living conditions in Beijing have returned to normal, and governmental organs and all external business departments, such as civil aviation, hotels, customs, commercial checks, banks, lawyers' and accountants' offices are operating as usual. Foreign economic and trade activities have resumed. Although martial law in some parts of Beijing has not been lifted, it is simply a measure to strengthen security at some important places to prevent a few evildoers from making mischief and in no way affects normal production, work, life or trade. I think that the tens of thousands of foreign friends who have been in Beijing recently or have worked in Beijing can vouch for this.

Recently, leaders of our Party

The author is the director of Beijing Foreign Economic and Trade Committee.

and government have declared repeatedly that China's reform and open policy not only will not draw back from its original position, but also will be further strengthened and improved. The reason is that this policy represents the long-term and basic interests of most Chinese people. In the last 10 years, China has achieved some creditable successes in importing technology, capital investment and advanced managerial experiences, expanding foreign trade and increasing foreign economic and technological co-operation. Obviously, the policy has played a positive role in promoting economic development and industrial and agricultural technological progress and improving people's material and cultural lives. It can be said that reform and opening up, a basic policy conforming to the historical trend, has struck permanent roots in the hearts of the people after 10 years of practice.

In the past 10 years, Beijing's annual exports have increased from US\$280 million in 1978 to more than US\$1 billion. More than 400 Sino-foreign, co-operative or foreign-funded enterprises have been established

and 1,600 technological processes involving US\$2.5 billion introduced. A cluster of office buildings and tourist facilities have been built with the aid of foreign capital. These have played an important role in the city's economic development.

In the 11 years until the end of this century, Beijing will adopt effective measures to further open up to the outside world. In foreign trade, plans are being mapped out to improve the structure of exports by increasing the proportion of machinery and electronic products and decreasing that of textiles. Attention is also being paid to improving the quality control of exported goods by increasing the adoption of international standards. Efforts will also be made to open up more overseas markets, especially in the Soviet Union and Eastern Europe. An international marketing network for Beijing products will be set up to facilitate promotion, advertising, sales and post-sales service. In attracting foreign capital, emphasis will be shifted to the infrastructure and export-oriented processing industries. The Beijing authorities also plan to further simplify

procedures for examining and approving projects and to delegate power downward. Besides, the investment environment, such as the supply of materials for Sino-foreign joint ventures and the living and working conditions of foreign workers, is to be improved.

In labour export, more contracts should be won through co-operation with foreign companies. Special attention will be paid to the export of technical service. In introducing technologies, emphasis should be put on key areas, equipment and personnel. Overseas investment will also be considered to promote the city's foreign trade and facilitate the feedback of information from the international market.

A vast and populous third world country, China will maintain a relatively high rate of growth in the coming years. It is plain to see that China has a lot to buy and to sell as well. China is a vast production base as well as a boundless market. It will play a more and more important role in the world economy and trade. The door to Beijing and to the whole country will still be open to the outside world. □

## Foreign Entrepreneurs and Chinese Staff Overcome Difficulties

**Although many foreign staff working at foreign-funded enterprises left temporarily for home during the counter-revolutionary rebellion early last June in Beijing, many others stayed and remained at their posts with Chinese staff members through the difficult times. Some foreign business people at that time even expanded their co-operation with China. The following are reports on some foreign-funded enterprises in Beijing, Tianjin and Shanghai.—Ed.**

**Beijing.** When the counter-revolutionary rebellion broke out in Beijing, the Beijing-Matsushita Colour Kinescopes Co. Ltd. was occupied with trial runs in preparation for normal

operation. According to Zhang Zhongwen, deputy general manager of the Chinese partner, his company did not stop operation for even a single day. Sometimes when there were traffic difficul-

ties, workers and staff members of his company still went to work on foot or by bike, keeping up an attendance rate at above 85 percent. None of the 38 Japanese staff, including seven senior ex-

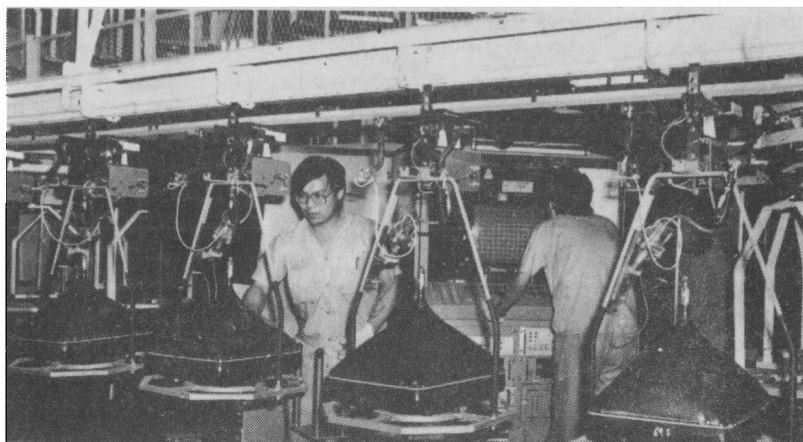


perts, was evacuated from the company. Mr. Ninagawa, general manager of the Japanese side, said: "After the martial law was enforced in parts of Beijing, each company staff member, particularly those of Beijing, put in a lot of hard work. They treated their work like a ship's crew in a storm, enabling the enterprise to ride out the difficulties. We, the Japanese clerks, did whatever was necessary in accordance with our schedule."

The Beijing-Matsushita Colour Kinescopes Co. Ltd. is a large enterprise jointly financed by Beijing and the Matsushita Co. of Japan. Construction of the factory started in September 1987 and has required a total investment of 494 million yuan. When it is up and running, the joint venture will have an annual production capacity of 1.81 million colour kinescopes. Originally slated to begin normal operation in September this year, but, through the concerted efforts of both partners, it produced its first batch of standard products early last month well ahead of schedule, and will formally go into operation this month.

During the counter-revolutionary rebellion in Beijing, although many foreign representatives of foreign-invested enterprises left Beijing for home, more than 100 foreign business people remained.

For example, none of the seven Hong Kong and Malaysian technicians, at the Beijing Tai Zi Wool Spinning Co., and their family members left for home. Mr. Jiang Xinjia, deputy general manager of the foreign party, said that if they left, it would have caused losses to the company and produced an unfavourable psychological impact. He believed the Chinese government had the ability to bring the situation under control. Through the joint efforts of both parties, his company continued operation



During the counter-revolutionary rebellion in Beijing, Chinese and Japanese workers and staff of the Beijing-Matsushita Colour Kinescopes Co. Ltd., the largest Sino-Japanese joint venture, kept production going and turned out the first batch of standard colour kinescopes.  
XIN HUA

without a single day's shutdown. Between late May and early June, daily output of knitting wool remained at three tons.

Liang Jingxian, chairman of the board of the Beijing Jingding Hotel Co. Ltd., and his wife came to Beijing on May 10 while their only son attended a middle school in Hong Kong. In the first few days after the counter-revolutionary rebellion in Beijing, their relatives and friends in Hong Kong phoned them several times a day urging them to return to Hong Kong as quickly as possible. But they refused to leave. They said that the project from start to finish had been built with the strong support of the Chinese authorities and they felt that the Chinese government could be relied upon. They added that they, in turn, should also be dependable, standing together with the Chinese government through thick and thin. In his letter to the Party Central Committee and the State Council on June 9, Mr. Liang said: "During the turmoil, some people in Hong Kong migrated to other countries. I, however, firmly believe in the policy of the Party and government and I will not migrate. Although we have limited resources, we'd like to contribute our bit to the flourishing

of post-1997 Hong Kong and to the prosperity of the entire country."

R.C. Swando, vice-chairman of the board of the Beijing Jeep Co. Ltd., has worked with his Chinese counterparts for a decade and cherished a special affection for the jeep company which he founded. Because of traffic tie-ups during the riot in Beijing, the company partially suspended its production and US personnel left China for home. Swando, even though he was on the other side of the Pacific, remained calm and concentrated his attention on the future of his Beijing enterprise. When he learnt that the jeep company resumed production after a four-day suspension, he immediately sent a telex of congratulation from the United States to Wu Zhongliang, chairman of the board of the company, and Chen Xulin, general manager of the company, saying: "I am very glad to hear the news that our company has resumed production. We'll spare no effort in supporting the original work schedule developed by the board of directors and continue our close co-operation."

**Shanghai.** In early June, many streets in Shanghai proper were

obstructed by roadblocks, so that ordinary vehicles were unable to pass through the streets and the city's communications and transportation system was brought to a standstill. There appeared an unprecedented scene in Shanghai streets: "foreign managers," who used to take comfortable, luxury cars, went to work, like their Chinese colleagues, by bicycle, boat or on foot.

One of the foreign managers was Dr. Terry Kinty, general manager of the Shanghai Yao Hua Pilkington Co. Ltd. (SYP), the biggest British joint venture enterprise in China. His company is located in Pudong, the eastern side of the Huangpu River, just opposite downtown Shanghai. He used to go to and from work by car travelling through the tunnel under the sea. On June 7 and 8, however, the tunnel was blocked. The company's chairman of the board of directors for the Chinese partner telephoned him and told him not to come, but he insisted on working. He travelled by boat from the city proper to the Pudong ferry, and then walked, together with his Chinese workers and staff, to the company.

The British company is one of the largest glass enterprises in the world, producing 5,000 tons of fluid glass each week. It's been operating for more than a year, and the quality of its cameo glass products are up to the technical standard required of the European Community. The glass exported to more than 10 countries and regions including South Korea, Japan, Singapore, Thailand, the Philippines, Australia, New Zealand, Canada and Hong Kong, is now raking in a profit. The British company has many branches in such places as South Korea and Taiwan. But because of its high quality and low price, the Shanghai products, in particular, gained a wide reputation. This year, production and sales

are very satisfactory, with orders pouring in continuously both from within China and from foreign countries. At least every month, one or two container boats leave Shanghai.

Dr. Terry Kinty had worked for 23 years for the British Pilkinton Company. He was sent to Shanghai on a three-year contract which has now expired. However, he likes working with young and talented Chinese workers and so asked for a contract extension. At the end of this May, when his wife came to Shanghai from Hong Kong to spend holidays with him, some cities in China experienced unrest. In spite of this, he and his wife travelled to Xian and Kunming and after returning to Shanghai, continued their travel by taking in Suzhou. Dr. Kinty calmly explained that events such as was occurring in China happen also in many other countries. He said that even Britain once had such an event, adding that it was nothing to be afraid of. He said, what has happened is only a temporary event, because everything now goes on as usual. China is a stable, safe country.

The Shanghai-Volkswagen Company, a joint venture between China and the Federal Republic of Germany, has more than 300,000 square metres of factory area. Its 585 metres-long, general installation shop floor is the longest and most advanced general car assembly line presently in China. A car can be assembled and out of the line in every seven minutes on the average.

The company, which was put into operation four years ago, has won the title as one of the top ten joint enterprises in two years running. Last year, the company's per-capita productivity reached US\$173,000.

On June 14, Shanghai's Mayor Zhu Rongji and Deputy Mayor Huang Ju went to the company

to see the experts of the Federal Republic of Germany, praising them for standing fast at their post and for their insistence on production in times of difficulties. The two mayors expressed their thanks to them for their efforts.

When communications in Shanghai was being blocked, 15 determined German experts of this company moved from the Yandang Building in the centre of the city to a small hotel on the outskirts of the city near their company, so as to get to work in time. One technical executive manager in charge of the company's production said: The company's leadership and administrative work are jointly shared by the staff of our two countries. It is a model enterprise and we need to make every effort to protect it. Under any difficult circumstance, we'll unite in co-operation so as to continue production.

Liu Nianshu, a Thai citizen of Chinese origin and the general manager of the Ekchor Motorcycle Co. Ltd., a joint venture between Shanghai and the Chia Tai Group of Thailand—the largest comprehensive joint enterprise in the field of agriculture, animal husbandry, industry and commerce—hurriedly flew back to Shanghai with the Chinese partner's Deputy General Manager Wang Fuqing on June 11 as soon as he finished a meeting of the board of directors in Japan. He was very satisfied to see that the Chinese employees insisted on production even while the two general managers were absent, and that they were not influenced by the outside disturbances. He told this correspondent: "Although this unusual period was very short, it's clear that the expertise of Chinese workers and staff is very high. They abided by all disciplines and obeyed orders as usual, each in their respective post. I believe

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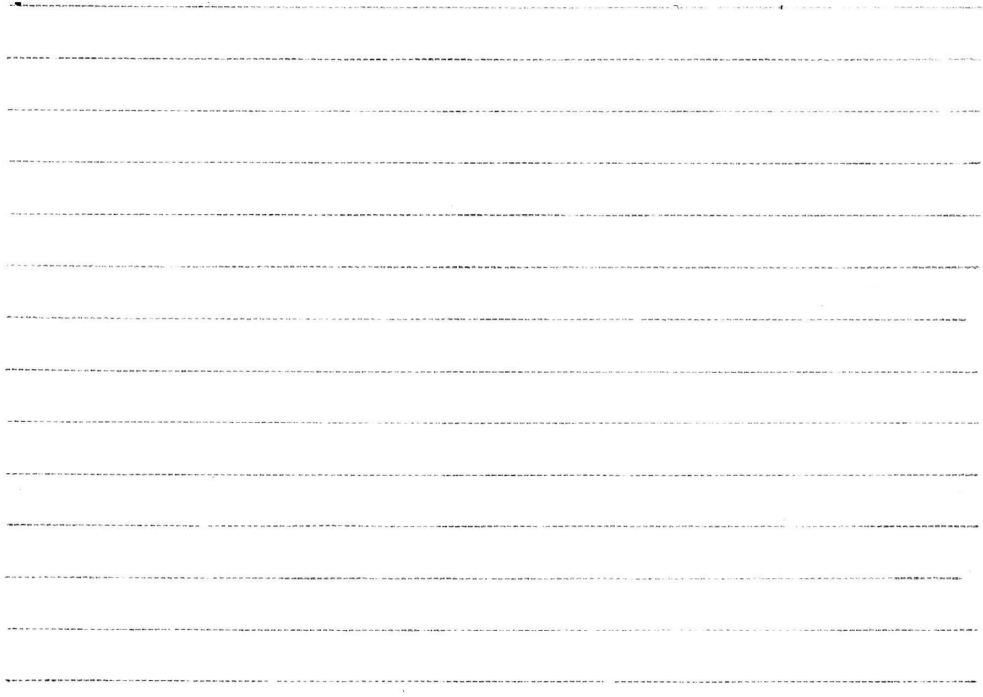
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BEIJING REVIEW

北京周報

Beijing 100037  
The People's Republic of China



that China's open policy won't be changed and that it is now right time to invest in China." The Chia Tai Group of Thailand has decided to increase its co-operation with China and is expected to re-invest US\$100 million within the year which will be used to build four motorcycle and vehicle fitting factories in Shanghai.

Since 1979, the Chia Tai Group has invested in projects in more than ten provinces and cities in China, and has been increasing its investment annually. At present, about 20 joint venture enterprises have been put into operation, seven of them in Shanghai, with total investment reaching US\$76.9 million. Not long ago, president of the Chia Tai Group of Thailand told this correspondent that every project begun in China by the Chia Tai Group had obtained a profit, but it was in Shanghai that they had made the most money.

In the Minhang development area, the correspondent heard about the general manager of the Shanghai Margaria HighGrade Knitting Fashion Garment Co. Ltd. In the four days when traffic in Shanghai was held up, in order to guide production, he stayed at the company instead of returning to his hotel. When interviewed, he said: "Consumers in Japan are waiting for our products so the more we produce, the better." Qin Fanxiong, general manager of a company funded by the Japanese Shinmei Electric Co. Ltd., left Shanghai for Japan. After several days, when he saw that the situation had returned to normal, he came back, together with the Japanese partner's chairman of the board of directors of the company, to talk about an increase of investment and expansion of their production in Shanghai. They expressed confidence in continuing Japanese investment in China.

In the Caohejing new technology development area which is called Shanghai's "silicon valley," six high-technology enterprises from the United States, Japan, the Netherlands and Hong Kong have signed contracts to open factories in May. Three of them were sole proprietorship enterprises including the well-known US 3M Company. It has invested US\$12 million and is erecting a new factory building with a floor area of 50,000 square metres.

To date the Caohejing development area has undertaken nearly 20 foreign projects, with a total investment of US\$100 million.

The foreign consulates and full service office building in the Hongqiao economic and technological development area started up operations on May 22. The Consulate General of Czechoslovakia is the area's first "tenant." This development area will become Shanghai's centre for foreign affairs and foreign economic and trade exchange matters. At present, the district has received more than US\$600 million investment, 340 million of which is from business people of the United States, Japan and Hong Kong.

Through international bidding, the city of Shanghai has transferred two blocks of land-use rights in the area. The first block with an area of 1.29 hectares was purchased by Japanese businessmen and the second with 0.36 hectares was bought by Hong Kong business people. The two purchasers of the land-use rights have already begun their initial design and development.

**Tianjin.** On June 14, Motorola Corporation of the United States sent a telegram to Tianjin Economic and Technological Development Area, saying that the corporation would continue to carry out its plan for setting up a semiconductor plant in the area, in which the corporation has al-

ready invested US\$400 million.

Motorola is one of the world's five largest electronic communication apparatus companies. Two years ago, after deciding to build in China and investigating different sites, the corporation chose the Tianjin Economic and Technological Development Area as the location for its factory. During the period of outbreak of counter-revolutionary rebellion in Beijing, the corporation hesitated as to whether the project would proceed. Due to the final resolution of the riot, along with efforts made by the Tianjin government to improve the investment environment, the corporation has taken notice of China's unchanging open policy, a stance in which the corporation is able to have full confidence.

In a Sino-Japanese joint venture, Tianjin Pegasus Sewing Machine Manufacturing Co. Ltd, our correspondent visited Mr. Shimogawa Yu, general manager of the Japanese partner. At the time when the counter-revolutionary rebellion was occurring in Beijing, Mr. Shimogawa Yu was leading a number of Chinese workers to Japan to attend technical training classes. On hearing the news, he became concerned about his factory, so he immediately flew back to Tianjin. He was satisfied, however, when he saw that his workers, full of enthusiasm, were doing their work as usual, and that both production and sales were as good as before.

The company produces a variety of hemming and sewing machines and since January, has fulfilled its productive tasks on schedule. In May, the company turned out 310 hemming and sewing machines and in June, as well, production and sales were on schedule. Successful operations had already strengthened the confidence of both sides. In February, for example, the board of directors decided that each

side would put US\$840,000 more into the factory for expansion of production and on May 24, the Japanese partner completed the agreement by sending a telegraphic money order to the factory. General Manager Shimogawa Yu said, "The unrest brought us some difficulties in delivering goods and letters but we believed the problem would be quickly solved. It's unnecessary to panic when it rains," he added.

Co-funded by Tianjin, Italy and Hong Kong, the Tianjin Jintak Garment Co. Ltd. produces a variety of high-grade clothes. During the period of counter-revolutionary rebellion in Beijing, the shareholder headquarters of the Italian side and the Italian Embassy in Beijing rang Gianbruno Cibischino, the deputy general manager of the company many times, asking him to return to his country. He declined saying, "I saw with my own

eyes that Tianjin's situation was stable. Though riots did happen in Beijing, I still believed that the Chinese authorities would take measures to stabilize the situation."

Since the company was founded in October 1988, it has produced 40,000 suits of high-quality Western clothes, half of which were exported. This May, the company made 7,000 suits of Western clothes, fulfilling its monthly task ahead of schedule and the deputy general manager was quite sure that the company would fulfil the June quota.

When asked about the reason for such stable working conditions and the normal production at the factory, the deputy general manager replied earnestly that the key reason was the expertise of his workers and staff, and that his presence in Tianjin was only a secondary reason.

In the days of unrest and riots,

most foreign investors and businessmen in Tianjin expressed their understanding of and trust in the Chinese government and China's policy of reform and opening up. The "Group of 48 British Traders," on their part, sent a telegram, expressing its hope for further co-operation with Tianjin. In addition, a number of foreign and Hong Kong companies expressed their willingness to continue investing in and offering loans to Tianjin. Now, even more foreign and Hong Kong investors and businessmen who had left because of the riots have come back to Tianjin.

Mr. Tatsuo Kobori, general manager of the Kokyo Flex Tianjin Industrial Co. Ltd., was working and living in Tianjin in the days of the riots. When speaking about that period, he said that often the end of bad times brings in a bright future.

(Excerpts from "Outlook" weekly, Nos. 25-26, 1989)

## Chinese Clothing Catches Up With World Trend

by Our Staff Reporter Wei Liming

Upon hearing that people on the mainland were all simply clothed, looking even provincial, a Taiwanese woman brought only her plainest clothes with her when she visited relatives in Beijing. The first day on the street, however, she found the people so fashionably dressed that she couldn't help feeling out of place, saying, "If I had known that Chinese designs were so attractive, I would have brought my most fashionable clothes!"

The great changes in the dress of Beijing dwellers as well as for people in other parts of China in recent years have amazed many outsiders visiting China after several years' absence. The former situation of "700 million blue ants" has long since given way to colourful dresses showing indivi-

dual characteristics and it is in vogue to keep up with world fashion. A sample survey among Beijing citizens in 1988 showed that 61 percent of the young people and 25 percent of the middle-aged favoured fashionable clothes, and that an astounding 25 percent of them never asked prices when buying fashionable clothes. In addition, a considerable number of consumers, young people in particular, not only make it a point to keep up with fashion trends but also with name-brand products. "Nike" and "Addidas" are the Chinese young people's most favoured trademarks.

To correctly guide appropriate consumption and accurately guide production, the government included predicting trends

in clothes fashion as a key project during the Seventh Five-Year Plan period (1986-90). The task is undertaken jointly by the China Clothing Research and Design Centre, clothing research institutes in Beijing, Shanghai and other places, and the Beijing Dressmakers' College. Since 1986, in line with international practices, relevant Chinese authorities announce "fashion trends" twice a year to help producers and consumers choose the colour, materials and design of clothing.

Although such a practice began very late in China, it has created a chain-reaction. Following the first announcement, Dalian, Shanghai and other cities opened clothes marketing fairs, at which the value of clothes or-

ders has annually topped 100 million yuan. This year, representatives from ten provinces and cities attended the fashion announcement and follow-up fairs indicating increasing importance attached to the study of the fashion trends in China and the fact that the practice has been accepted by an increasing number of people.

## Clothing Industry

After 40 years of development, since the founding of New China, China's clothing industry has become an independent production system in which multiple economic sectors—state-owned, collective and individual businesses and Sino-foreign joint ventures—coexist. With these large enterprises acting as the major clothing producer and supplemented by both rural township and individual businesses, the industry has become an important supplier of consumer goods as well as a large exporter and foreign exchange earner.

According to Yu Zongyao, general manager of the China Clothing Industry Corp., China's clothing industry experienced two stages of development. During the first stage, from the early 1950s to the late 1970s, China's clothing enterprises chiefly processed ready-to-wear clothes either by hand or semi-mechanized means, and consequently their export was very limited. Basi-

cally home market oriented, it developed slowly.

The second stage in the past decade saw rapid growth of the industry. Reform and opening up gave the industry a shot in the arm. Specialized clothing enterprises with unique characteristics

mushroomed while mechanized and computerized controls were widely introduced in production to assist design work, material processing and overall management. The previous monotonous product mix has, as a result, been replaced by more colourful and attractive ones.

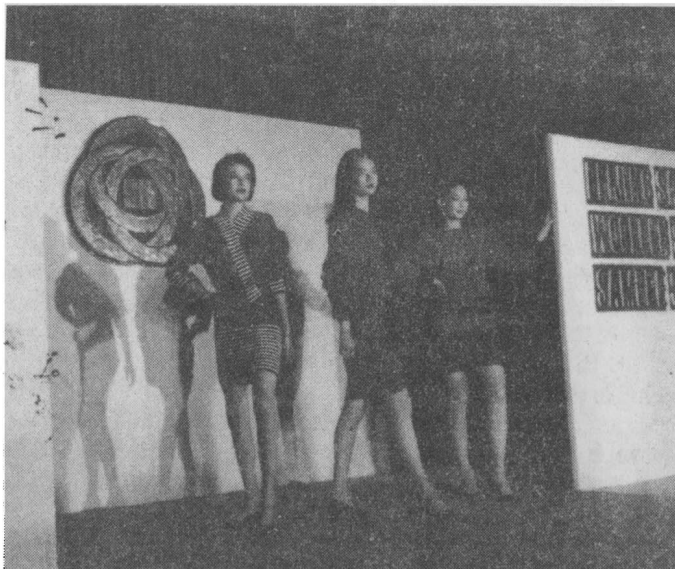
Today, there are more than 1,000 enterprises with a total workforce of 300,000 people in China which produce clothing mainly for export. In 1988, they yielded 13 billion yuan in total industrial output value, nearly doubling the figure for 1978.

## First-Rate Designers

Some posh shops began to sell designer label clothing two years ago. Although, at the beginning, the public was not used to it, the urge to choose their favourite designer apparel when making purchases has become increasingly popular among the consumers.

At present, although China's mainland lacks first-rate fashion designers, a large number of young designers have brought vigour to the clothing business with their bold and exotic imaginations.

Ma Ling, 20, one of the new, gifted generation of fashion designers, is one such person. After gaining fame in the movie *Rock'n'roll Youth*, she turned out a series of dazzling fashions, and created a furor the first time China's mainland participated in a fashion



A fashion show of the latest designs produced by the Beijing Sanhuan (Three-Ring) Wool Spinning and Knitting Group. CHEN ZONGLIE



show in Hong Kong in 1988. A local newspaper commented, "Her design has cast aside old conceptions and makes people feel the fresh and the new."

In mid-March this year, Ma brought to France more than 70 sets of fashions she designed, an event covered by the No. 2 Television Station of France. A French reporter said he was surprised by Ma's youth and deeply impressed by her works from which he saw "the beauty arising out of the combination of oriental charm with Western culture."

Deputy director of the China Clothing Research and Design Centre, Tan An, finds it unlikely a generation of outstanding designers will be cultivated without the basis and support of an underlying theory. A question, for example, which frequently obsessed Chinese clothing designers in the past was how to organically combine current trends with a national style. At the first national symposium on the art of clothing design held in 1987, the participants, after heated discussions, unanimously agreed that while the national culture does represent individual characteristics, the sense of the times represents the general character, and clothing designers should try to meld the general character of the times with the individual character of the national culture. "Today, to seek novelty in succinctness, gracefulness in an unvarnished style, and actually come up with a series of products has become the common principle pursued by many designers," said Tan.

Chen Fumei, director of the Beijing Clothing Research Institute and a veteran clothing designer herself, said that at the end of the "cultural revolution" her major concern was how best to rid fashion of conservative design but that, in the 1980s, she has been simply trying to stay abreast of the times.

Chen was born in 1935 in Japan and returned to China in 1956 after graduating from the Tokyo Girls' Fine Arts University and the Lady's Dressmakers' College in Kobe. A school uniform she designed captured first prize at a national students' clothing competition and in 1987 she was named one of the ten best clothing designers by the Ministry of Textile Industry. Chen, who is also called "the goddess of beauty" by some Chinese journals, deems it necessary to introduce from abroad some creative, yet national, design methods to make up for the influence of China's past closed-door policy. At the same time, she warns against adopting unsatisfying "flavours" in fashion trends.

She likens the lack of harmonization in recent work which combines emptiness with illusion to a kind of pursuit of incomplete beauty. This, she notes, does not reflect the Chinese spirit of self-respect and self-esteem. "I believe the Chinese ought to be clad in more colourful clothes. But we should distinguish the wheat from the chaff, a task for which we clothing designers bear a heavy responsibility."

### New Models

A few years ago the public was quite indifferent to the role of fashion models and, even in 1981, when the well-known French designer, Pierre Cardin, led a team of models to Beijing and Shanghai for performances, a Chinese paper criticized the sponsor with the headline "Foreign Fart Is Fragrant." Today, however, the fashion model has become a sought after occupation by many young women, with some even having become quite successful. Peng Li, a prize winner at an international model contest held in Italy in August 1988, is a case in point.

Peng, 20 years old and 1.75 metres high, was born into an ordinary worker's family. Her parents had strongly opposed her becoming a model. In March 1987, she joined the Beijing Fashion Model Team and the following year went to Italy to compete in the model contest sponsored by the WHY NOT Fashion Model Co. After four rounds of rigid screening, standing against over 2,000 fashion models from 26 countries, Peng captured first prize. An Italian and a Soviet came in second and third respectively. Afterwards, her excited mother heartily accepted her daughter's choice of profession.

China's first fashion performance team was founded in 1980 in Shanghai. Today, there are more than ten professional fashion performance teams while the number of those working spare time is close to 1,000. The China Fashion Model Performance Team has been warmly received during its visits to France, the Soviet Union, West Germany, Japan, Hong Kong and Thailand, but the biggest stir occurred in Moscow with all 47 performances attracting a full house.

Deputy director of the China Clothing Research and Design Centre, Tan An, says that China will set up a model company and establish standardized fashion performance troupes. Although there are more than 20 colleges in China with clothing design specialities or departments, there is no school specializing in the models. There is a need for this, Tan says, because despite the increasing popularity of fashion performances, some negative aspects have appeared—fashions, at times, are too low-cut and transparent, and the hair style often does not fit well with China's mores.

In establishing model companies and fashion performance troupes, besides strengthening



management, priority will be given to improving the quality of models through new training courses at which domestic and foreign experts will lecture.

### Sino-Foreign Co-operation

In the newly reconstructed Dongsu People's Bazaar, Beijing, some women, full of curiosity, gathered round a counter, reluctant to leave. Behind the counter, a golden haired, blue-eyed American girl, speaking fluent Chinese, was showing some dress patterns of the McCall Pattern Co. and trying to persuade the potential customers to buy her product valued at almost one-tenth of the monthly salary of an engineer.

The introduction of dress pattern is one part of the agreement signed by the Beijing Clothing Research Institute and the McCall Pattern Co. of the United States. They both hope that the simple, straightforward patterns will be well received by the Chinese public and promote renewal of China's home clothing industry. Xu Bobo, deputy director of the Beijing Clothing Research Institute, said, "At first, they were hard to sell. But now, everyday we get 40 to 50 orders. It seems that people are gradually accepting their use." Apart from the Beijing sales location, sales outlets have also been set up in Guangzhou, Xiamen, Shenyang, Changchun and Chongqing.

In co-operation with Japan's Nichimen Co., the Beijing Clothing Research Institute is manufacturing all-around use garments called "bigmates." The garment is comfortable and looks nice on men and women, young and old. Xu said that the institute will produce a series of garments with 350 styles for sales distribution on the eve of the Asian Games in Beijing in 1990.

China's garment industry in-



Business is brisk at the privately operated women's clothes stalls in Shishi town, Fujian Province. CHENG XI

cludes 68 foreign-funded enterprises, 14 of which enjoy the ability to make import and export decisions. Beginning in 1987, a dozen or so joint venture garment businesses have been established in Beijing. These joint ventures deal in fashionable dresses both currently in vogue around the world and marketable to the Chinese people. Although prices of these joint venture dresses are several times higher than the local product, business is still booming.

Yu Zongyao, general manager of the China Clothing Industry Corp., said, "We hope that the Sino-foreign joint ventures and co-operative enterprises will quickly raise our product quality and continue to help improve the management expertise and technical level of our local industry. We also hope more countries will invest in China and develop more co-operative products."

### A Long Way to Go

It's hard to believe that it was as recent as January 1985 when the first Chinese garment design group visited Paris that a French counterpart asked them, "You wear Western-style suits abroad

but, at home, don't you still bear long gowns and mandarin jackets?" This question disturbed the visiting Chinese. At that late date, the repercussions of China's closed-door policy still made it so difficult for both sides, Chinese and foreign, to understand one another.

To learn advanced clothing design, the Chinese Clothing Industry Delegation went to France in 1985 to participate in the 50th Paris International Women's Dress Fair. In 1987, Chinese designed garments entered the Second International Garment Festival, known as the "World Garment Olympics." Chinese fashion models in red and black ceremonial dresses designed by Chen Shanhua, a young garment designer from Shanghai, performed with 980 models from a dozen countries, and, by their performance, did credit to their country. In the final evening of the festival, sponsors especially arranged a special curtain call for the Chinese. *Le Figaro* of France commented, "Those Chinese girls from Shanghai in dresses of red and black check have defeated the skirts from the Federal Republic of Germany as well as the mini's from Japan."

In recent years, China's garment export has grown rapidly. In 1987, total exports came to US\$1.6 billion. According to the 1988 customs statistics, the export volume exceeded US\$3 billion, or well over 10 percent of the nation's exports bringing in foreign exchange earnings. Of this figure, shuttle weaved garments earned over US\$2 billion, registering a 20 percent increase over 1987.

The quality of garments for export is improving and the export of ordinary shirts, pajamas and work clothes is being replaced by medium- and top-quality fashionable dresses. China has now set up a dozen export centres in Guangdong, Jiangsu, Liaoning, Beijing, Tianjin, Shandong, Zhejiang, Fujian and Hebei. Chinese garments find their way to 130 countries and regions in the world, although the bulk of exports, 80 percent, are sold in the United States, Canada, the EC and Ja-

pan.

"Compared with advanced countries in the world, though, China's garment industry still has a long way to go," said General Manager Yu Zongyao who summarized the following four major problems facing the industry:

First, distribution of materials and supplies for garments is blocked. Materials needed by some clothing factories cannot be produced by textile mills. Although the management of the garment industry has been changed from the Ministry of the Light Industry to the Ministry of the Textile Industry, the problem has not been completely solved.

Second, scientific, managerial and designing personnel are inadequate.

Third, outdated equipment and technologies seriously handicap production efficiency.

Fourth, the management of production and operation's pro-

cedures are, comparatively, behind the times.

General Manager Yu said that China still has a long way to go to change the situation. He noted that China's garment development policy in this century is to co-operate with Hong Kong, use West European and US experience for reference and link production with sales.

This means the Chinese garment industry will be transformed from a mainly low-grade product line to higher grade fashionable dresses of superior quality.

General Manager Yu also said that China should produce its own name-brand products, and efforts will be made to export US\$20 billion of garment annually so that its export will account for 60 percent of all foreign exchange earnings from textiles. At the same time, the amount of ready-to-wear clothes made in China will be increased from 30 to 80 percent. □

## Hunger Strikers Used as a Tool For Political Blackmail

by 'Beijing Daily' Reporter

**D**uring the university students' hunger strike, the "Beijing college students' autonomous federation" announced its refusal to keep any contact with the Beijing municipal government. At the same time, to ensure the safety of the hunger strikers' lives, the Red Cross Society of China, Beijing Branch (BRCS) sent medical workers to the square to give the students first-aid treatment, so that, in the end, there were no health complications and not one died. At the same time, medical workers of the BRCS were in contact with the chiefs of the "federation," doing preparations

for mollifying the event. However, these people, with ulterior motives, paid no attention to hunger strikers' health and deliberately obstructed medical workers' efforts to give first-aid. Their apparent purpose was to exacerbate the situation, befuddle public opinion and mislead those unfamiliar with the situation. From the following events, described by medical workers of the BRCS, one can clearly see the nature of the hunger strike organized by the illegal "Beijing college students' autonomous federation."

**To enlist the support of international organizations, the "federation"**

**drives medical workers out of the square.**

From the start of the hunger strike, the situation was followed with interest by the Beijing municipal government. At 9:00 p.m., on the first day, medical workers of the BRCS and two ambulances of the Beijing First-Aid Station were sent to standby near the square. They prepared table salt, granulated sugar, boiling water and medicines and delivered them to hunger strikers while making their rounds of hunger strikers, gave initial first-aid to those who fainted and sent them to hospitals.

On May 16, when some 600

students had successively fainted from hunger, medical workers and students from 22 hospitals and medical colleges appealed to the BRCS to ensure the safety of the hunger strikers' lives, and at 5:00 p.m. that day, students in the square carried banners with slogans asking for a dialogue with leading officials of the BRCS. At 7:00, the BRCS leaders met with some standing committee members including Xiong Wei of the "Beijing college students' autonomous federation."

During the talks, Xiong Wei and others didn't put forward any concrete plan to provide first-aid, but instead made an appeal to the League of Red Cross Societies (LRCS), China Red Cross Society and the BRCS. The "federation's" standing committee members claimed that in accordance with international practice, the LRCS may intervene in any fast over 72 hours and indicated that they would get in touch with the LRCS. This demand was rejected by the local Red Cross officials because no such precedent existed internationally for such action. The BRCS then asked, "Don't you love your country? Why do you invite foreigners to do what Chinese can do? Our branch, with 620,000 members, has the ability to give adequate treatment and examinations to all strikers in need." After repeated argument, the BRCS and the "federation" signed an agreement, which allowed the BRCS to conduct rescue work in the square, examining and treating the ill students.

That day, Xiong Wei and others had asked to meet with leading officials of the China Red Cross Society. During discussion in the head office of the Red Cross, they stated the hope that the LRCS would intervene and examine the condition of the strikers who had been fasting for

three or more days, adding that the UNESCO had such regulations. Leading officials told them that there was only one UNESCO, but, it had no stipulations on intervening in fast activities of foreign countries. Leading officials of the Red Cross turned down their request.

It was already 0:40 a.m., May 17, when, after returning to the square from the head office of the China Red Cross Society, "federation" heads, in a provocative tone, questioned officials of the BRCS, asking, "In 20 minutes, can you move the ambulance corps in?"

At 1:00 a.m., May 17, 80 medical workers of the BRCS arrived at the square together with 16 ambulances and two buses. The quickness of the Red Cross' action so surprised "federation" chiefs that they kept silence.

According to the agreement, the "federation" was to take responsibility to open passageways for medical workers to enter the fasting area and to divide hunger strikers into four groups, so that medical workers could work more smoothly. The "federation," however, did nothing. Medical workers had to stay outside the square for more than half an hour before being allowed into the area. Even then, the hunger strikers lay on the square in such disorder that most of them had gone to sleep, and that medical workers had difficulty moving about and were unable to distinguish those who had fainted, weakened from hunger from those who were simply sleeping.

With the help of teachers and students from medical colleges, medical workers woke strikers and made a diagnosis of strikers one after another. Several hundred hunger strikers were sent to hospitals for medical treatment.

At 4:00 a.m., May 17, the loudspeakers in the square sud-

denly began broadcasts. The "federation" announced it would unilaterally break the agreement between itself and the BRCS, declaring the BRCS to be unwelcome, and drove away all medical workers from the square.

**Using hunger strikers' lives as political chips, the "federation" attempts to exacerbate the situation.**

The "federation's" act of driving medical workers away was opposed by most hunger strikers. Up to the afternoon of May 17, about 1,700 hunger strikers had been sent to hospitals for medical treatment. And, advised by workers, some of them began to eat. According to these students' reports, the "federation" set up picket lines to make it more difficult for hunger strikers to get in touch with people outside the square. Those students were aware of the changing nature of the event when they heard various kinds of slogans shouted by supporters and extended warm thanks to the BRCS for their care which saved their lives. At the same time, some students in the square were questioning the "federation's" ability to ensure the safety of hunger strikers' lives. Under such pressure, the "federation" made an apology to the BRCS and again asked medical workers to come into the square.

At 5:00 p.m., May 17, Beijing municipal government notified the BRCS and the departments concerned that there would be thunder showers on May 18 and asked them to help the hunger strikers obtain shelter. The BRCS immediately got in touch with the "headquarters of the hunger students" and offered to provide buses for the strikers to use as shelter. But it wasn't until at night that Guo Haifeng, a standing committee member of the "federation," replied.

Guo Haifeng repeated an earlier request for tents to be deliv-

ered. His "federation" had already put forward such a request in order to prolong their stay in the square. Leading officials of the BRCS replied that in order to ensure the students' good health, buses should be used, because they were more convenient for cleaning and sterilizing, while tents became easily waterlogged and could breed germs. Guo Haifeng, however, asked, "Do you intend to carry away the students on the buses?" Leading officials of the branch answered, "No students will be taken away. Your 'federation', though, should consider the safety of the students. If students become seriously ill due to the rainstorms and lying about on the wet ground in the tents, are you able to bear responsibility for all this?" Only then did Guo say that he would discuss the matter with the others.

Delaying a decision until 2:00 a.m., May 18, the "federation" finally consented to the offer of buses for shelter and requested that 70 buses come to the square by 6:00 a.m., May 18.

The Beijing Bus Corporation quickly resolved several difficulties and 70 buses arrived at the square by 5:50 a.m. The hunger strikers' spirits were raised as they got on buses, but, the "federation" still believing the buses were meant to take students away, once more reneged on an agreement by damaging the buses — its members punctured tires and ruined the engines.

#### **Manipulators behind the scenes were directing the hunger strike.**

At 5:00 am, May 18, Premier Li Peng and other government leaders went to the hospital to see the fasting students, hoping that the students would end the hunger strike and receive medical treatment. The number of the fasting students sent to hospital by that time had reached 3,504, 32 of whom were in serious condition. It was feared that epidem-

ic diseases might break out at any time. To prevent this, the BRCS published an urgent appeal in the news media calling on students to take care of their health and stop the hunger strike and announcing their continuing examination and emergency treatment of the students.

Beginning on the morning of May 18, responsible persons of the BRCS repeatedly searched for the leaders of "Beijing college students' autonomous federation" and the "square hunger strike group" to continue negotiations on how best to care for the students. It was not until the afternoon that the "federation" leaders including Guo Haifeng and Chai Ling agreed to conduct dialogue, letting the BRCS representative board the command bus. But instead of negotiating, they rounded the square and Qianmen intermittently for four hours, then through the loudspeaker, announced the "declaration of the hunger strike," which did not concern the treatment of students, and in the end, another leader, Feng Congde, asked the BRCS to come again to the Monument to the People's Heroes at 12:00 p.m.

This negotiation lasted from about 12:00 p.m. of May 18 to the afternoon of May 19. During this time, a Beijing University student crossed several picket lines to severely denounce the leaders' trifling with fasting students' lives. Finally, the BRCS official demanded that the "federation" act responsibly, saying, "If you continue to hinder our effort to give treatment, and continue the hunger strike, you will not in any way be able to justify to parents or students, the death of even one person." He added firmly, "If you give the fasting students to us, we will take responsibility for the safety of their lives. If not, you must be responsible for all the consequences."

The nine "federation" leaders

present became confused. At 8:00 p.m., seven of them agreed to end the fast, entrust the fasting students to the Red Cross and sign an agreement.

At that moment, an unidentified person suddenly entered the negotiations by sending a message on a piece of paper. After reading it, the "federation" chiefs quickly said, "We won't sign the agreement, you'll hear our reply after one hour," and then left.

After one hour, at nine o'clock, one hour before the Conference of the Party, Government and Military Cadres in Beijing was to be held by the Party Central Committee and the State Council, in Tiananmen Square, the "Beijing college students' autonomous federation" declared over the loudspeakers that, in order to continue their struggle, they would change the hunger strike into a sit-in, and claimed that some special event would occur that evening. At the same time, groups of college students organized by the "Beijing college students' autonomous federation" ran to each major crossroad outside the city preparing to intercept the military vehicles moving in to enforce the martial law.

Facts above show that the BRCS entrusted by the Beijing municipal government gave their best effort to provide proper treatment to the fasting students. Such actions showed the loving care of the Party and government for the students. But, unfortunately, in the process, the "Beijing college students' autonomous federation," the organizer of the hunger strike, gave no thought to their lives, but instead tried to deceive the hunger striking students and attempted to exert pressure on the government and make political blackmail.

*(Originally published in 'Beijing Daily', June 27)*



## Foreign Chamber of Commerce Set Up

The Interim Provisions on the Management of Foreign Chamber of Commerce, published on July 1, are now in effect. According to these provisions, 16,000 foreign-funded enterprises and companies, business individuals and commercial organizations in China can establish their chambers of commerce on the basis of their home country.

The document points out that to establish a foreign chamber of commerce, first a written application should be presented to the China International Chamber of Commerce. Such application will then be passed for approval to the Ministry of Foreign Economic Relations and Trade. The chamber of commerce is established after the application is finally examined and issued a registration by the Ministry of Civil Affairs. The provisions also point out that the activities of the foreign chamber of commerce should be consistent with its purpose to promote its members' trade, economic and technological exchanges with China, and that it is not allowed to participate in any commercial activities; the foreign chamber of commerce must operate under the supervision of the appropriate administrative organization. Those who violate these provisions will be first warned, fined, prohibited for a certain length of time from activities, or have their registration cancelled or be completely banned.

In recent years, foreign commercial offices in China have often expressed their interest in establishing foreign chambers of commerce. Unfortunately, some countries' commercial offices established organizations similar to their home countries' cham-

bers of commerce and they were subsequently not approved by China's foreign economic and trade departments.

Some legal experts regard the establishment of foreign chambers of commerce as a legal entity that conforms sufficiently with international practice and promotes the development of bilateral economic relations and trade.

by Li Ming

## Co-operation in High Technology

China has listed 204 projects involving high or new technology which it hopes can be developed in co-operation with foreign companies.

Under the title Torch Programme, these new projects were selected from more than 2,000 by the Torch Hi-Tech Development Centre of the China State Science and Technology Commission. Most are in coastal provinces. They are in the following fields: new materials 55; biological technology 23; electronic information 67; machinery and electric equipment 35; new energy resources and high-efficiency energy-saving technology 11; others 13. They represent China's new scientific and research achievements in recent years. Some are state patents and others have won prizes at international exhibitions. They require little investment and few people before they can be put into production on a profitable scale.

Spokesman Ye Jitang said that the centre is willing to establish ties with foreign companies and to negotiate on co-operation. The

centre will also provide various services for foreign companies through co-operative development, joint production or wholly foreign-owned management. China has formulated preferential policies to promote co-operation with foreign firms. For example, their products enjoy tax exemptions and reductions.

To date, the United States' First National Bank, France's Banque Nationale de Paris and Bank of Norway, have had negotiations with the centre and expressed hopes for further co-operation.

In November the centre will hold a symposium on new and high technology co-operation in Guangdong Province. Foreign businessmen are welcome to attend and discuss possible co-operation.

by Li Ming

## Exports and Imports Rise

According to the newest statistics of the General Customs Administration of the People's Republic of China, the value of China's exports and imports in the early half of this year totalled US\$50.3 billion, up 16.9 percent from the same period last year. Of this, exports accounted for US\$22.3 billion, up 6.5 percent over last year while imports accounted for US\$28.0 billion, an increase of 26.7 percent.

Of export merchandise exceeding US\$200 million in value, aquatic products, canned food, medical articles, cotton cloth, silk and gauze, and clothes all increased in trade value; six products, however, such as cereals, raw cotton, coal, crude oil, cotton yarn and processed oil, had decreased in value. The import goods with at least US\$200 million in value, except-

ing log and fleece, cereals, sugar, paper pulp, synthetic fibre, processed oil, paper and rolled steel had all increased by a big margin.

The statistics also show that, during the first half of this year, the foreign trade deficit further widened, growing to US\$5.785 billion, far above the level of the same period last year. Among all statistical indexes, most import and export goods were relatively balanced. In the common spot exchange trade, however, imports had increased by 24.9 percent while exports were down 8.5 percent, with the deficit between them up US\$3.5 billion.

Analysts believe that, in the coming period of time, China's foreign trade deficit will continue increasing, possibly breaking the US\$10 billion mark to reach the previous level of 1985 or 1987.

by Li Ming

## Investment Area For Taiwanese

**R**ecently, the Chinese government approved the establishment of an investment area for Taiwan businessmen in Fujian Province as an encouragement to them. The area covers 1.8 square kilometres of undeveloped land under the control of the Xiamen Special Economic Zone, the Haicang and Xingcun districts of the city of Xiamen and the Mawei Economic and Technical Development Zone of the city of Fuzhou.

The province will encourage Taiwan businessmen to set up enterprises of their ownership, joint ventures and co-operative enterprises in the area. Land will be used on payment of compensation or shares. Enterprises in the Xiamen Special Economic Zone and the Haicang and Xingcun districts will be esta-

blished in line with the present policy of the zone while those in the Fuzhou Mawei Economic and Technical Development Zone will be established according to the present policy of that zone.

The provincial departments concerned are speeding up work on a general development plan and industrial policy for this investment area as well as rules and regulations for the protection of Taiwan investment. The aim is to create a good environment with legal safeguard.

In the first five months of this year, Fujian Province approved the establishment of 400 Taiwan-funded enterprises valued at US\$400 million and 200 of them have started operation.

by Li Ming

## Multi-Functional Corporation

**I**n 1988, China National Light Industrial Products Import and Export Corp., as an experimental unit in the reform of China's foreign trade system, underwent a series of changes, evolving from an administrative trade organization into a comprehensive, multi-functional and international group company.

According to Yang Jianwu, director of the corporation's management office, their major business in 1988 included the following:

Exports reached about US\$256 million including direct exports worth US\$22.56 million and the remainder barter trade with the Soviet Union and Eastern Europe. Imports reached US\$1.46 billion (90 percent of them was correspondent import).

About US\$18.25 million from Japan's export industrial promotion programme was invested in 12 light industrial products which sell well on the interna-

tional market.

Eleven foreign-funded enterprises were set up. The corporation did a lot in advertising, trade promotion, trademark management and market consulting.

The corporation's overseas agencies became independent companies which had helped Chinese enterprises to expand their exports as well as to undertake industrial and commercial investment and international management.

Before the reform, the major work of the corporation was to assign import and export plans to its 58 branches spread around the country, make policies, set a price programme and unify business accounting. After the reform, the corporation and its branches were completely separated, each taking care of its own business. The corporation has 11 subsidiaries dealing with household electric appliances, paper and paper pulp, shoes, caps and toys.

At the same time, it has established 14 enterprises and agencies in the United States, Japan, Hong Kong, and elsewhere, some of these being jointly-funded enterprises.

by Li Ping

## New Container Ship Ready to Go

**A** new container ship, the *Berlin Express*, was launched in Shanghai on June 26. This was seen by world shipping circles as major progress in China's shipbuilding industry.

The ship, displacing 41,700 tons and capable of carrying 2,700 containers, was built by China's Hudong Shipyard for the Happay—Lloyd Shipping Company of the Federal Republic of Germany.



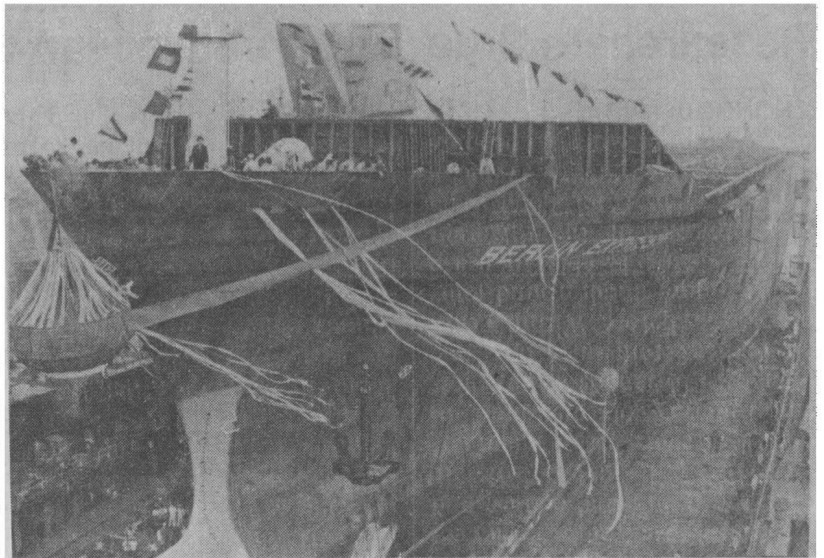
International shipping circles paid much attention to the *Berlin Express*, saying it represented the ships of the 1990s.

Jointly designed by China's Hudong Shipyard and the Shefco Ship Designing Company of Federal Germany, the ship includes more than 20 technological advances, such as an asymmetrical bulb stern, central engine room control, automatic telecontrol on the bridge and emergency telecontrol apparatus.

It is the most advanced and also the largest powered merchant ship China has ever made. And it also is one of the few most modern in the world. "Since China can build this ship," an international shipbuilding authority said, "it is surely able to build any kind of ship except for a few unusual ones."

When China began to build the ship, it was a time of slump in the world's shipbuilding industry. A great number of shipyards were closed. In competition with a dozen or so shipyards from Western Europe, North America, Japan and South Korea, China's tender met the required quality standards and was easily the lowest.

Hu Chuanzhi, general manager of the China State Shipbuilding Corp., said that China had contracted 580,000 tons of ships in 1988, of which 470,000 tons had been delivered. In the first five months of this year, China's shipyards built six ships, altogether 230,000 tons, for Norway, the United States, Federal Germany and Singapore. This



The 'Berlin Express' ready to go.  
Inset: General Manager Hu' Chuanzhi interviewed.

YANG LIMING

year it was estimated that China would build 27 ships of 320,000 tons for export.

The recent unrest in China, he added, did not have much impact on the shipbuilding industry. Some suspended trade talks were resumed, and foreign businessmen, experts and technicians were coming back.

He stressed that his corporation and its subsidiaries would fulfil all contracts and agreements on time.

by Liu Jianjun

## News in Brief

- Invitation to jointly explore the Zhujiang Mouth Oilfield, located near the mouth of the Zhujiang (Pearl) River, has been announced. Zhujiang Mouth Oilfield has seven districts, altogether 70,000 square kilometres, open to co-development.

Since the exploration of Zhujiang Mouth Oilfield began in 1983, a total of 16 co-operative contracts have been signed during the 1st and 2nd rounds of international bidding, opening up an area of 47,000 square kilometres or 36 percent of the total area of the Zhujiang Mouth Bas-

in. With exploration, one-third of the test wells can produce oil, with a success rate of over 30 percent. Of the 17 oil wells explored, seven have been evaluated based on commercial prospects. Final plans for exploration of two districts of the oilfield have been completed. At present, 21 oil companies from seven countries, including the United States, Britain, Japan and Australia, are prepared to begin joint development with China at the Zhujiang River Delta.

- In mid-June, ten co-operative agreements on labour export, engineering contracts and joint-venture investment have been finalized with letters of intent between the Chinese city of Anshan and the Soviet city of Sayansk.

According to the agreements, Anshan will help establish a beer brewery, a timber processing factory, a prefabricated cement parts factory and a red brick factory in the Soviet city. Anshan will also co-operate in construction of a series of service facilities—a chopstick factory, a clothing factory, a Chinese restaurant and a Chinese shop—as well as provide a large source of labour to the Soviet Union. □

## Researchers Urge Co-operative Plan With USSR

ZHONGGUO RIBAO  
(China Daily)

With the normalization of Sino-Soviet relations and continuing reforms in the two countries, a research group of young Chinese economists is suggesting a new co-operative project.

The group is headed by Ju Jiandong, a teacher of Qinghua University's Economic Management School. The group members are his colleagues.

"During and prior to the recent Sino-Soviet summit, the two countries repeatedly expressed readiness for economic and trade co-operation. But no specific schemes have been proposed. Our project is the first of its kind," Ju said in an interview with China Daily.

According to the 10,000 word report, their plan is to comprehensively open up northeastern China, actively promote and participate in the economic development of Soviet Far East and Siberia, transfer large numbers of Chinese labourers to the bordering Soviet Union.

In June, 1985, China and the Soviet Union signed a bilateral trade agreement which states that trade volume between the two countries from 1986 to 1990 will reach 12 billion roubles; 1990 alone will see a volume of 3 billion roubles.

"The present extent of Sino-Soviet co-operation is too small for the vista and potential of such a co-operation," he said.

Ju explained that, due to past well-known political and ideological clashes, the advantages of co-operation between the two neighbouring countries have not been fully utilized. Distressing conflicts have resulted in an irrational or wasteful distribution of resources on both sides.

For instance, the Soviet Far East abounds in natural resources while China is facing an acute shortage.

Meanwhile, the Soviet Far East is estimated to be short of 500,000 labourers; industrial enterprises there are operating at only 50-60 percent of capacity. However, northeastern China has more workers than it needs.

Due to the inadequate capability of processing in the Soviet Far East, large amounts of raw materials have to be transported over long distances to the Soviet European area, raising the cost of production about 30 percent including transportation fees, he said.

Thanks to years of rapid development, northeastern China is now capable of absorbing a considerable amount of raw materials from the bordering Soviet Union, he said.

According to the group's research, the degree of grain self-sufficiency in the Soviet Far East is no

more than 50 percent. Every year the Soviet government has to transport a gigantic amount of daily necessities to Siberia and the Far East.

Northeastern China is not only a renowned "grain granary," its light industry is also developing swiftly.

"Considering the respective advantages of the two countries, China and the Soviet Union should and are able to compensate each other in the development of economic and trade relations," Ju said.

Citing additional cases of shortages versus abundance, Ju pointed out several areas for co-operation.

1) Primary products compensation trade—Increasing the flow of Soviet raw materials to China while boosting the supply of Chinese daily necessities to the Soviet Union.

2) Sino-Soviet compensation trade in processing industries.

### Labour

Another important part of this massive co-operative proposal is China's transfer of large numbers of labourers to Siberia.

According to the research, the Soviet Far East will need 80 million workers in construction by the turn of the century. But the native Soviet population in the region will not exceed 50 million by then.

Not even thousands of personnel from other Soviet republics, Cuba and Viet Nam will be enough.

China, with its large population, can make up the shortage. Siberia's arduous conditions are no worse than those in northeastern China, and the average wages there are 10 times higher than in China.

"So, going to Siberia could be quite attractive to many Chinese workers," Ju said.

"The Soviet Union could come to northeastern China to recruit personnel; a free flow of labour between the two countries could eventually be effected," he added.

The research group proposes that as many as 1 million Chinese workers join in the economic construction in the Soviet Far East and Siberia.

"This transfer of 1 million Chinese labourers across the Heilongjiang River is an essential factor for successful co-operation," he said.

In order to overcome the biggest problem, transportation, the researchers suggest that China and the Soviet Union open an equal number of military harbours in Northeast Asia for civil service.

Ju pointed out that in the Sino-Soviet joint communique, published following Mr. Gorbachev's visit to China, both sides expressed desires to share information and experiences regarding their socialist development and reforms.

(June 2, 1989)



# Liaoning Governor Issued a Summons

**DANGYUAN QIKAN**  
(Party Members Special)

On March 23, 1989, the Intermediate People's Court of Shenyang City issued a summons to Li Changchun, the governor of Liaoning Province. Li was in Beijing for the National People's Congress when he received the summons asking him to be in court on March 27.

This is the first time in the history of New China that a municipal court has summonsed a provincial governor. The city is directly under the province's leadership.

The Liaoning Light Building Materials Factory belonged to the Supervision Office of the Liaoning People's Government. In June 1982, the factory signed a contract with the Liyang Mechanical Factory in Jiangsu Province for the purchase of five sets of sulphur extraction equipment. The payment for goods and transportation was 56,000 yuan. After delivery, however, the Liaoning factory said that it could not pay.

In February 1984, the Liaoning factory was declared bankrupt by the provincial government because of poor management and administration.

On receiving the news the Liyang Mechanical Factory sent a representative to Liaoning to demand payment of the debt. However, the Provincial Supervision Office had already been closed. Under these circumstances, the Liyang factory could do nothing except take legal proceedings against the provincial government which it did in December 1987.

The case was delayed during the hearing process for a time.

In March 1989, after an investigation, the court decided to hear the case in accordance with legal procedures and served a summons on Li Changchun as the legal representative of the provincial government. Receiving the summons, Li called Chen Suzhi, a deputy governor, asking her to deal with

the case.

On the morning of March 24, the provincial government finally agreed to pay 50,000 yuan for the debt plus interest and another 20,000 yuan for legal fees and the complainant's expenses. The money was paid in a lump sum to the satisfaction of the complainant. So the case, which had lasted for five years, was settled through mediation before going to court.

(No. 5 1989)

## How Traders Spend Money?

**GONGREN RIBAO**  
(Workers' Daily)

Along with the development of a commodity economy and the opening of rural markets, individual traders with incomes of tens of thousands of yuan have increased day by day. It can be seen from the savings accounts of banks, however, that there are not many households whose savings surpass 10,000 yuan. What do they do with their money? With this question in mind we visited some individual traders.

**Conspicuous consumption.** According to incomplete statistics, individual households make a great deal of money through work and trade. Aside from a small part of their earnings used to expand their business, the greater proportion is spent on luxuries and building houses. Buying goods such as colour TVs, refrigerators and washing machines, is common and dinners of four courses and a soup is regular fare. In particular, some of the self-employed compete to show off their wealth, spending a lot of money on setting up new homes and modern buildings.

**Keeping large sums for buying convenience.** Some individual traders prefer to keep large sums of cash at hand so that they can buy materials anywhere at any time. This accounts for 40 percent of the total

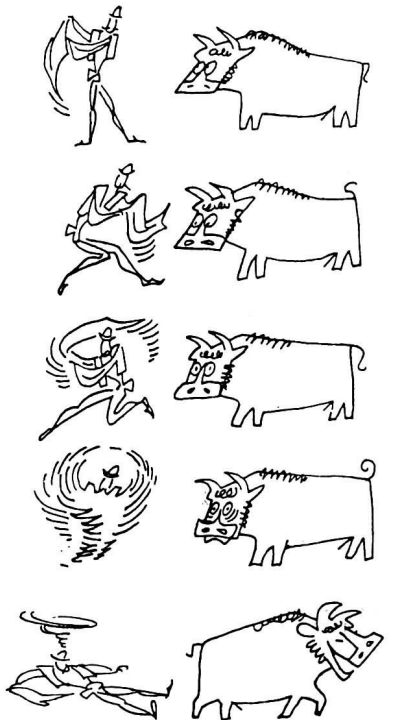
funds in their businesses.

**Lending money.** Quite a number of traders engage in borrowing and lending after becoming rich. Their interest rates are much higher than those of banks. Strangely enough, a few state-owned enterprises borrow money from them too.

**Taking opportunities.** Because of price fluctuations some individual traders are worried about inflation. They think that holding goods is much better than saving money. So, as soon as there is a fluctuation in the price of goods which are much in demand, they rush to buy. Some do this for their own use, others to hoard and speculate on making a big profit.

**Saving for old age.** China practises free medicare and pensions systems for retired workers, things which the self-employed cannot enjoy. So they save part of their surplus money for the future. Some deposit it in banks and others keep the money in their hands.

(June 2, 1989)



Winning without a fight.

JANG SHUZHEN

## Tombs Have Stories to Tell

**B**eing an ancient city in central China, Luoyang is definitely a place of interest for tourists. And the Museum of Old Tombs there offers people knowledge about the civilization of the ancient East with its unique characteristics and glamour.

Located by the south bank of the middle reaches of the Huanghe (Yellow) River, Luoyang is one of China's earliest capitals. As far back as the Western Zhou Dynasty (c. 11th century to 771 BC) 3,000 years ago, nine dynasties had made Luoyang their capital, spanning more than 900 years. In the last 40 years, more than 10,000 tombs have been discovered there. Knowledge of graves of different times with different structures and evidence of different rites have been accumulated, duplicated and displayed in the museum.

It stands at the top of Mangshan Mountain, 15 kilometres north of the city. Two years ago, the first-phase construction of the project was completed and since then, 22 graves have been displayed along the two sides of an underground area that occupies three hectares.

Certainly the tombs no longer have the occupants' bodies, and those that still have coffins are rare. However, grave chambers and funerary objects, most of them being originals while others are replicas, remain in the same positions as before. Within a two-hour or more underground journey, a visitor is able to grasp something about the different burial systems from 2,000 years ago to the Song Dynasty (960-1127), as well as people's lives and customs, their buildings, art and other things in different centuries.

**Frescoes.** Most of the frescoes appear in the Han tombs. The Han Dynasty, from 2nd century BC to 2nd century AD, is a period of prosperity in China's history. Close to half the tombs of the museum belong to this period, all having splendid frescoes showing rich imagination.

**Scaring Ghosts.** People at that time thought that evil ghosts must be driven away from a tomb before the dead were buried, otherwise the soul would never rise to heaven. *Scaring Ghosts* reflects this custom. It is found in a joint burial tomb of a military officer and his wife. A group of boys disguised as various deity animals are madly jumping about and making a noise in the grave.

In the tomb of the noble, Pu Qianqiu, which is 4.51 metres long and 0.32 metre wide, there is a fresco in which the husband and wife are flying on a snake and a three-headed phoenix to heaven accompanied by the Western Dowager's courier, fairies and deity animals like rose finches, a poisonous snake-like monster, goat-like monsters and white tigers.

Many frescoes are about scenes in heaven. A 2.76-metre long, 0.55-metre wide fresco is made on 12 rectangular bricks of the tomb's internal walls. On it clouds are flowing and stars are dispersed. The first scene is about the sun in which a golden bird—symbol of the sun in Chinese myth—is soaring. The seventh is about the moon. In it there is a toad and a rabbit—according to Chinese legend, Chang E was changed into a toad after she swallowed an elixir stolen from her husband and flew to the moon, with a rabbit keeping her company. In addition, there are various constellations repre-

sented in this fresco. They are considered the earliest astronomical materials so far found.

**Deity Tiger Annihilating Hanba** is based on a legendary story. Hanba was the daughter of Huangdi (Yellow Emperor), believed to be ancestor of the Chinese people. She was the goddess of drought and wherever she lived, that place would suffer droughts. In the fresco, the goddess is half-naked, her skin being purple. Her eyes are tightly closed and her long hair is hanging from a tree on which there is a red cloth. The leaves are sparse and also red. A bird is hovering over the tree, hesitating before alighting on it. To the right of the tree, there is a fierce tiger. It has a pair of wings and its forepaws are tapping on the head of the naked woman. With its mouth wide open, the tiger is going to swallow the wicked nude. The fresco reflects people's hatred towards the evil behaviour of Hanba and expresses their wish that Hanba be got rid of.

In an official's tomb, a 12-metre long and 0.6-metre wide fresco named *Tour on Horse-Drawn Carriges* appears on the east, north and west walls of the front chamber. There are nine carts, more than 70 people and more than 50 galloping horses in the picture. They are stately and heavily painted with the figures vividly portrayed. This big fresco is considered one of the best of the Han Dynasty.

**Picture-Painted Bricks.** In the Han Dynasty, funerals were conducted on a more generous scale. Special hollow bricks began to be used to build tomb chambers to replace wooden inner and outer coffins. There appeared special workshops to make various tomb bricks, on which pictures of gods

and ghosts and other decorative designs were engraved. Picture-painted bricks unearthed in Luoyang, although made by craftsmen 2,000 years ago and simple in terms of their technique, are valued to the extent of being considered one of the radiant chapters in the history of art for they vividly brought out scenes, facial expressions and poses and showed the characters of both human beings and animals.

**Picture-Painted Stones.** One of these stones was found on the door of a tomb of joint burial. By means of shallow relief sculpture, a person, horse, tree and bird were engraved. There is no plot to it, but to some extent it reflects people's feelings, interests and ideas in the Han Dynasty.

**Sacrificial Objects.** Every tomb has its own characteristics in terms of sacrificial objects. But the following objects deserve special attention.

Painted pottery figures were found in the tomb of an imperial kinsman, Yuan by surname, in the Northern Wei Dynasty in the 6th century. Figures of civil officials, warriors, musicians, attendants, noble women, female servants and figures of cattle, donkeys and camels were exquisitely made. Human figurines are all slender and their faces are delicate but healthy, reflecting society at that time. Among them, there are two black men, stout and strong. They have deep-set eyes, high noses and curled hair. One wears a long robe and a belt around his waist, with hands hidden in the long sleeves. He is standing blankly as if he is waiting for instructions. The other wears a pair of boots. Curling himself up, he is squatting down on the ground, falling asleep with his head in his arms on his knees, as if he is tired out and even in pain. Perhaps they are foreign merchants who have been reduced to the status of

slaves. All this proves that as the starting point of the Silk Road that led to Western countries, ancient Luoyang was extremely prosperous.

In a tomb built in 247 AD, along with exquisitely executed incense burners, white jade cups and elegant ink slabs, there is an ingeniously structured iron stand for supporting a kind of curtain used by noble families in the sitting room to meet respected guests in the Han Dynasty. It is formed with three or four iron tubes into a vertical stand. When connected with bamboo poles or wooden sticks, the curtain could be set up. Even today, the structure of the stand seems to be of significance for purposes of reference.

*San cai* (Tang tricolour), domestically and abroad known for its elegance, is a kind of porcelain glazed in three colours: green, yellow and cream. It was first found in the 7th century joint burial tomb of General Anpu and his wife of the Tang Dynasty (618-907). There are displayed along the sides of the tomb passage the figures of officials and warriors as well as guard animals aiming at warding off evil. And between the coffin platforms, horses, camels, chickens, ducks and grooms are found. All these Tang tricolour objects are still bright despite their age, showing the great attainments of craftsmanship in the Tang Dynasty.

There is a gold coin found in one of the tomb occupant's hands. It is round, 2.2 cm in diameter and 4.3 grams in weight. On one side is a picture of a heavily bearded man wearing a crown. At each side of the man there is cross. On the left edge, there is an epigraph "FOCAS". On the other side of the coin is a picture of a winged Victory Goddess. The goddess is holding a long, hook-like object in her right hand, and in her left a ball

on which stands a cross. At the left edge, there is an epigraph "VICTOPIA". It is evident that this is a coin of the Byzantium Empire, another proof of the international exchanges on the Silk Road.

**Tomb Chambers.** Tomb chambers are the main part of the museum. As a matter of fact, they are exhibition halls of various sizes displaying frescoes and sacrificial objects. From diagrams made according to the year of burial, one can get a general idea of chamber structures in different ages.

The oldest tomb of the museum was made some time during 48 BC to 8 BC. It has a 2.4-metre passage that leads to the tomb door. The door and its frame and lintel were all made of hollow bricks, each about 1.5 metres long, 0.5 metres wide and 0.2 metres thick. The main chamber is 6.1-metre long with a flat ridge pole with the roof sloping down on two sides. The hollow bricks are joined by tenons and topped by special peg bricks. This is regarded as the precursor of component architecture. The great number of sacrificial objects and exquisite frescoes in the chamber reveal the luxurious life the occupant couple had led. From this tomb, one can also see that it only took a short time of 200 to 300 years to replace wooden coffins with hollow brick chambers.

Those most recently displayed are five tombs of the Song Dynasty (960-1279). The chambers, following the style of wooden tombs, were built up with bricks. They also have frescoes but carvings in the bricks are different from preceding ones in terms of subject, content, colour and style. For instance, filial piety was much advocated during the period, so dutiful sons often provide the subjects for carving which show particular scenes from Song life and society.

by Lin Yang

# The 2nd Expo/China on Implementation and Technology for Manufacture of Boiler and Pressure-Vessel

Beijing, 1990  
Time: From November 1st to 7th, 1990

Place: Beijing Exhibition Centre

Exhibition Area: 7,000 square metres

**Organizers:** China Council for the Promotion of International Trade (CCPIT) Sub-council of the Machinery and Electronics Industry (CCOIC), China National Electric Equipment Corp. (CNEEC) and China Mechanical Engineering Consulting Co. (CMECC).

**Review:**

In 1988, the organizer successfully held the 1st Expo/China on Industrial Boiler in Tianjin. At the exhibition, the foreign manufacturers and traders from a dozen countries and regions attended. Some 65 percent of the exhibits were sold and total trade amounted to US\$3 million. The coming exhibition to be held in 1990 will be of great significance in guiding the Eighth Five-Year Plan and also have a great influence on improving technology for boiler and pressure-vessel manufacturing and updating equipment.

Office of the International Industrial Boiler Exhibition

**Person in charge: Ms Wang Xiaolan**

Address: 17 (6) West Beisanhuan road, Haidian District, Beijing  
Tel: 2024661, 2024861  
Cable: 7067  
Fax: (01) 2024561  
Postal code: 100088

I intend to attend the Expo/China, please send me further details.

Name of Company: \_\_\_\_\_

Name of Country: \_\_\_\_\_

Address: \_\_\_\_\_

Contact: \_\_\_\_\_ Tel: \_\_\_\_\_

Telex: \_\_\_\_\_ Fax: \_\_\_\_\_

Address of Beijing's Office: 17 (6) West Road of Beisanhuan Lu, Haidian District, Beijing

Contact: Ms Wang Xiaolan and Tang Rong Tel: 2024661, 2024861





Stitching a New Cotton-Wadded Quilt.



A Woman Longing for her Relatives.



Blowing a Suona (a woodwind instrument).

## Chinese Paintings by Huang Gengzhuo

Born in Nangong, Hebei, in 1945, Huang Gengzhuo works at the Xingtai Popular Art Studio, specializing in traditional Chinese freehand figure painting. His vivid form of artistic exaggeration conveys a rich flavour of life.

**ART PAGE**

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WELCOME