

A CHINESE WEEKLY OF NEWS AND VIEWS

Beijing Review

Vol. 32, No. 37

September 18-24, 1989

Rumours and the Truth



**PROBLEMS IN COMPLIANCE
WITH THE LAW**



An exhibition of modern paper cuts by Wang Shaofeng was recently held in the National Art Gallery in Beijing. The artist works in the Kaiyang Phosphorous Mining Administrative Bureau of Guizhou Province. His works are well received for their unique, simple and liberal style. The picture shows the artist with some of his works.

Photo by Chen Zhe

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Cartoon by Li Baolian

Chinese Foreign Minister on World Situation

□ With the development of the world situation, it is an objective fact that countries with different systems have different value concepts. These differences should be respected without attempting to impose one's own value concepts upon others (p. 8).

Why "Laws Go Unenforced"

□ Much headway has been made in the establishment of China's legal system. However, failure to enforce the laws, to follow them strictly without reservations and to follow through with punishment of law-breakers is a fairly serious problem in some localities and departments. The author of the article lists factors leading to the desultory observance and non-enforcement of the laws (p. 13).

NPC Standing Committee Holds Meeting in Beijing

□ Participants to the recent meeting of the NPC Standing Committee said that the drive to clean up companies has a direct bearing on the building of a clean and honest government and on the reputation of the Communist Party and the government. It must be carried out thoroughly, they stressed (p. 4).

Travel Costs Increase

□ The State Council has approved an increase in the nation's rail, air and water transport fares for passengers starting September 5. The increase is intended to help pay the way for what the government sees as badly needed renovation and expansion of the nation's transport system which has plumeted into the red due to highly subsidized travel fares and poor management (p. 4).

Rumours and Truth

□ Voice of America and the Western mass media had spread many rumours about China's efforts to quell the counter-revolutionary rebellion in early June. *Beijing Review* has compiled a pamphlet pointing out the falsity of these rumours and countering them with the truth. Part of the pamphlet, published by the New Star Publishers, is carried in this issue (p. 16).

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

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Published every Monday by BEIJING REVIEW
24 Baiwanzhuang Road, Beijing 100037
The People's Republic of China
Distributed by **China International Book
Trading Corporation** (GUOJI SHUDIAN)
P.O. Box 399, Beijing, China

Subscription rates (1 year):
Australia.....A. \$29.00
New Zealand.....NZ. \$39.00
UK.....£14.50
USA.....US\$29.00
Canada.....Can. \$25.00

Travel Costs Increased

The biggest transportation price increase in New China's 40-year history will take effect Sept. 5 that will roughly double passenger fares on most train, airline and shipping routes.

The State Council-approved nationwide price hikes exempt both freight and long distance bus fares from the increases.

Train riders will face buying tickets at roughly double the old prices, with an overall rate increase of 112 percent. Fares for passenger trains will be raised from the existing 0.02 yuan per kilometre (per person) to 0.04 yuan per kilometre.

Those on short rail trips—less than 100 kilometres—will have to pay 60 percent extra, while fares for suburban and long-distance destinations, further than 100 kilometres, are going up by 120 percent.

Most passengers on ships run by the Shanghai and Guangdong Ocean Shipping bureaux, the Dalian and Changjiang ship corporations and the Heilongjiang Shipping Bureau will pay 96 percent more for their tickets.

Passengers paying fifth-class passage on ships, found usually to be those paying their own way, will be caught with only slight increases while those who travel in higher class who are usually reimbursed by their units will face much stiffer rates.

Domestic air travellers are going to fly into a sobering 77 percent average fare increases, but 71 routes to favorite tourist spots will have their increases put off until the end of the year.

Disabled soldiers, children and students on holidays will continue to enjoy 50 percent discounts after prices are raised for rail, water and air transport routes.

Students heading for their colleges for the new autumn term are also being granted an exemption from the price increases until the end of October, because of the delayed openings of their colleges and universities. Students will still be able to go at half the old price when they embark for their schools.

Foreign travellers will generally have to pay 70 percent more for all transport than their Chinese counterparts, including Chinese from Hong Kong, Macao and Taiwan. The increase uses the same price ratio as under the old price system.

In addition, all the passenger prices for local government-run rail, water and air routes will also increase.

A recent State Council circular stated that the move was aimed at reversing the deficit-

ridden situation which they attributed to the low transportation charges. The circular also claimed they needed the extra funds to up-grade the nation's transport capacity so as to meet the needs of the developing national economy and to ease long-standing passenger transport congestion.

The circular also stressed that various localities, government departments and enterprises are strictly prohibited from using the transport fare hikes as an excuse to piggyback further price increases onto other commodities.

The circular warned that violators of this new policy will be severely punished and that relevant leaders will be held responsible.

Ticket surcharges imposed by local transportation departments in recent years are invalid and will be scrapped when the new price regulations take effect, the State Council said. □

NPC Standing Committee Brings New Measures

The ninth meeting of the Standing Committee of the Seventh National People's Congress (NPC) opened August 29 in Beijing to consider legislative and other issues.

At the opening session, participants listened to an explanation by Minister of Civil Affairs Cui Naifu of the Draft Law on the Organization of Neighbourhood Committees in Urban Areas and a report on the screening of business companies given by Ren Zhonglin, director of the State Administration of Industry and Commerce.

Cui said that the neighbourhood committees organization law has been drafted in accordance with the Chinese Constitution and in light of urban reali-

ties.

The purpose of this law, he said, is to help build neighbourhood committees into autonomous self-help mass grassroots organizations.

The proposal to discuss the draft law, raised by Premier Li Peng, said that the law was made to protect the rights of urban residents, develop socialist democracy at basic levels in urban areas, and promote the urban construction of material civilization and socialist culture.

According to the proposal, the law, based on relevant regulations in the Constitution, was drafted by the Ministry of Civil Affairs.

Organization regulations for urban neighbourhood commit-

tees were first issued in the 1950s. The guidelines and principles of the rules are still acceptable even today, Cui said.

Nevertheless, some articles and items are no longer suitable to the situation in urban areas that has evolved over three decades, he said.

According to the new draft law, the neighbourhood committees in urban areas will be responsible for spreading knowledge of the Constitution, laws, rules and government policies; protecting the legal rights of residents; and encouraging the masses to follow the government's line.

The draft law stipulates the committees are also expected to handle any matters related to public interests and the affairs of local residents and to mediate civil disputes. They should also help the government with the work of public security, civil affairs, public health, birth control, municipal administration and in the area of juvenile education.

While in examining and discussing the draft law, the NPC Standing Committee members suggested that the law be promulgated as soon as possible.

In his report, Ren said that the screening and rectifying of business companies have achieved an initial success.

By the end of June, over 9,500 companies had been fined and a total of 260 million yuan confiscated. More than 2,800 companies lost their business licenses and nearly 800 Party and government officials were punished according to Party and government discipline or the law, Ren said.

So far 47 percent of companies have been checked, he said.

The new campaign to screen vast array of companies that have mushroomed over the past few years started last October.

When discussing Ren's report,

the NPC Standing Committee members said that the achievements in screening companies cannot be overestimated.

Many of them said that the drive to clean up various companies is an important economic and political matter. It has a direct bearing on the building of a clean and honest government and on the reputation of the Communist Party and the government. Therefore, they said, the drive must be carried out thoroughly.

Deng Jiatai, an NPC Standing Committee member, said that great achievements have been made so far, but not as great as people expected.

Hu Daiguang, another NPC Standing Committee member,

said that though 47 percent of all the companies were checked, the rest were simply asked to scrutinize themselves. But experience shows that self-examination is futile, he stressed.

He said that the broad masses are not only interested in how much money in fines the government has collected, but how the companies and persons who have engaged in illegal businesses are punished.

He urged the government to severely punish all Party and government officials and their relatives who have speculated in important means of production and in durable consumer goods in short supply.

The NPC meeting concluded on September 4. □

Current Economic Policy Pays off

China's economic retrenchment has achieved considerable results, Vice-Premier of the State Council Yao Yilin said in Beijing August 31.

Yao made the remark in his report to the ongoing National People's Congress Standing Committee meeting on the execution of the 1989 national economic and social development plan.

He disclosed in his report that China's output of summer grain crops this year hit a record high of 93.5 million tons — 2.5 million tons more than the summer harvest last year. The output of early rice is expected to reach 47.9 million tons — an increase of almost a million tons over last year.

The sowing area for the fall crops has also increased by 660,000 hectares, he said. This, plus good care, could lead to a substantial growth in the grain yield this year, barring natural disasters.

Yao told the meeting that China's overheated economy has cooled down in the wake of the enforcement of monetary austerity and other policies adopted this year to bring the economic structure in line with industrial policies.

The scale of fixed asset investments has also been brought under control this year, Yao said. In January-July, capital investment by State-owned enterprises totalled 78.6 billion yuan, a drop of 7.9 percent or 6.8 billion yuan less than in the same period last year.

He noted that markets in various places have remained stable, with good supplies of non-staple foodstuffs. The total volume of retail sales of commodities in the first seven months of this year reached 476 billion yuan, a rise of 16.6 percent.

Retail prices in the first half of this year went up 25.5 percent compared with the same period last year, Yao admitted, predicting a lower price increase rate in the second half of this year.

However, total industrial output in the first seven months of this year grew 10.6 percent, far less than the 16.9-percent growth rate registered in the same period last year.

The Vice-Premier also noted that savings in urban and rural banks in the same seven months were 79.4 billion yuan more than the amount at the end of last year.

Yao also cited the Ministry of Foreign Economic Relations and Trade statistics that showed a 0.6 percent drop in trade over the past seven months compared to the same period last year. Total exports over the seven months were US\$23.38 billion. Imports rose by 10.7 percent hitting US\$20.7 billion.

Yao also cited some major problems in the economy.

One is that demand continues to outstrip supply. The growth rate of workers' income has surpassed that of productivity, and many organizations give their employees unjustified bonuses, he said.

Another problem is that the economic structure is yet to be proper-

ly adjusted, Yao said. In addition, the development of agriculture has lagged far behind that of industry.

Yao said the areas slated for economic priority are:

- Strict control for price rises.
- Measures to improve this year's harvest.

- Promotion of production and the practice of thrift.

- Motivating people to increase income and cut back on expenditures.

- Reducing the scale of investment and lay stress on key construction.

- Encouragement for increased saving deposits and reducing the amount of currency in circulation.

- Opening to the outside world.
- Deepening of reform. □

the financial power of local governments and weakened that of the central authorities.

The financial revenues of the central authorities accounted for 47.2 percent of the national financial revenues, much lower than the state's 70 percent share in the 1950s and the state's 60 percent cut in the 1960s.

Wang said that the excessive price subsidies and enterprises' operational loss subsidies have surpassed the government's financial capacity.

In 1988 the state financial departments spent 31.67 billion yuan to subsidize state employees and urban residents for price hikes — representing a 39.8 percent annual increase compared with that in 1978.

The state had to spend another 44.65 billion yuan to bail out deficit-ridden enterprises — an annual increase of 33.6 percent since 1979.

Both increase rates far exceeded the 8.2 percent growth rate of financial revenues in the same period. The two items alone drained over 80 billion yuan from the state treasury each year, Wang said. □

Financial Strain Analysed

China is facing a challenging situation as it approaches the time when its bills — international debt payments — have to be paid. That sobering spell is coming next year, warned Wang Bingqian, China's state councillor and finance minister, on August 31.

The minister has also warned of a growing state deficit which he blames on errors in policy-making over the past few years which has undermined the nation's economy.

Wang stated his findings in a report on the implementation of the 1989 budget at the ninth meeting of the NPC Standing Committee.

China's state revenue in the first seven months of this year was 3.407 billion yuan more than state expenditure, according to Wang.

The domestic revenue in the period totalled 132.127 billion yuan, fulfilling the budget plan by 49.1 percent and with an 8.4 percent increase over the same period of last year.

Meanwhile the domestic expenditure, 128.72 billion yuan, has been listed as fulfilling the budget plan by 46.5 percent — up 11.4 percent over the corresponding period of 1988.

Wang said that the revenue growth rate fell behind expenditure costs in the period between January and July.

The increased rate of revenue trailed behind the 9.5 percent increase set forth as a requirement in the state budget. Expenditure growth rate was also much higher than the 9 percent budgeted for.

He said that enterprises' poor economic returns have held back the growth of state revenues.

Wang said that 75 percent of China's financial revenue comes from state enterprises.

However, in the decade from 1978 to 1988, the sales profit rate and sales tax and profit rate of industrial enterprises annually fell by an 8 percent average, of which 1 percent represents 8 billion yuan of financial revenue.

On dispersed funds, Wang said that the funds collected by the central government sharply dropped while the proportion obtained by enterprises and individuals rose too fast.

As a result, the ratio between state revenues and national income diminished from 31.9 percent in 1979 to 19.2 percent in 1988.

Moreover, the restructuring of the financial system has increased

Forests Plundered Despite NPC Laws

Imagine a wooden house being invaded by termites. After a few years that house, its beams gnawed away, collapses.

China's forests are in the same predicament, only this time that "termite" is economic growth that needs timber to build its factories, its homes and tea crates.

Of the 10.26 billion cubic metres of timber in the nation's forest only 2 billion cubic metres are mature enough to be cut.

Experts predict that if the present yearly cutting of 120 million cubic metres continues then all of China's mature forests will be exhausted by the end of this century.

They also warn that trees still at a mid-growth stage will be used up by the year 2010 unless the present

trend of prematurely harvesting them is ended.

A recent survey has revealed that conditions are getting worse. Annual tree cutting has shot up from 196 million cubic metres in 1976 to 344 million cubic metres in 1988.

Some 3.8 million hectares of trees have been removed since 1981 to support such activity as construction, mining and farming.

Worse still, another 4.2 million hectares of forest land has been knocked down for other uses.

Wood consumption is at least 100 million cubic metres over the natural growth rate, and even that figure is increasing by 10 million cubic metres a year.

The survey also found that 17.94 million hectares of tree-covered land has been flattened during the past eight years. That figure, says the Ministry of Forestry, accounts for 6.7 percent of China's total forest coverage.

The problem is more serious in northeast China where it is reported that Heilongjiang Province alone lost 850,000 hectares of forests between 1976 and 1986.

The nation's total forested area, about 115 million hectares, are located in either the northeast and the southwest, with very little left over for the other parts of the country where the bulk of China's 1.1 billion population resides.

In an attempt to control the falling of forests, the 6th NPC passed a major forest law in September 1984 that aimed at shifting the nation to a rational forest management system.

The new law was supposed to give the Forestry Ministry new teeth to punish serious cases of tree falling and destruction that would at last bring violators to justice.

But the impact of this law was destroyed by China's mid-decade construction-boom. Timber was required for building, while governments yearned for tax revenue linked to that growth. Immediate interests lead people into a crazed wave of tree falling and the law was made a farce. Since last spring

for example, there have been more than 70 serious cases of forest destruction.

Lack of law enforcement is another factor in the plundering of the forests. Some provinces and regions have often delayed or turned a deaf ear to the central government's plea to save their forests. Some local leaders have even profited by getting a cut of the timber.

Perhaps the initial need is to build a greater public awareness of the reason for forest protection. Those from Hunan Province, for example, are accustomed to saying, "An axe is a license to chop; a shoulder is a license to transport; and money is a license to purchase." When those raiding the forest by the Jinshajiang River in Sichuan were asked whether they knew there was a forest protection law, they replied in the negative, saying that they just knew there was a marriage law. □

News in Brief

Deng in Good Health

Chairman Deng Xiaoping of the Central Military Commission is in "very good health," a Chinese Foreign Ministry spokesman said on August 31.

In response to a foreign correspondent's question at a news briefing in Beijing, the spokesman criticized some correspondents who recently created and spread rumours about Deng's health. They violated journalistic ethics in doing so, he said, adding that no correspondent should ever create and spread rumours on any excuse. □

UN Accusation 'Unjustified' & Amnesty Report Refuted

A Chinese delegation has expressed regret over a resolution passed by the UN Human Rights Committee, charging that it groundlessly accuses China of human rights violations.

In a written statement issued in

Geneva on August 31, the Chinese delegation stated that "the resolution, which was mainly initiated by a number of Western experts, is unjustified."

"It constitutes in essence an interference in China's internal affairs and an attempt to assert pressure on China," the statement said.

On the same day Chinese Foreign Ministry spokesman Li Zhaoxing said that the charges against China's quelling of the counter-revolutionary rebellion contained in an Amnesty International report are "entirely groundless and unreasonable."

"This is not an issue of human rights. It is entirely legitimate and justified and within the bounds of China's sovereignty that the Chinese government arrested the offenders and brought them to justice," he said. □

Foreign Minister Qian Visits Mongolia

Chinese Foreign Minister Qian Qichen arrived in Ulan Bator on August 31 on an official visit for talks with his Mongolian counterpart, Tserenpillin Gombosuren, to further friendly relations between the two nations.

Soon after their talks the two ministers signed a treaty on assistance between China and Mongolia in regards to civil and criminal law. □

Grand Funeral for Islamic leader

The Islamic Association of the Xinjiang Uygur Autonomous Region held a grand funeral on August 30 for Burhan Shahidi, honorary president of the Chinese Islamic Association, at the Urumqi Cemetery of Revolutionary Martyrs.

Burhan Shahidi, also vice-chairman of the Sixth National Committee of the Chinese People's Political Consultative Conference, died of a heart attack in Beijing on August 27 at the age of 95. His remains were flown by a special plane from Beijing to Xinjiang. □

Foreign Minister Qian Assesses World Situation

Recently Chinese Foreign Minister Qian Qichen, at the invitation of the magazine "World Affairs," analyzed the current international situation and talked about China's foreign policy. The following are the main points he made. —Ed.

The news release last December on the 14th session of the Political Bureau of the Chinese Communist Party Central Committee pointed out that changes are taking place in the international situation, that the world is moving from confrontation to dialogue and from tension to detente, and that there may come a new period that is beneficial to maintaining world peace and promoting economic and social development. Meanwhile, it said, the various factors leading to turbulence and tension have not yet disappeared. The course of events in more than half a year proves that this fundamental analysis of the world situation is correct and stands the test of time.

There are profound historical reasons for this change in the world situation. The bipolar alignment characterized by the cold war between West and East, confrontation between the two big blocs and rivalry of the two superpowers for hegemony, which persisted for more than 40 years after World War II, has begun to waver and the world multi-polar trend is developing day by day. The third world is progressing and becoming strong. China persists in practising socialism and a policy of independence and plays an increasingly important role in world affairs. Western Europe and Japan have become strong economically and in politics they desire to play a bigger role in international affairs. There are currents of

reform in the socialist countries. The unified model of socialism has been broken and the internal relations within the two big Eastern and Western blocs are tending to loosen. It becomes more difficult for the superpowers to pursue hegemonistic policies through the blocs of which they are the leading members.

Post-war history proves that to pursue power politics and regional rivalry by relying on military strength gets nowhere. The improvement in quality and the accumulation in quantity of nuclear weapons has forced the United States and the Soviet Union to admit that nuclear war cannot be launched and won. Competition and trials of comprehensive national strength between major powers have become sharper and sharper. Many countries have readjusted their policies and pay more attention to the development of all-round national strength centred on their economies and science. All this shows that the factors leading to war are declining and those conducive to peace are growing. Thus, to win a peaceful environment of long duration is both realistic and possible.

On the other hand, we must realize that the various factors leading to tension and turbulence have not been eliminated and the urge towards hegemony still exists. The rivalry between the United States and the Soviet Union continues. The arms race between the two superpowers has not stopped. Other countries

have not given up their efforts to strengthen national defence. Final solutions to the problems of regional "hot spots" need time and new conflicts will probably erupt.

The development issue faced by the world has not been solved and the contradictions between the North and the South have become acute. In the final analysis, the lack of a solution to the development issue is not favourable to world stability. Therefore, the process of detente will be tortuous and the fight against hegemony and to safeguard world peace will be a long one.

We must also realize that although the general trend of relaxation in the international situation is favourable to peace and development, under detente the struggle between the different social systems and different ideologies is still sharp and complex. Under certain conditions this struggle will develop more acutely and become a very sharp one.

If some people did not clearly see this aspect of the international situation in the past, then they should now do so because of the recent turmoil and counter-revolutionary rebellion in Beijing. Those events prove that some forces in Western countries will never stop attempting to bring the socialist countries into the international capitalist orbit. They consider that now is the "historical opportunity" to promote the peaceful evolution of socialist countries into capital-

ist countries. The recent disturbance in China took place with just such an international background. This is the "international macro-climate" that Deng Xiaoping talked about not long ago.

At present many people express concern about where Chinese foreign policy is going. It can be said with certainty that China's foreign policy of independence and peace is based on scientific analysis of the international situation. It conforms to the fundamental interests of our country and will not change because of a particular event. Our relations with all other countries are set up on the basis of the Five Principles of Peaceful Coexistence. This applies to the past, the present and the future. We will never change. Nor will China's policy of opening to all sides, including opening to Western

countries, change.

We persist in the Five Principles of Peaceful Coexistence and quite logically stand for mutual respect of each other's sovereignty and non-interference in each other's internal affairs. This is an inalienable part of the five principles and of established principles of international law. China respects other countries' sovereignty and does not interfere in their internal affairs. Nor does it allow other countries to interfere in its internal affairs or encroach upon its sovereignty.

The Chinese people also persist in the Four Cardinal Principles on which our country has been founded. That we pursue various principles and policies and take various measures including quelling a counter-revolutionary rebellion in our own country is all within the range of our sovereignty. We have not encroached

upon the interests of other countries. We also hope other countries respect us. It is an objective fact that countries with different systems have different concepts of values. The differences should be respected without imposing one's own value concepts upon others. Meanwhile various countries can find where common interests lie in politics and in economic affairs and develop their relations. Our struggle for the Five Principles of Peaceful Coexistence is also advocacy for the establishment of a new order in international relations. In the future we will continue to actively develop relations with other countries on the basis of the Five Principles of Peaceful Coexistence and continue our fight against world hegemony and to safeguard world peace and promote the cause of common development. □

The International Climate And the June Rebellion

by Wu Xiongcheng

Turmoil that shocked China as well as the whole world broke out in Beijing, the capital of China, in May and June. This turbulence offered much food for thought. As Deng Xiaoping pointed out, "This storm was bound to come sooner or later, as determined by the international macro climate and China's own micro climate. It is independent of man's will." Facts have shown that this student movement, turmoil and counter-revolutionary rebellion was orchestrated by a small number of people both inside and outside the Communist Party of China (CPC) who stubbornly clung to their bourgeois

stand and engaged in political conspiracy in collaboration with some anti-communist and anti-socialist forces in the West, Taiwan and Hong Kong with the aim of overthrowing the leadership of the CPC, subverting the socialist People's Republic of China, and establishing in China a completely Westernized bourgeois republic.

What, then, is the current international climate and the relationship between it and the rebellion?

Detente Does Not Eliminate Struggles

International relations have

undergone tremendous, transitional changes since World War II, especially in recent years.

First of all, a new technological and industrial revolution is sweeping across the globe, profoundly changing the world by promoting its economic development and transforming other aspects of social life. The world, which is full of contradictions, has increasingly become an inter-related and inter-dependent integral whole, and mankind is faced with many common problems related to its future existence and development. These demand that countries belonging to different social systems and at different levels of

development co-operate to resolve them.

Second, a trend from cold war and confrontation towards detente and dialogue is emerging in international relations, represented by frequent dialogue between the two superpowers, the relaxation of East-West European relations, and the cooling down of regional "hot spots." The rise of Western Europe and Japan and the strengthening of third world countries have combined to reduce the influence of the United States and the Soviet Union on the world, propelling it towards a path of multipolarization.

Third, the capitalist world has withstood the postwar crisis and achieved considerable development. Taking advantage of the fruits of the new technological revolution and some useful aspects of socialist practice, the capitalist countries have adjusted their industrial and social structure and established a set of social buffering and balancing instruments, displaying a self-regulating and renewing capability which is far greater than previously expected. Capitalism, it seems, still has considerable room for growth and will not lose its vitality soon.

Fourth, socialist countries have encountered difficulties and setbacks in the course of their construction. The many serious policy errors by the ruling parties have prevented the inherent superiority of socialism from being given full and consistent play. After conscientiously summing up the historical experience, socialist countries are launching a wave of reform in an effort to establish and develop socialist economic, political and cultural systems that are full of vitality.

Fifth, the vast number of third world countries in Asia, Africa and Latin America have won in-

dependence and the imperialist and colonialist systems have collapsed. The third world countries with three-fourths of the world's population are playing an increasingly important role in international affairs. In some third world countries which had long been ruled by military despots, a tide of democratization is appearing.

In order to gain a long-term stable international environment for China's cause of socialist construction and reform, the CPC has repeatedly pointed out that peace and development have become the two mainstreams in today's world and spoken highly of the trend towards detente and dialogue in international relations. Based on this assessment, the CPC has made opening to the outside world a basic, unshakable state policy. China firmly pursues an independent foreign policy and advocates good co-operative relations with other countries based on the Five Principles of Peaceful Coexistence.

The CPC's basic assessment of the international situation in recent years has departed from the old ossified viewpoints, conforming with the developments of the time and reflecting the changes in realities. Therefore, it is correct. But one should never relax one's guard against the complex struggles which objectively exist in international relations. The anti-communist, anti-socialist trend which exists in the West, and which in recent years has increasingly intensified, should never be ignored.

In a meeting with China's overseas diplomatic representatives, CPC General Secretary Jiang Zemin said, "Foreign relations should include both economic and political aspects; both friendship and struggle; both principle and tactics."

Socialist System Is Hard-Won

The conflict between socialism and capitalism has been consistent since the birth of socialism. Western capitalist countries have been extremely hostile to the new system because its advent and development have presaged the extinction of the old. They have used all manners of means such as political isolation, economic blockade, inciting rebellion, military intervention and even launching wars of invasion in attempts to eliminate socialism. After military means failed, they have turned to the strategy of "peaceful evolution," placing their hopes on the forces of bourgeois liberalization within socialist countries. Over the past 70 years, the socialist countries have experienced many difficulties and hardships in struggling with capitalism to establish their place in the world and to develop. Nowadays, the socialist system can compete and coexist with the capitalist system. This has been earned through hard struggles and is by no means bestowed as a divine favour or by the rulers of a certain big power. We should never forget history by simply taking the current "peaceful coexistence" as coming easily, let alone regarding the world as full of love.

A large amount of evidence today and historically proves that the international bourgeoisie have never given up their fundamental strategy which is to topple socialism and destroy it. They consistently hope that all the socialist countries, including China, will abandon their systems and eventually be brought under the rule of international monopoly capital and into the orbit of capitalism.

For a long time past, the successive rulers of one superpower have spoken undisguisedly in

their "inaugurals" and "State of Union Messages" that their leading role in today's world has never before been so important and they take it as their duty to protect and promote "democracy, liberty and human rights" throughout the world. For this purpose, they have made their plans and allocated huge funds. They have made plans, appropriated huge sums of money and used various other means, such as international broadcasting, propaganda about human rights, cultural exchanges, international meetings, the support of private organizations and liberal personages, to cultivate the seeds of bourgeois liberalization growing out of any crack in the "iron curtain." They support the appearance of "democratic forces" in Communist countries and help them so as to finally lead the Communist regimes and societies towards bourgeois democracy. Their brain trusters have masterminded schemes for them, planning to make full use of China's policy of opening up to the outside world to promote the "pro-democracy movement" in China and form another power centre that can compete with the Communist Party, ignoring the internationally recognized principle of non-intervention in other countries' internal affairs. In doing so they have conducted political and ideological infiltration into socialist countries, endeavouring to promote the transformation from socialism to capitalism and realize their dream of winning without fighting. In recent years, they have quickened their pace to implement their strategy by making use of errors in policy-making and temporary economic difficulties in socialist countries. In China, a small number of people inside and outside the Party, who stubbornly adhere to bourgeois liberalization, have adapted to the

needs of the policies of Western countries.

This has convinced us that, in dealing with the relations between countries with different social systems, the old ideas and practices, which put undue emphasis on struggle, confrontation and rupture, should be adjusted to co-existence, dialogue and co-operation in order to meet the changed international situation. But we should never forget that the essential conflict between the two social systems still exists and that the basic strategy of Western countries remains unchanged. So contradictions, friction, clashes, struggles and conflicts between them are inevitable. We favour peaceful competition whereby the two systems develop their potential capacities, exchange and absorb each other's advantages, and promote human civilization together. We insist that no country should attempt to impose its own social system and lifestyle on others from the outside. Nevertheless, we believe that in the long-term socialism will prevail in the world through people's choice and struggles.

Superficial Phenomena

It is true that during the postwar period capitalism experienced comparatively great development while socialism confronted difficulties and suffered setbacks. But this is only the outcome of a short historical period and we should be—and certainly are—able to find a scientific explanation for it. We should by no means take superficial phenomena as a starting point and simply come to the conclusion that socialism is no better than capitalism. This leads to the denial of the objective law in the development of human society discovered by Karl Marx.

Revolutions in science and

technology can promote the development of the social productive forces as well as ameliorate some social contradictions temporarily. So modern capitalism has received something like a shot in the arm and seems to have great room for development.

However, the revolution in science and technology and capitalist self-regulation cannot possibly solve all social problems, let alone eliminate the basic contradictions of capitalism. According to Marxism, the capitalist system will not exist for ever. The reasons for the difficulties and setbacks in the socialist countries are many-sided and complicated. Besides the external environment, socialist countries have some problems internally such as faults in decision-making, imperfections in organization and lack of experience. But all these problems have nothing to do with the socialist system itself. Essentially, the socialist system is one that is new-born and superior to the capitalist system. Although it is still in its childhood, it has already shown its strength. With the continuous deepening and developing of reform, it will inevitably be more vigorous and efficient. As to socialism's brilliant achievements over the past 70 years and the ultimate victory it will win, we should possess full confidence and never waver under any conditions.

In order to infiltrate their ideology and politics into socialist countries, politicians and ideologues of the West have taken advantage of the surface phenomena which have appeared in a short period, proclaiming the "overall prosperity" of capitalism and that communist thought and the communist system are "close to extinction." In the first half of the year, especially, a new anti-communist

tide has been raised with the United States at the head. Many well-known politicians and scholars have written books to expound anti-Communist theory. They have published one article after another propagating nonsense such as "communism is a declining system and has landed in a predicament" or the communist ideal is "almost totally devalued" or "Communism will collapse entirely in a foreseeable period." They take too much on themselves when they claim that they need not worry that communism will bury them and that, on the contrary, they are witnessing the self-burial of communism. They say that it is impossible to achieve socialist aims and plans and "wherever the system is practiced, it certainly will fail."

Some Western ideologues often tend to misjudge the situation by believing that communism is bound to die. Such belief is but their fond dream. But at a time of the information explosion and when China adopts all-round openness to the outside world, this anti-communist war of ideology has affected some people with weak political consciousness, making it possible for the erroneous thought that socialism is inferior to capitalism to spread unchecked.

Reform Must Be Socialist-Oriented

Reform in socialist countries has become an irresistible trend. It is the only road to develop the productive force, promote comprehensive social progress, remould the image of socialism and display its superiority. The future and fate of socialism hinges upon the success of the reforms. Socialist countries should proceed from their own national conditions and explore and choose their own optimum

formula for reform. But the question here is: Where will the reform go?

Major Western countries have shown a keen interest in the reform movement in the socialist world. They hope that the reform will fundamentally change the nature of communism, implement "genuine pluralism," adopt free-pricing mechanisms and grant real freedom for political options. They suggest that the West should use its economic power to achieve political results, forcing socialist countries to depart from their past policies in exchange for any substantial Western aid. In a word, some anti-communist people in the West care for and support reform in socialist countries only with the aim of turning these countries capitalist in order to bring about their peaceful reversion to capitalism and a "victory without war."

Due to different national conditions, reforms in the socialist countries are faced with different problems and accordingly their approaches to resolve the problems are different. We respect the considerations that apply in other socialist countries. Whether their reform is good or not is up to their own people, as well as history, to answer.

However, the countries that the West is prepared to substantially aid are those that the West terms pioneers of East European reform and sees as beginning to return to the arms of the West. Some reform measures that had been and are still being carried out in these countries have affected and are still affecting intellectual circles and young people in China. This is also one of the factors of the international climate.

The CPC has repeatedly pointed out that reform is the self-perfection and development of the socialist system and is car-

ried out under the leadership of the Communist Party, the socialist system, the guidance of Marxism and the people's democratic dictatorship. Economic reform must adhere to the principle of putting state ownership as the mainstay while allowing other forms of ownership and management to exist — integrating the planned economy with market regulation. Under the principle of distribution according to one's work and common prosperity, some people can be allowed to become rich first, but privatization and a complete market economy, which will lead to sharp differences in income, should never be adopted.

In the field of political reform, the 13th CPC Congress formulated a plan. We will accelerate the construction of democracy and the legal system, but will never introduce Western-style democracy and freedom, such as the three separate branches of government and the multi-party system.

As can be seen, in order to correctly analyse and understand the current international climate, we have to take into account new changes and discard old views, but at the same time we must clearly realize the general trend indicated by the objective law of the development of human society. In light of the current international situation, the line of taking the class struggle as the key link should of course be relinquished, but the idea of class struggle should not be forgotten. It will only ideologically disarm the Party and the people to eliminate the fundamental differences between the two social systems, slacken the ideological struggle in international relations and fail to clearly understand the objective existence of hostile forces both inside and outside China. □

FORUM

Why 'Laws Go Unenforced'

by Li Maoguan

Constructing China's legal system has made much headway since 1979. In the past ten years, apart from the Constitution now in effect, the National People's Congress and its Standing Committee have formulated 80 laws and regulations, passed amendments and revisions to 20 others, and made decisions on 40 legal problems. The State Council has released more than 900 administrative laws and regulations. In addition, more than 1,000 local provisions and stipulations have been formulated by provinces, autonomous regions and municipalities.

Although there is still much to be done, especially in economic and administrative legislation, which needs to be further strengthened, a socialist legal system based on the Constitution has been initially established. Progress has also been made in other aspects of legal construction, for example, in establishing and con-

solidating legal organizations, in restoring and improving the judicial system, in reinforcing the ranks of judicial personnel, in developing education on the science of law and in popularizing legal knowledge. However, failure to enforce the laws, to follow laws strictly without reservations and to punish law-breakers is a fairly serious problem in some localities and departments.

For example, despite the Forest Law—there are still quite serious cases of indiscriminate felling of trees, Trademark Law—fake trademarks are common as well as manufacturing rejects and defective products, Law on Environmental Protection—destruction of ecological equilibrium goes on, the Law Governing Food Hygiene—production of sub-standard foodstuffs is out of control, and despite the Law Governing Mineral Resources—wasteful mining of natural re-

sources is rampant. Still worse, although there is an Economic Contract Law to go by, there are still cases of deliberately changing contracts, suspending contracts halfway, or refusing to abide by contracts to the letter. It is reported that in the city of Wuhan some 2.59 million contracts go unfulfilled every year—a figure much lower than the national average for a city. Although the Marriage Law has been in effect for a long time, cases of illegal early marriage, unregistered marriage, arranged marriage and mercenary marriage often occur in the countryside. Although China has enacted the Law on Compulsory Education, many parents allow school-age children in the countryside to remain out of school, and quite a few factories and mines still employ child labour.

Major Factor

Many factors lead to desultory observance and non-enforcement of the laws. Apart from loopholes which need to be plugged in legislation, the following conditions are contributory.

1. Law Overshadowed by Power. In China today not many people say outright that power is bigger than the law. But actually nowhere in the country has a mechanism yet been established capable of restricting power abuse in the true sense of the word. There are no hard and fast rules which can subject power-holders to legal restrictions or bringing power-abusers to justice. Some power-wielders, who think themselves superior, always take it for granted that laws

Zhuang Xueyi, former director of the Tuqiang Forest Bureau, is sentenced for his dereliction of duty which caused a big forest fire in the Greater Hinggan Mountains in 1987.

ZHOU QUE



are something designed for other people, the rank-and-filers, while they themselves stand high above the law, far out of its reach, and do not need to be limited by it. Some power-holders even regard the power in their hands as a means for law violation and a charm against legal punishment. Others even take it upon themselves to meddle in the law-making and law-enforcing departments. Many infractions and crimes go unpunished simply because some power-holders connive at them, offer their support, help cover up or take part themselves.

2. Relationship Between the Party and the Law Out of Kilter.

Although in principle it has been made clear that the Party's activities are limited by the Constitution and other laws, extraneous influences intervene; particularly the past, long-term exercise by the Party of overall, unified leadership and the political system of power over-centralization. Some leading cadres still take it for granted that Party organizations are free from legal restrictions and have the right to control everything and meddle in everything. In some places, for example, Party committees invalidate the election results of the people's congresses, deliberately dismiss leaders from government and judicial departments without going through the proper procedures, and interfere in or take over the work of judicial departments. In short, the relationship between the Party and the law, has not yet been set completely straight.

This situation also finds expression in the fact that some leading cadres fail to correctly understand and to handle the relations between the Party's policies and the state's laws. The Party's policies cannot replace state laws, though the former exercise a guiding role over the latter. The Party should not follow

policies which are in contradiction with the Constitution and the state laws. Because of historical reasons and some drawbacks of the political structure, over a long period of time many Party cadres thought more highly of the Party's policies than the state's laws; they followed the Party's policies where the state's laws should have been followed and put the Party's policies above the state's laws. Some even used "reform" as an excuse to deliberately over-ride certain laws and decrees which have not yet been abrogated or modified through normal legal procedures.

3. The Tilting of Interests.

Ten years of reform have radically changed the old set-up of interest groups in society and a new lineup has emerged, such as for example urban and rural private businessmen, township enterprises, economic organizations and enterprises of joint management, and Sino-foreign joint ventures, to mention only a few. The complicated relations among them have so far remained unregulated because of the lack of pertinent laws. This has created confusion in their relations and conflicts of interest among them, or in other words, has given rise to interest of groups more favourably inclined towards some than other. Some of them even evaded laws to satisfy their own interests. For example, some enterprises, pursuing out of their own interests, ran illegal businesses which undermined the interests of the state, of other enterprises and of consumers and disturbed the normal economic order. All this clearly indicates partiality towards some interest groups to the neglect of others.

Inequitable stress on the interests of local governments represents a major obstacle to strict law-enforcement. The streamlining of government and the delegation of more power to localities, while holding both the

central and local governments responsible for their own financial affairs, have enabled the interests of local governments to expand perceptibly. At present when the functions of government are still in the process of transition, local governments at various levels act both as representatives and managers of the public ownership and law-enforcing organs. When they find that the state's laws obstruct their local economic interests, they safeguard the latter by either side-stepping and violating the laws or undermining their authority. For example, in the name of protecting the development of local productive forces, some local governments, in violation of state tax laws, deliberately reduce taxes to be levied from local enterprises, or turn a blind eye to those enterprises and departments engaged in illegal businesses; and some even interfere in the work of judicial and law-enforcing departments or establish local protectionism.

4. Negative Influence of Traditional Legal Culture.

China's traditional legal culture, especially feudal legal culture, has been handed down from generation to generation and become part and parcel of the national psychology. It influenced people's understanding and attitude to laws for a long time in the past and is still a latent factor which greatly deters people from conducting affairs according to law.

This traditional legal consciousness, in addition to the factors mentioned above (government by people as better than by law, and the hierarchy and special privileges as the best guidelines) leads to the following distortions:

Solving cases through personal connections is better than through the judiciary. Under the system of exploitation, ordinary people with justice on their sides



An exhibition on fake medicines conducted outside the Beijing Railway Station.
ZHANG SHUYUAN

going to law against persons of power and influence always resulted in their losing lawsuits or even being wrongly punished. Among the common people this cultivated a psychology of fearing and detesting the law. In addition, influenced by the patriarchal social structure and the clannish habits and ideas associated with it, disputes between people were most often mediated within the clan or between clans. Today, a large number of people are still psychologically bound by these habitual extrajudicial practices.

Moral principles are taken to be superior to laws. China, entrenched in ceremony over the ages, has always paid attention to moral principles rather than to legality. People's social ideology arose and has persisted on the basis of ethical concepts of the patriarchal system. Traditions in people's minds still place human relationships above state laws and regard age-old moral concepts as superior to laws.

At present in people's minds, standard practice in dealing with matters according to law is still pitted against the forces of traditional morality and human relationships as defined by feudal ethics.

In cases of women who had been violated, for instance, to uphold their virginity and protect the honour of their families, they would rather swallow insults than appeal to the law. Accordingly, their rights cannot be safeguarded by the law and offenders go scot-free.

A passive attitude towards obedience to the law, and indifference towards upholding rights. Under centuries of feudal rule, ordinary Chinese people had the duty to abide by the law but little across to legal protection of their rights. As a result, slack observance of the law and indifference towards rights built up a passive concept of legality step by step. Owing to this influence, many people now would rather suffer an unrighted wrong than go to law against the offender, because they dare not, or don't know how, to safeguard their rights according to the law.

5. The Imperfect System of Legal Supervision and Some Incompetent Lawyers. At present, owing to the lack of effective procedural laws for controlling unconstitutional acts in China, the legal supervisory work of the people's congresses and their standing committees at all levels

has not been systematized or standardized and the governmental procuratorial organs lack necessary guarantees for independently exercising procuratorial authority.

Now a fairly good contingent of law-enforcing personnel has been established in China, but, they cannot meet the needs of the situation and tasks. A considerable number of legal personnel are not competent either politically or professionally. For instance, of the judges and procurators at all levels in the whole country, only 10 percent have an education above college level. Some law-enforcing personnel lack adequate professional knowledge, while some take advantage of their positions and power to carry on illegal activities.

Counter-Measures

There is urgent need to solve the above-mentioned problems as the reforms and four modernizations develop apace. A pressing matter for immediate attention is to enforce laws strictly and ensure that existing laws are put into effect.

— Take further steps to strengthen legislation and perfect the legal system. At present, we should take further steps to speed up economic and administrative legislation and put economic activities throughout society under control of the legal system, so as to provide administrative activities with basic standards and procedures. Various laws on guaranteeing exercise of the people's democratic rights should be perfected so that various democratic rights the Constitution has entrusted to citizens will be guaranteed in practice.

— To deepen reform of the legal system, we should take further steps to deal with outside relationships that interfere with

(Continued on p. 26)

Rumours and the Truth

The true story of the "Tiananman Incident," which itself had been invented jointly by the media of some Western countries, Hong Kong and Taiwan, and particularly by the Voice of America (VOA), has come out since the riot in Beijing was quelled in June. At the suggestion of some foreign friends, we now publish this article, listing some of the rumours at that time, which were widespread and incendiary, and the truth. There is no analysis or comment here, only facts, so that readers can judge for themselves.

Gradually, reports by the above-mentioned media have become less exaggerated. United Press International reported on June 14 that the Voice of America had admitted its "mistakes of honesty" in its reports of the past few weeks. However, the media have not told their readers, listeners or audience the true story. They are afraid that once the public has learned the truth, people will make their own judgements, and the accusations that China "suppressed the democratic movement" and "trampled on human rights" will be shown to be groundless. This represents a great danger to them.

However, ordinary people always want to know the truth. In August, an American tourist group called "See the Tiananmen Square with Your Own Eyes," a name with significance itself, which was composed of 100 ordinary Americans of different age and profession, visited Beijing and returned with satisfaction.

If, after reading this article, readers still entertain doubts, we suggest that they come to Beijing or any other place in China, like the American tourist group, and see with their own eyes and form their own conclusions.—Ed.

Rumour No. 1

On Thursday morning, public security personnel arrested about 200 to 300 students who were staging a sit-in in front of Zhongnanhai.

About 300 people had been detained.

—VOA, April 20

(This is taken from the Chinese language broadcast of VOA as are other quotations attributed to that agency.)

The Truth

From the evening of April 19 to the next morning, hundreds of students gathered in front of Xinhuaamen, the front gate of Zhongnanhai where the Party Central Committee and the State Council are situated. Some

students made inflammatory speeches, and some threw bricks and bottles at the policemen, among whom four were wounded. Some even tried to break into Zhongnanhai. This violated public security regulations.

In order to restore normal order in front of the gate and transport on Changan Avenue, the police told the students about the announcement of the Beijing municipal government, asking them to leave.

It was during the period of mourning for the death of Hu Yaobang, former Party secretary-general, so the policemen patiently persuaded the students for two hours. At 3:40 in the morning, the students were ordered through a loud-

speaker to leave within 20 minutes. But they refused to go. About an hour later, some students left after persuasion by their teachers. More than 200 students were still there at dawn.

In order to guarantee the normal movement of vehicles, and according to public security regulations, policemen forced these students onto a bus and sent them back to their universities. Some refused to go, shouting "Down with the Communist Party!" Those in the bus broke windows.

During the process, there were pushing and tussling on both sides. Some policemen and students were injured, but only slightly. No student was serious-

ly injured, hospitalized or detained.

—*People's Daily*, April 21
and April 28

Rumour No.2

About 70,000 workers among the total of 220,000 in the Capital Steel Complex went on strike on Monday (May 15) to support the students.

—AP, May 16

The Truth

A manager of the Capital Steel Complex pointed out during a telephone interview with a reporter from the Xinhua News Agency on the morning of May 16 that the report was not true. He said, "All the workers have been holding fast to their work. The complex is a contracted enterprise. If production is stopped, both the country and workers will suffer losses."

—*Xinhua*, May 16

—*Beijing Daily*, May 16

The Capital Steel Complex is one of the largest enterprises in China, with a total staff of 180,000 and an annual production valued at more than 4 billion yuan (US\$1.01 billion). On May 13, some students went on a hunger strike and presented a petition at Tiananmen Square. Some of them and a small number of other people went to the complex many times, distributing leaflets and making speeches inciting the workers to go on strike and to hold a parade. They also tried to break into the works to stop production.

However, the workers remained fast at their posts. None went on demonstrations and the attendance rate was quite high. Even during the most chaotic

period when the public transport network was disrupted, the rate was above 90 percent. No factories attached to the complex stopped production. In May, its total production of pig iron reached 273,400 tons, 6.4 percent more than planned; that of steel reached 299,100 tons, 16.4 percent more; and that of rolled steel, 270,900 tons, 29 percent more, with a profit of 135.65 million yuan (US\$36.5 million). The total profit for the first five months of the year reached 730 million yuan (US\$200 million), a 20.38 percent increase over the corresponding period last year.

—report from *Beijing Review*

Rumour No.3

Soviet leader Mikhail Gorbachev showed interest in speaking to Beijing University students during his forthcoming visit to Beijing, but the Chinese government rejected this arrangement.

—VOA, May 12

The Truth

The Chinese Foreign Ministry confirmed the same day that there was no such arrangement at all on the agenda for Gorbachev's visit between May 15 and 18 which was agreed upon by both the Chinese and Soviet sides. VOA's report was a pure invention.

—*Xinhua*, May 12

—*People's Daily*, May 13

Rumour No.4

After the State Council issued an order to impose martial law in some areas of Beijing on May 20, VOA quoted a Chinese writer

Liu Binyan, who is now in America, as saying, "Now more than 100 army generals and officers jointly oppose the wrong decision. Many provinces and army divisions clearly show that they do not recognize Li Peng's administration, and even call it a puppet regime."

—VOA, May 22 and May 23

"Seven provinces and eight government departments including the Ministry of Foreign Affairs in China's mainland have expressed to the public that they do not support the government led by Li Peng."

—AP, Montana, May 22,

—*Central Daily News*,
Taiwan, May 23

The Truth

On May 20, Premier Li Peng signed the order by the State Council imposing martial law in some areas of Beijing. From May 21 to May 29, the Party and government authorities of the country's thirty provinces, municipalities and autonomous regions except Taiwan, and the departments of the central government and national organs, including the Ministry of Foreign Affairs, sent letters and telegrams one after the other, expressing their support for the strong measures taken by the Party Central Committee and the State Council to restore rapidly the normal order of the capital. The Party authorities of all seven military areas also expressed their determination to enforce the correct decision of the Party and the State Council and to make great contributions to stabilizing the situation in the capital and the whole country.

—*People's Daily* published these letters and telegrams from May 21 to May 29

Rumour No.5

"The Chinese troops slaughtered demonstrators for more democracy, killing thousands of them. At least 1,400 people are believed dead in the massacre perpetrated on Tiananmen Square by the People's Liberation Army early Sunday morning."

"Demonstrators resisted with force after the troops began the massacre."

—VOA, June 5

"The unarmed Chinese students staged demonstrations and parades on Tiananmen Square. As a result they were run over by military vehicles and killed by gunfire. It is a shocking and horrifying massacre."

—VOA, June 6

The Truth

The accounts of many eyewitnesses on Tiananmen Square and video tapes which have been broadcasted repeatedly on China's TV stations show that from June 3 to June 4 the turmoil in Beijing developed into a shocking counter-revolutionary riot and the "massacre on Tiananmen Square" is a complete rumour. The fact is that:

In the small hours of June 3, when the martial law enforcement troops received orders and marched into the city to safeguard social order and protect public property, they were blocked and obstructed by masses of people and some students who did not know the true nature of the situation. At this time, a handful of rioters mingled with onlookers and beat and lynched officers and soldiers of the People's Liberation Army, burnt military vehicles, and snatched weapons, ammunition and military supplies. The

situation was getting more and more critical. After the riot broke out, in order to avoid injuring ordinary people, the Beijing Municipal People's Government and the Headquarters of the martial law enforcement troops jointly issued an emergency notice at 6 pm, warning all Beijing residents to stay at home and workers and staff members to stand fast at their posts for their personal safety. This notice was announced repeatedly through radio, television and other broadcasting devices. However, some of the public still went on to the streets as onlookers. In the main streets leading to Tiananmen Square, a great number of rioters who mingled with innocent onlookers incited people to obstruct the troops and to beat and kill soldiers, armed police and public security personnel. In order to quell the riot rapidly and avoid still more casualties to themselves, the soldiers were forced to fire and shot some of the brutal rioters. However, because the rioters were mixed up with onlookers who did not know the truth, some onlookers were accidentally wounded. In the process of quelling the riot, nearly 300 died, including armymen, rioters who had committed crimes, civilians who did not understand what was happening, and 36 university and college students. The number of the wounded was 6,000 for the armymen and 3,000 for civilians.

In the early morning of June 4, when the martial law enforcement troops were clearing Tiananmen Square, most of the demonstrators withdrew of their own accord and a minority of people were driven away. In the whole process of clearing the square, no one was killed or run

over by military vehicles.

—Videotape "The Facts of the Riot" *China Central Television Station*, June 6

—Videotape "On-the-Spot Report of the Incidents in Beijing" (published in China and abroad)

On June 3 and 4, American Chinese professor James Chieh Hsiung witnessed from the top of Beijing Hotel on East Chang'an Avenue the marching of the martial law enforcement troops towards Tiananmen Square. He said to reporters of New York's *Center Daily News*, "I am sure that at first the rioters beat soldiers and then the soldiers began to hit back at them."

Chinese composer Hou Dejian was an eyewitness who was the last to withdraw from Tiananmen Square. He said, "In the whole process of the withdrawal, I did not see any student, civilian or armyman killed, neither did I see anyone run over by military vehicles."

Rumour No.6

"Doctors, nurses, diplomatic personnel and those who experienced the incident on the spot indicate that the troops killed thousands of people participating in the demonstration in the quelling action of marching towards Tiananmen Square with military vehicles. Because many bodies were burned on the spot or carried away immediately, the actual number of dead will never be known."

—VOA, June 10

The Truth

The details of the process of clearing Tiananmen Square are: At 1:30 am on June 4, the mar-

tial law enforcement troops moved close to Tiananmen and took up positions surrounding the square.

At 1:50 am, an emergency notice issued by the Beijing Municipal People's Government and the headquarters of the martial law enforcement troops was broadcast on the square, saying that a counter-revolutionary riot had taken place in Beijing on June 3 and demanding students and onlookers on the square to leave as soon as possible.

This emergency notice was broadcast repeatedly for two hours through loud speakers. Most of the people quickly left the square. The remaining students, now numbering several thousands, massed around the Monument to the People's Heroes.

Then Hou Dejian, who had participated in a 72-hour hunger strike, went up to negotiate with an officer of the martial law enforcement troops. Hou said that the students were willing to withdraw from the square, but there were different points of view. It would take them some time to reach a unanimous opinion. The headquarters of the martial law enforcement troops in a broadcast announcement agreed with the students' demand to be allowed to withdraw from the square voluntarily and said that there was a way out at the southeastern end of the square.

About 4:40 am, the students began to leave in an orderly way, lining up and carrying their own banners. Before they left, some of the demonstrators made a fire of the cotton clothes, quilts and woollen blankets left on the square, in case the military vehicles ran over

them. This was the reason for the first fires seen on the square.

After most of the students had withdrawn, there were still a few at the southeastern end of the square who refused to leave, and armed police and the martial law enforcement troops compelled them to do so. At 5:30 am, the clearance was completed.

In the process of the clearance, a few rioters vainly attempted to take soldiers' rifles and the soldiers fired in the air to give a warning. In order to eliminate the loud-speakers hung by the "Beijing college students' autonomous federation" on the southeast corner of the Monument to the People's Heroes, soldiers shot at them to silence them. After the demonstrators withdrew, when someone shot at the troops from a high-rise building in the southeast of the square. The soldiers shot back at the roof of the building to give a warning. But no person was killed or run over by military vehicles.

At dawn, in order to clear away the garbage, boxes and rickety tents on the square, the soldiers set a fire to them. This was the reason for the second fire in the square.

—*People's Daily*, June 8
and June 21

—*China Central Television Station*, June 7

—*Beijing Daily*, June 10

golia Autonomous Region.

—*Oriental Daily News*,
Hong Kong, June 6

Eighty-four-year-old Deng Xiaoping has not appeared in public since he received Gorbachev in late May. According to reports from Hong Kong, Deng has died. Li Peng was wounded in an attempted assassination. He was shot by a young military officer, who killed himself shortly afterwards.

—VOA, June 6

The Truth

On the morning of June 8, Li Peng, representing the Chinese Communist Party Central Committee and the State Council, reviewed the martial law enforcement troops at the Great Hall of the People, and expressed the hope that they would continue to contribute to the peace and stability of the capital. This was reported by the China Central Television (CCTV) in the evening.

On the afternoon of June 9, Deng Xiaoping received military officers of the martial law enforcement troops at Huairentang in Zhongnanhai, and made an important speech. Yang Shangkun and Li Peng also attended. CCTV reported the reception in the evening.

—*People's Daily*, June 9 and 10

—CCTV, June 8 and 9

—*Central People's Broadcast Station*, June 8

Rumour No.7

Li Peng was shot by a military officer at the Great Hall of the People. Deng Xiaoping has died.

—*Ming Pao*, Hong Kong,
June 5

Li Peng fled to the Inner Mon-

Rumour No.8

The China Red Cross and other exclusive reports say that at least thousands of people have died since last weekend.

—VOA, June 6

The Truth

A spokesman for the China Red Cross said, "We have never talked to any one about the death toll of the June 4 incident. The figure reported by VOA is an invention.

—Xinhua, June 15

—People's Daily, June 16

Rumour No.9

There are more and more indications that different units of the army have fought against each other.

Foreign reporters and diplomats have seen soldiers shoot at each other. They believe that this shows the split of military units loyal to different sections of the government.

The conflict between troops and unarmed citizens was replaced by that between different army units. According to Western diplomats, there has been an exchange of fire between martial law enforcement troops and other troops who have not been authorized to suppress the demonstrators. The Tiananmen Square was guarded by the 27th Army. Reports said that the commander of this army is a relative of Yang Shangkun, the Chinese president. The 38th Army, which is stationed near Beijing, refused to use weapons against the students, and the 27th Army has thus been dispatched to Beijing to suppress the demonstrators.

It is said that the troops sympathetic to the reformers within the Party are moving to Beijing from the east and will possibly attack the troops who have occupied the city.

—VOA, June 6

Observers said that the 27th Army is ready to counterattack those troops who are opposed to the enforcement of martial law and suppression of the demonstrators. There were occasional conflicts between soldiers loyal to different sections of the leadership. Diplomats said that the split among the military troops was due to the massacre of the pro-democracy demonstrators last Saturday in downtown Beijing.

Conflicts occurred between the 27th Army and two other armies, the 28th and 38th, near the Military Museum of the Chinese People's Revolution on the evening of June 6.

On Tuesday, troops loyal to different sections have deployed in battle array and occasional armed conflicts have occurred. The boom of cannon from a military base in the south of the city can be heard.

—VOA, June 7

People are worrying these days that armed conflicts may happen between armies loyal to different sections of the leadership. Some soldiers have occupied advantageous positions in the city, not waiting for the situation to calm down but being prepared to fight against other soldiers.

—VOA, June 8

The Truth

Some people said that two of our armies have been attacking each other since yesterday evening, and even using cannons, for possession of the Nanyuan Airport in the south of the city. I can tell you that neither army is in or near the airport at all. This

is a pure inflammatory invention.

—Zhang Gong, major general and director of the political department of a martial law enforcement unit
—People's Daily, June 8

A few days ago, VOA reported that my army fought against another army at the Nanyuan Airport. In fact, neither of our two armies was at the airport, and our two armies are old neighbours and we are getting along quite well. It is impossible for us to fight against each other.

—Li Zhiyun, senior colonel and director of the political department of a martial law enforcement unit
—Beijing Daily, June 21

Officers from the General Political Department of the People's Liberation Army (PLA) said that "for 62 years since the founding of PLA, the army has developed a good tradition of highly centralized command and obeying orders. Things like conflict have never happened."

On May 19, under orders of the Central Military Commission, martial law enforcement troops immediately started to move to Beijing according to designated time and route. On the evening of June 3, at the order of the headquarters of the martial law enforcement troops, they reached Tiananmen Square on schedule after breaking through the road blocks put up by rioters, and surrounded the square, leaving one outlet. This guaranteed the success of clearing the square.

The 27th and 28th Armies, who used to be stationed quite near each other, have been on

good terms. During their mission this time, they have strictly obeyed the order and manoeuvred on time. It was they who cleared the square. After putting down the riot, both armies, together with other martial law enforcement troops, shouldered the responsibility of safeguarding the security of Beijing and helping return everything to normal.

—report from *Beijing Review*

Rumour No.10

A train tore into a crowd of people trying to block a railway in Shanghai, and claimed six lives. It is reported that the train driver had received an order that he need not care for the safety of the crowd.

—VOA, June 6

On June 15, three criminals were sentenced to death by the Shanghai Intermediate People's Court. On June 17, VOA quoted White House spokesman Fitzwater as saying they were people who had exercised basic human rights, and the death sentence was lamentable.

—VOA, June 17

The Truth

On the morning of June 5, a group of people pretending to be university students made speeches at the road-railway junction in Shanghai's Guangxin Road, inciting their audience which was not clear about the truth to stage a sit-in on the railway and block trains.

By 6:00 pm, 103 freight trains and 47 passenger trains had been blocked, and about 23,000 people were held up at the Shanghai Railway Station. In order to resume normal railway

transport, the Shanghai Public Security Bureau dispatched 400 policemen to the site. They patiently persuaded the crowd to move and finally formed a "human wall" along the two sides of the railway so that 60 trains could pass the junction by 6:30 the next morning.

However, the rioters whose purpose was to cause chaos returned to the junction and continued to incite people. Those who had left came back and gathered together again. The junction fell into chaos once more.

At 8:43 pm, train No.161 from Beijing approached the junction. Finding the crowd blocking junction, the driver applied the emergency brakes immediately. But, because of its momentum, the train killed six people and injured six others.

The handful of rioters made use of this accident in order to stir up people again. Three of them set fire to a postal car of the train which rapidly spread to the passenger cars.

The rioters also pushed over a traffic control box, threw bricks at policemen coming to the rescue, attacked the rescue headquarters set up by the public security departments and tried to stop fire fighters. As a result, 942 post bags, six motorcycles and nine passenger cars were burned.

Eleven rioters who had stirred up the trouble were arrested on the spot. Three of them, Xu Guoming, Yan Xuerong and Bian Hanwu, later sentenced to death by the Shanghai Intermediate People's Court, were the principal criminals who set fire to the train. Two of them were workers; the other had no job.

—*People's Daily*,
June 8 and 22

—*Wenhui Daily*, June 8

Rumour No.11

It is reported that troops have entered universities in Beijing, taken by force the authority to manage the hotbeds where the so-called anti-government demonstrations were hatched.

—VOA, June 4

Public security personnel entered Beijing University and arrested more than 10 students.

Since Thursday (June 8) evening, a curfew has been imposed in areas where universities are located. Later, security people entered Beijing University.

—VOA, June 9

The Truth

At no time since May 20 when martial law was declared has a curfew been imposed upon Beijing's Haidian District where most universities are located or on other universities elsewhere in the city. Martial law enforcement troops and public security personnel have not entered any of the universities.

Around 10 am on June 8, the police sub-station in Beijing University received a phone call from a girl student living in Building 40, saying that a thief had been caught red-handed. Policemen immediately went to the spot. They were going to take the thief away when they were stopped by his confederates. With the help of some students, policemen took the thief and his 11 companions (altogether 7 men and 5 women) to the police sub-station. They were found to be carrying two daggers and a spring-loaded knife.

After interrogation, police-

men learned that some of them were middle school students, some were workers, farmers, temporary workers, self-employed and jobless people. No one of them was a Beijing University student.

During the anti-government turmoil, they joined illegal organizations, such as the "Beijing college students autonomous federation," the "Beijing citizens dare-to-die corps" and "special picket at Tiananmen square," and took part in such activities as burning military vehicles and armoured personnel carriers containing military supplies, spreading rumours, inciting people, and posting reactionary slogans.

They called themselves body-

guards of Chai Ling, one of the student leaders, who used to be a postgraduate student at Beijing Normal University. After they withdrew from the square on the morning of June 4, Chai arranged for them to stay in the dormitories of Beijing University.

—report from *Beijing Review*

Rumour No. 12

"The evidence collected proves that last month Chinese troops deliberately shot at the diplomatic compound in which foreigners live. It was a plot instead of the troops' impulsive action as it was described by the Chinese government."

—VOA, July 3

The Truth

At 10 am on June 7, an army unit of the martial law enforcement troops was marching from west to east. When they passed by the Jianguomen overpass, they were fired on from both the diplomatic compound and buildings on the south of the street. Soldier Zang Lijie was killed on the spot. Liu Hanbin and two other soldiers were wounded. The troops were forced to shoot back and they surrounded the diplomatic compound and other buildings nearby. Then they withdrew quickly. In the process, no person in the compound was killed or wounded.

—*People's Daily*, June 23 and July 5

(Continued from p. 19)

implementation of the laws. The functions, powers and responsibilities of the Party, the People's Congress, the government and the judicial organs should be clearly divided and formulated in laws and regulations. This will form a system in which these organs at all levels can attend to their own duties, become differentiated, limited and co-operate with each other, and keep up contacts with each other. In addition, some administrative and legal measures should be formulated to punish illegal activities and unconstitutional acts. Thus, Party organizations at different levels will carry on their activities within the limits permitted by law and the Constitution, and the people's congresses, the government and judicial organizations at all levels can independently exercise their functions and powers according to law.

— Perfect the supervisory me-

chanism and strengthen supervision over law enforcement. In order to institutionalize and standardize legal supervision by the people's congresses and their standing committees, the latter at all levels should take supervision over the government, courts and procuratorates as a task of primary importance. In addition, the supervisory functions of procuratorial organs should be strengthened.

— Enlarge and improve the contingent of law-enforcing personnel and enhance their political and professional competence. Qualifications of practising law-enforcing personnel at different departments should be formulated and standardized. Through unified examination, the qualified ones should be assigned posts, while those who are not qualified should receive special training, or be transferred to other posts. The systems of employment, examination, training, promotion, rewards and penal-

ties should be established or perfected for the sake of maintaining the ranks of highly qualified legal personnel. Moreover, the people's congresses and governments at different levels must regularly or at random intervals check up on the enforcement of existing laws and regulations in order to enhance the law-enforcing personnel's consciousness and professional performance.

— Carry out legal education among the people. To solve the problem of ignoring laws, one has to start with legal education throughout the nation and the whole Party. Leading Party and government cadres at all levels and law-enforcing personnel should be the important targets of the education, so that they will continuously sharpen their sense of legality, conscientiously promote and observe discipline, and inspire all the people throughout society to heighten their legal consciousness. □

Notes on a Trip to Shenzhen (4)

A Glimpse of the Science & Technology Industrial Park

This is our reporter's fourth report on Shenzhen. The first three—"Fruit of the Open Policy," "Progress and Problems in Attracting Foreign Capital" and "Establishing an Export-Oriented Economy"—appeared separately in our issues No. 34, 35 and 36.—Ed.

by Our Staff Reporter Jing Wei

A group of structures of unique design in soft colours is visible after half an hour's bus ride westward along the Shennan Road from downtown Shenzhen. It signals our approach to the special economic zone's high-tech base, known as the Shenzhen Science and Technology Industrial Park which we are planning to visit.

At the front gate of the office building of the Shenzhen Science and Technology Industrial Park Corp., General Manager Zhang Yiyi greeted us warmly and showed us around.

Construction was begun in 1985, Zhang told us. Since then,

the park has worked in co-operation with Singapore, Japan, Austria, the Federal Republic of Germany, the United States and Hong Kong, as well as some departments and enterprises in other parts of China, and set up more than 30 productive establishments. The park has already built three standard factory buildings covering 40,000 square metres for Chinese and foreign businesses. At present, most of the 12 Sino-foreign joint ventures on the premises are housed in these three buildings. Some companies formed soon after the founding of the park are still located in Shen-

zhen proper. Products turned out by these enterprises include computer diskette drivers, mains, circuit board panels, artificial diamonds and products, high-frequency quartz oscillators, heated contract cable casings made of macromolecular memory materials and plasma membrane concentrated Oolong tea.

To provide comfortable living conditions for the experts, engineers and entrepreneurs working there, the park has built five seven-storey apartment buildings. All the three-, two- and one-room apartments are equipped with private bathrooms, kitchens and other modern amenities.

Opposite the corporation's building, the Wearnes Scientific and Technological Mansion, funded by the Wearnes Co. of Singapore, is going up, scheduled to be completed by the end of this year.

Also under construction are buildings of the Bioengineering Co. for the production of hepatitis B vaccine, and the Natural Perfume and Fine Chemicals Co. for the production of natural perfume, essence, cosmetics and fine chemicals.

The factory buildings of the

A factory building in the Shenzhen Science and Technology Industrial Park.



Tianhong Co. Ltd. which will produce natural pigment and other food additives will be completed soon. Two other standard factory buildings, each with a floor space of 18,000 square metres, are now under construction and will be leased to foreign and Chinese businesses upon completion.

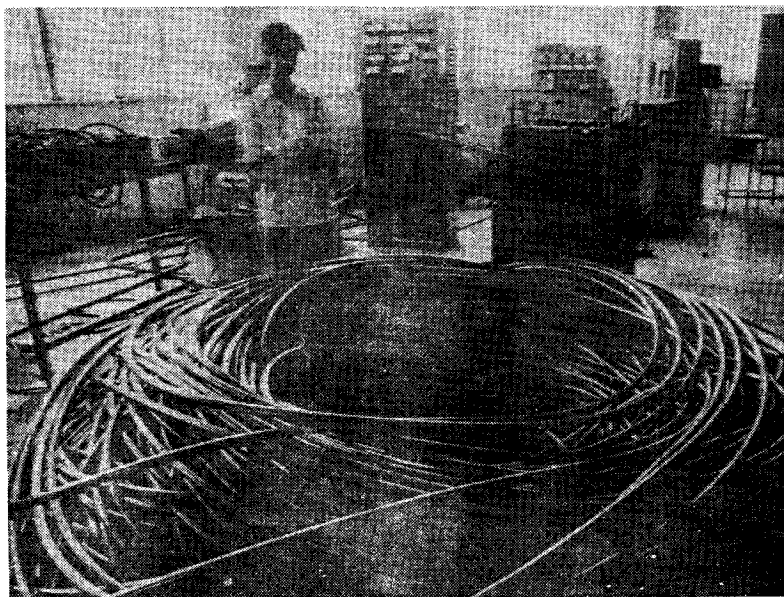
All these buildings, however, cover only one-sixteenth of the industrial park area which will stretch southward as far as the rim of Shenzhen Bay. The park now under construction covers only 200,000 square metres and represents the first stage of the project. The second stage will cover 920,000 square metres, the third stage, 2.1 million.

General Manager Zhang said, "The Science and Technology Industrial Park is now only beginning to take shape. The second stage is currently under way. Anyhow, a foundation has been laid for proceeding to the third stage in the 1990s."

Direction of Development

For China's mainland, the building of such a science and technology industrial complex is a pioneering project. What are its characteristics and in what direction will it develop? How will it fare in international exchanges? These questions raised by our reporter were answered fully by General Manager Zhang.

In the beginning, the project was funded jointly by the Chinese Academy of Sciences and the Shenzhen government. After the Guangdong International Trust and Investment Co. bought a share in 1987, it became an economic venture run jointly by the three parties. Its highest organ of power is the Science and Technology Industrial Park Management Committee headed by Li Ying, may-



Heated contract cable casings made of macro-molecular memory materials.

or of Shenzhen. Zhou Guangzhao, president of the Chinese Academy of Sciences, is its first deputy director. The Science and Technology Industrial Park Corp., with the status of a legal person, is responsible for all the construction and development and conducts various activities in its capacity as an economic enterprise. The corporation's general manager is appointed by the management committee.

Zhang Yiyi, now 55, became the corporation's general manager after participating in the planning of the industrial park as a representative of the Chinese Academy of Sciences. He majored in physics at a Chinese university and graduated from the geological department of a university in the German Democratic Republic in the 1950s. In the 1970s, he was head of the German section of *Beijing Review*. Before coming to Shenzhen he was a leading member of the Institute of Geophysics of the Chinese Academy of Sciences.

Creation of a technological industrial centre featuring elec-

tronic information, new-type materials and bioengineering industries is the direction of development, the general manager told us. Relying mainly on domestic scientific and technological forces, the park also imports advanced technology. While turning the results of domestic scientific research institutes into products, the park also helps and promotes the transformation of the special economic zone's economy into one of technology- and knowledge-intensive industries through the development of its own science and technology. Eventually what we will see is a comprehensive centre oriented towards developing new technology and high-tech products and combining production with both scientific research and education.

Up to now, the park has established a wide range of business relations with scientific, technological and industrial circles in the United States, Japan, Singapore, Britain, France, the Federal Republic of Germany, Canada, Austria, Sweden, Den-

mark, Australia and Hong Kong. It has joined the International Scientific Park Association and become a member of the standing committee of the association's Asian-Pacific branch. In April 1988, it successfully sponsored the branch's annual meeting in Shenzhen.

According to General Manger Zhang, in the past three years, the centre has established ten productive enterprises and an international exhibition complex in co-operation with foreign businesses. This year it has signed another batch of joint venture agreements. He said he'd like to borrow a corner of *Beijing Review* to warmly welcome industrialists, scientists and technicians of various countries to make investment or other contributions to expedite the development and construction of the industrial park.

Open Avenues for Talents

The Science and Technology Industrial Park has acquitted itself splendidly on attracting people of talent, we found. It

inventor Zou Dejun, nicknamed "the cutting tool magnate."



has not only given preferential treatment to technical personnel in their daily life but also created good working conditions for them. Entrusted with important tasks, they can take up research, develop new products and work for new enterprises free of extraneous worries. The preferential treatment given to the following three technical personnel represents this policy.

Zhu Bangfu, born in Taiwan, is now general advisor to the computer laboratory of the Shenzhen Science and Technology Industrial Park Corp.

"They say I am a 'freak.' It's a title conferred on me by overseas mass media. It's probably because I never studied computer science at university, but came up with a number of new computer products right off the blue, so it seemed." The 52-year-old Zhu is excited about his work. "My colleagues and I have made considerable headway in development over the last year or so and will put out four new products," he told us.

The four new products are the "promotion system of Chinese

characters," "the collating software of Chinese characters," "the news typesetting system of Chinese characters" and "the font producing system of all Chinese characters." Mr. Zhu said that the font producing system of all Chinese characters not only can store all the words of a Chinese dictionary (about 40,000 words) but also can create new words that may emerge in the future. Some 6 million words can be stored and created in an ordinary micro-computer. The birth of the all Chinese characters microcomputer will be of important significance economically and culturally. The collating software of Chinese characters has the applied functions of document processing, data storage, diagramming, imaging and communicating, and operators can freely make the layout on a disk.

Dwelling on his work in the science and technology park, this computer expert said with emotion, "I shuttled back and forth between Brazil, Taiwan and the United States for a dozen or so years, and although I had made some success in computer research, I still failed to achieve what I expected." "After I came to this park in 1988," he continued, "the corporation invited me to be general advisor to the computer office, provided me with 20 assistants and gave me a free hand in scientific research. Leaders of the corporation have treated me very well and showed solicitude for me in my daily life. I feel the park is a favourable place for me in my computer research and development work."

After his return to Beijing, this reporter learnt from the *Shenzhen Special Zone Newspaper* that Mr. Zhu signed on June 15 an agreement on the establishment of a joint venture, the Liangyi Cultural, Scientific and

Technological Company, with the Shenzhen Science and Technology Industrial Park Corp., putting the stress on the development of state-of-the-art Chinese and English language computers.

Zou Dejun, nicknamed "cutting tool magnate," is noted particularly for his invention of six kinds of high-efficiency tool clips which have been classified by the state as key technological items for promotion. His inventions won widespread acclaim at the 2nd International Technological Market sponsored by Britain in 1985 and the 21th World Technological Market Fair held in the United States in 1987. Some experts called the tool clips "top-level products anywhere in the world."

"I came to work here for my cause," Zou Dejun, general manager of the Shenzhen New Tech Development Corp., said. Zou used to be an engineer at the China Science and Technology University. He had a handsome income and had achieved some fame, but the university lacked the conditions for producing and popularizing his high-efficiency tool clips on a big scale. After he came to the industrial park, the corporation provided him with a factory and purchased him production equipment, and let him choose the best qualified personnel. The company has started mass-producing the tool clips, and firms from the Netherlands, Hong Kong and Taiwan have come to place orders.

This 47-year-old inventor showed us how to use his tool clips. An ordinary machine tool incorporated with such a high-precision and multi-functional tool clip can be quickly turned into a multi-functional, high-efficiency machine tool. After drilling, expanding, broaching, threading, looping and rolling,



Zhu Bangfu (first right, front row) giving a lecture to young clerks of the computer laboratory.
Photos by CHEN ZONGLIE

the tool turns out with an excellent polish in a few seconds. Zou said, "After repeated experiments, the efficiency of this machine tool fitted with the clip is four to five times higher than a machine tool without. I'd like, as quickly as possible, to have workers in the world use the tool clips, which are energy-saving, safe, and more efficient and of good quality."

Chen Jiayan, known as a "plasma membrane expert," formerly a deputy research fellow of the Chemical and Physical Research Institute under the Chinese Academy of Sciences, is now general manager of the Shenzhen Mosheng Co. Since his arrival at the park, he has successfully mass-produced the enriched Oolong tea concentrate and instant Oolong tea powder with plasma membrane.

He said, "It was only after much hesitation, long consideration and repeated observations that I decided to leave my research institute and become manager of an enterprise here." He cited five advantages he enjoys at the park:

First, all my creativeness can be brought into full play here. When I worked at the institute, I had to ask for instructions from level to level, even for mi-

nor matters; many good ideas simply vanished along the way.

Second, the park has adopted preferential policies encouraging technical personnel to run enterprises, and I get great satisfaction out of turning technological achievements into commodities.

Third, this place is close to Hong Kong; information is readily available; I can learn about scientific and technological developments and world market changes in good time and make constant progress.

Fourth, there's a pioneering spirit here, and relationships between people are relaxed and more open.

The park provides scientists and technicians with all possible living and working comforts.

This plasma membrane expert said confidently, "I want to use plasma membrane techniques more widely, to enable many more traditionally primary products to retain their original quality and to be easily transported and sold. I'd like to let people in other countries enjoy and appreciate China's quality products." At present, he and his colleagues have put their heads together to research develop enriched Chinese herbal medicines, special soft drinks and enzyme concentrates. □

Open Roads With Foreign Fund

China's Ministry of Communications reports that it is taking measures to increase the utilization of foreign fund to speed up the construction of high-grade highways.

Agreements have already been signed with the World Bank on raising funds for the construction of class-A and class-B highways from Chengdu to Chongqing in Sichuan Province, a class-A highway from Tongchuan to Sanyuan in Shaanxi Province, a highway from Nanchang to Jiujiang and a highway bridge at Nanchang, in Jiangxi Province, and a class-A highway from Jinan to Qingdao in Shandong Province.

The central government has empowered the Ministry of Communications to use the third sum of money from the Japanese Overseas Economic Co-operative Fund to help finance the construction of a special bus loop highway on Hainan Island, a class-A highway from Hefei to Tongling and a highway bridge at Tongling in Anhui Province, a highway bridge on the Changjiang (Yangtze) River at Wuhan and a similar bridge

at Huangshi in Hubei Province, and a highway bridge on the Nenjiang River at Qiqihar in Heilongjiang Province.

In addition, more than 20 domestic and external corporations have entered the first international tendering for the construction of a 340 km long highway from Chengdu to Chongqing. The project represents one of the sixth group of the World Bank-funded projects. Of the total investment of 1.141 billion yuan needed, US\$125 million was granted by the World Bank. It is believed that the project scheduled to start this year will take five years before it is opened to traffic.

Qian Yongchang, minister of Communications, said that Chinese highways were exhaustively used by pedestrians, carts, beasts of burden, motor vehicles and manually driven vehicles. Such a mixture brings a burden upon the traffic that cars can only move 30 kilometres per hour—far lower than the 60 km level that is seen as an economical speed.

Qian pointed out that the development of highways is an

inevitable trend. More than 20 high-grade roads totalling 27,000 km will have been built by 1995. Such construction will call for increased foreign investments, increased road tolls, extra charges on gas, and the issuing of construction bonds.

China has used the World Bank funds for highway construction since 1985. The first such project was the construction of highways totalling 1,600 km in Shandong, Shaanxi, Jiangxi, Anhui, Zhejiang, Fujian, Yunnan, Guangxi and Sichuan. The second project was the construction in 1987 of a 142 km freeway from Beijing via Tianjin to Tanggu.

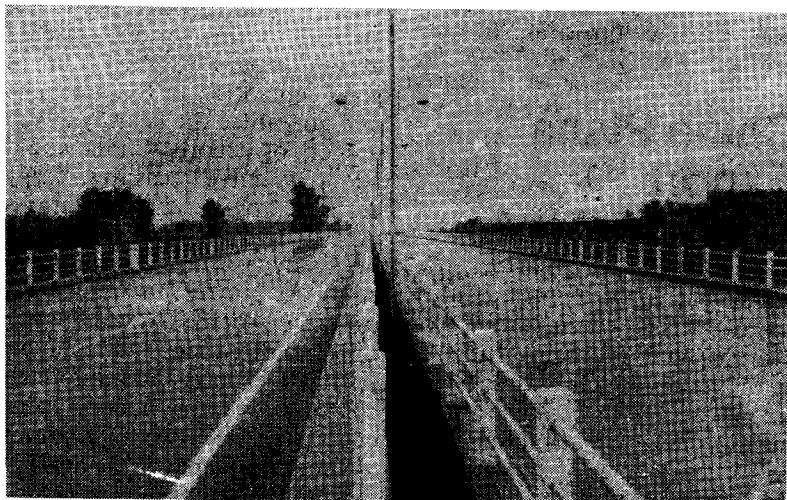
by Li Ning

Chinese Ships Sail to the US

Two years ago, the China Ship Trade Co. and Shanghai's Jiangnan Shipyard signed contracts with an American ship company for building two vessels. The first of the two 64,000-ton bulk vessels was launched in the Shanghai shipyard on August 20.

With an overall length of 225 metres, a width of 32.2 metres and a depth of 18 metres, the ship, *China Glory*, has proven the world's most popular in navigation circles since China started building vessels for export. Meanwhile, this Panama-style bulk cargo vessel is also one of the largest vessels with a loading capacity through the Panama Canal. The ship of 16.3 knots with a crew of 26 is automatized for 24 hours.

It is said that the Jiangnan Shipyard will build five similar vessels for four ship-owners in the United States, the Federal Republic of Germany and Hong Kong. Three of them are for the American shipowner. □



The new Shenyang-Dalian Freeway.

WANG JIA

Hebei Sees Trade Success in Hamburg

Hebei Province's first Export Commodity Fair and Economic and Technical Cooperation Symposium, a cooperative fair on economy and trade, was held at Hamburg's Fashion Dress Exhibition Centre in the Federal Republic of Germany from May 29 to June 6, 1989. About 700 businesses from 12 countries including the Netherlands, France, Britain, Belgium, the United States and the host country participated in the fair.

The value of China's export transaction at the symposium reached US\$42.74 million involving 114 kinds of commodities. The value of 21 commodities such as prawn, pear, textiles, garment, carpet and barium carbonate each exceeded US\$500,000.

Some products such as dried chillis from the China National Produce and Animal By-products Import and Export Corp. and labour protection products from the China Light Industrial Products Import and Export Corp. were on the Western market for the first time.

For example, the Huabei Pharmaceutical Factory and the Yaohua Pilkington Glassworks formally entered the import and export field this year. In the past the two factories had few opportunities of exporting their products. But this time both of them established many new ties with a group of foreign businessmen that promise better growth conditions in the export world.

At the fair, Hebei's 22 companies and enterprises exhibited more than 1,000 kinds of commodities. Although most were industrial and agricultural prod-

ucts there were also cultural exhibits such as papercuts, calligraphy, paintings and drawings.

Through this fair, trade contacts between Hebei and Western Europe, especially with Federal Republic of Germany has been expanded. □

Sino-Romanian Line-up in Know-How

China signed co-operative protocols on 60 new projects with the Romanian Science and Technology Commission at the 29th meeting held in Bucharest on August 17, 1989. These new projects involve chemical, machine-building, metallurgy and nonferrous metals, light industry, medicine and agriculture, with some 19 of them being scientific and technological projects.

The China-Romanian Science and Technology Commission was

founded in 1953. During the 1950s, scientific and technological co-operation between the two countries was chiefly aimed at providing each other technical materials. Since the 1960s, there have been mutual exchanges of experts for scientific investigation. Their co-operation has developed rapidly. □

China Plans Export Improvements

The problems of poor quality of export commodities and contracts not being fulfilled to the letter, which have brought strong reactions from foreign businessmen, are attracting China's attention. A national working conference on paying atten-

tion to contracts, keeping credit and raising China's foreign trade reputation held on August 21 in Beijing indicates that efforts are being made to change this situation.

Minister of Foreign Economic Relations and Trade Zheng Tuobin told the conference that although by August 10 this year, total exports had been valued at US\$24.4 billion, a 0.6 percent increase over the same period last year, the export situation for the whole year gave no cause for optimism. In addition to insufficient credit funds, the decrease in sources of staple export commodities and the steep rise in prices caused by inflation, obvious problems affecting export development were the drop in quality and the decline in the rate of agreements honoured.

Zheng said that during the last two years, the situation in which export contracts China signed with foreign countries were not honoured on schedule had become apparent. Some enterprises ignored quality which gave rise to such serious problems as adulteration and counterfeiting, which not only threatened the export profits of this and later years, but also lowered China's prestige in foreign trade and seriously obstructed the development of exports.

Zheng said that in order to put an end to this serious state of affairs promptly, keep China's good reputation in foreign trade and guarantee the healthy development of exports, China would adopt effective measures, apply certain laws and regulations strictly, and set up and improve necessary laws and law-enforcing rules. At present his ministry is drafting two regulations forbidding adulteration and counterfeiting in exports and reinforcing controls over the honouring of contracts. The two regulations would soon be put into effect.

Another important measure

the ministry is working on is the regular appraisal of the qualifications and credit of foreign trade enterprises and publicizing the names of those which have paid attention to the quality of export commodities and the fulfilling of contracts as a means of reward.

Zheng said that those enterprises, which indulged in adulteration and counterfeiting, ignored quality and caused serious harm to foreign trade would be severely criticized and punished according to law. □

Great Leap in Sino-Soviet Trade

Sino-Soviet trade has been developing rapidly ever since China and the USSR restored their trade relations in 1981. The volume of trade in 1988 reached US\$2.9 billion, 11 times that of 1981, making the Soviet Union China's fifth largest trade partner. Trade figure in the first half of this year showed a 34 percent increase over the same period last year to reach a total of US\$1.739 billion. Of that figure, Chinese exports held US\$752 million, showing a 12 percent increase, while imports accounted for US\$986 million, a 63 percent increase.

The restoration of the border trade in 1983 has spurred growth in the border provinces of Heilongjiang, Inner Mongolia, Xinjiang Uygur Autonomous Region and Jilin. The volume of Sino-Soviet border trade in 1988 reached US\$274 million, 3.1 times 1987's trade volume.

China and the Soviet Union have also signed 49 agreements on economic and technological co-operation following the Agreements on Economic and Technological Co-operation for

Constructing and Reforming Industrial Projects in China. Contracts with Moscow have also been signed to start 17 projects that will include the Harbin Flax Factory in Heilongjiang Province, the renovation of Furnace No. 3 of the Wuhan Iron and Steel Co. in Hubei Province, the Nanjing Power Plant in Jiangsu Province and the Jilin Terroally Factory. Talks are being conducted on the implementation of the joint economic and technological projects that were negotiated in 1988.

Other joint venture initiatives include the start of pulp and paper factories within China, and a jointly funded Beijing-Moscow Restaurant. Negotiations are also leading up to a joint-venture thermos factory to be built inside the Soviet Union. In addition, the face-lift of Beijing Restaurant in Moscow has been completed and will soon be put into service.

The normalization of Sino-Soviet relations in 1989 has opened a new era in the economic and trade relations between the two countries. Experts predict that the total volume of bilateral trade will exceed US\$3 billion and grow from 3.6 percent to 10 percent by the mid-1990s or the end of this century.

The two sides have established co-operation in such sectors as energy, communications, metallurgy, light industry and labour services. It is believed that their co-operation will be further expanded to include agriculture, medical services and the aviation industry. □

Expanded H-Acid Exports

Beginning from this October, the price of H-acid in the international market may drop," says Huo Ronghua, general manager of the Jilin Chemical

Industrial Corp.

Huo's prediction of price decline is based on the rapid growth of China's export capacity of H-acid. For 30 years, his corporation has maintained the annual production capacity of 6,000 tons of H-acid that saw half of it exported. This October, a new production line will come on line with an annual production capacity of 6,000 tons, of which 4,500 tons will be exported.

But the 9,000-ton global demand is still far from being satisfied. The substance supply is limited by its extended and complex manufacturing process, the steep demand for the raw materials that compose it, and the limited number of factories, chiefly found in China, Japan and the Federal Republic of Germany, that produce it.

by Yue Haitao

Joint Venture in Capsule Project

China's first company to specialize in producing pharmaceutical capsules has started. The recently founded plant, the Suzhou Capsule Co. Ltd., is a Sino-American joint venture.

The company is targeting at a mounting capsule demand both domestically and abroad by the pharmaceutical industry.

A total of US\$14 million has been invested by both Warner-Lambert Co. and the China National Pharmaceutical and Technology Corp. which has eight production lines with an annual production capacity of 2.4 billion capsules.

The company, which sells on the domestic, Asian and European markets, has already reported US\$150,000 in foreign exchange earnings.

The company occupies 720,000 sq. feet on the shores of Jinji Lake in Suzhou. □

Fewer Farmers on the Move

TONGJI XINXI
(Statistical News)

According to a recent sample survey of 2,538 villages in 29 provinces, autonomous regions and municipalities directly under the central government, the number of rural labourers moving out of agriculture to other work in 1988 amounted to 4.8 percent of the total. And 83.6 percent were absorbed locally, while 16.4 percent flowed into urban areas.

Among all labourers absorbed by local industry and service trades, 35.6 percent worked in manufacturing, 22.5 percent in building, 8.5 percent in transport, 16.6 percent in commerce, catering and services and 14.1 percent in other trades.

Some problems emerged in the process.

1. The speed of the transformation slowed down. In 1988, the number of farmers transferring from agriculture to other work fell by 7 percentage points compared with 1987. The main reason was that rural non-agricultural demand for labourers decreased because of difficulties in obtaining funds, power and raw materials. In addition, the curtailment of capital construction and the urban reduction in capital projects and the labour force needed had slowed down the movement.

2. Some agricultural workers returned to their homes. In 1988, the number of labourers transferring from non-agricultural trades to agriculture amounted to 0.64 percent of the total, 0.1 percentage point more than in 1987. There were three main reasons for this. First, most labourers from rural areas, because of their low levels of education and technical skill, could not meet the requirements of industry and the service trades. Second, owing

to the poor trading environment and deficiencies in management, some village and township enterprises had to close down, suspend production, merge, change their products, or reduce the scale of their operations. Third, slow progress in constructing small towns directly influenced the process of urbanization in rural areas and limited the number of farmers moving to other work.

3. The transformation of farmers was imbalanced between regions. The uneven development of the economy in different areas also mirrored the uneven movement. At present, the development of village and township enterprises is imbalanced nationwide. For instance, the rapid development of joint ventures, wholly foreign-owned and cooperative enterprises in Guangdong's Zhujiang (Pearl) River Delta has not only absorbed all surplus local labour but has also resulted in the recruitment of large numbers of labourers from other parts of the country. Since 1988, nearly 1 million labourers from elsewhere have been employed in the delta. On the other hand, in many mountainous areas, it is difficult to absorb surplus labour because of the slow development of enterprises run by villages and townships.

(June 5, 1989)

Yunnan Minorities Mix Life Styles

ZHONGGUO RIBAO
(China Daily)

Children of Pumi nationality in Lijiang Prefecture, Yunnan Province speak three languages: their own language, the Naxi language, and Mandarin.

"Many Pumi children born in

the cities will give up their own language to speak only Mandarin or languages of other minorities who are the dominant group in an area," said Hu Zhongwen, Pumi, chief of the Welfare Department of the Lijiang government. "I myself have little chance to speak my own language, maybe only a few times a year when I meet Pumi people."

Pumi is one of the smallest of China's 56 nationalities, with about 20,000 people living in Yunnan Province. Like other small nationalities, Pumi people found they were losing their identity to the main population in the area.

"It is not a matter of politics or racialism but a matter of practical convenience," Hu said. "Pumi people are now scattered among other nationalities and learning another's language is a means of surviving."

Yunnan has the largest number of minorities among Chinese provinces: 24 of China's 56 nationalities live there. The third national census in 1982 found that one third of Yunnan's population are minorities.

There are some 400,000 families where husbands and wives belong to different nationalities. Children of these families can choose their nationality. Now they tend to adopt the nationality of minority side of the marriage.

Dong Defu, a Han, is director of the Baima Snow Mountain Reserve Administration in Deqen Tibetan Autonomous Prefecture. He married a Tibetan woman and give all his four children Tibetan nationality. In Deqen, the Hans account for only 18 percent of the population; Tibetans, the main group, account for 33 percent; and the second largest group is the Lisu nationality which accounts for 29 percent.

Hu's wife is a Mosuo, a 16,000-member tribe of the Naxi

nationality. They are known for their special family structure based on the matriarchal system. Hu said, "Now, most Mosuo people have established stable husband and wife relationships."

Hu's home town is in Ninglang County where Mosuo people live and he has learned Mosuo customs from childhood.

"This is a very fine nationality with good mind and strong body. They were proud of their traditional family structure where senior women ruled the family.

"Now, though, they recognize couple relationships, but it is still a problem to try to get them to register their marriage," Hu said.

Mosuos regard the relationship between men and women as entirely private and don't like the idea of having a couple's picture taken before marriage as is requested by China's marriage regulations. They refuse pre-marriage physical check-ups and refrain from going to an office together to register, Hu said. As a result, some local government offices have waived some of the formalities.

Lijiang Prefecture has 23 nationalities. Most have their own spoken language but only a few have written language.

"If you study local languages, you will find they borrow from each other," said Guo Xiuwen, Naxi nationality, head of Lijiang's Nationality Affairs Commission. "About one-third of our Naxi language comprises Mandarin words, mainly names of goods made by modern industries such as airplane, car, and political phrases such as economic reform."

Minorities in Yunnan are influenced by Han in terms of dress. Except for old and middle-aged Tibetans, the nationality of men can no longer be identified by the clothes they wear. Most old and middle-aged women in rural areas wear colourful national dresses but in a simplified

form.

"The Naxi nationality has a tradition of accepting the good features of other nationalities. It is not considered improper to speak other people's language, marry into another nationality, or to wear another nationality's clothing," Guo said. She said this might be the reason Naxi people achieve more in cultural and economic development among minorities in the province. Yunnan governor He Zhiqiang is a Naxi.

A traditional Naxi woman's dress takes about six yards of cloth to make and costs several hundred yuan. Now young women tend to wear cheaper and more modern dresses.

(August 23, 1989)

Non-Government Scientific Units Ready to Expand

KEXUE RIBAO
(Science Daily)

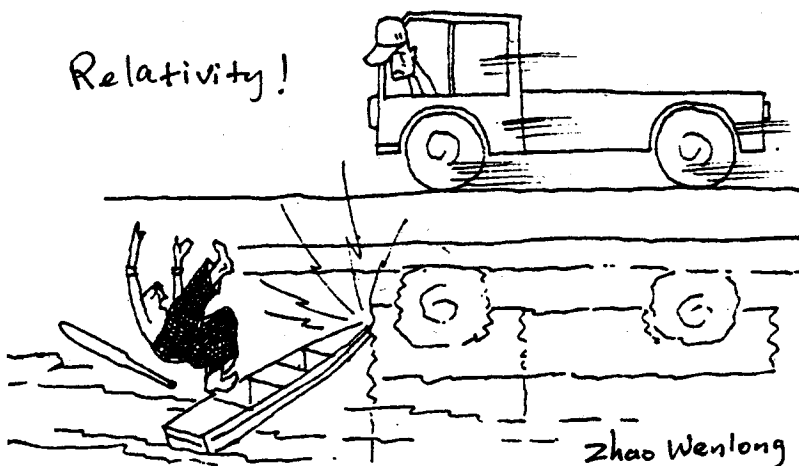
According to incomplete statistics, there were some 11,000 non-governmental scientific enterprises registered throughout China at the end of 1988. Some 17 percent of them were in Sichuan Province, while 10 percent were in Beijing, next only to Sichuan. Haidian District

in the western suburbs of Beijing was the hub of a rapidly developing and also the highest concentration of these enterprises with 834 in all.

The non-governmental scientific enterprises employed nearly 300,000 workers, including 100,000 scientists and technical personnel. The scope of their operations includes electronics, machine building, energy, instruments and meters, chemicals, the metallurgical and light and food industries, agriculture and horticulture, environmental protection, architecture, medicine and hygiene. Information services and consultancies with electronic firms are the most numerous. At the same time, managerial expertise is growing rapidly.

At present, three tendencies have emerged in the development of these enterprises: Moving out from the coastal cities towards the remote provinces and regions and backward areas, multi-purpose development such as in Beijing's Zhongguancun Electronic Street, increasing the sale of their products abroad. At present, close to 100 of these non-governmental scientific enterprises are planning to set up joint ventures with their counterparts abroad.

(May 31, 1989)



China Boxing into World Level



Chinese boxer Dong Yiyan (right) captures the world's position at the 14th Asian Amateur Boxing Championship in the 91-kg class.

GUAN TIANYI

China has made rapid progress in amateur boxing. Compared with other countries, you have accomplished much more in a shorter period," said Anwar Chowdhry, chairman of the International Amateur Boxing Association (IABA) at the end of his association's 14th Asian Amateur Boxing Championship in Beijing.

At the event last July China managed to take a second place and four thirds.

The competition that saw about 100 boxers from 13 countries and regions pound it out. China's Dong Yiyan take a second prize in the 91-kg class and his compatriots Yang Xiaoqiang, Chen kun and Wang Yawei capture thirds respectively in the 60-kg, 67-kg, 81-kg, and 91-kg class.

There are two important factors to be considered if China wants to make further progress in amateur boxing, added Chowdhry. China needs high-quality foreign coaches and as much experience as possible in international competitions.

Although the results are not

satisfactory, sources from Chinese boxing circles unanimously agreed that China achieved great progress at the Beijing competition.

One coach said that China started late and from a very low point.

Two years ago the three

Boxing Gets 'Computer Judges'

At a press conference in Beijing last July, International Amateur Boxing Association President Anwar Chowdhry made an announcement that would change boxing forever.

In the future, he said, computer scoring would be used in amateur boxing since it scored points that give more objective scores.

Chowdhry said that boxing competitions largely involved the subjective factor of judges, and that often led to complaints of unfair judgements.

Traditionally judges give a score just once at the end of a bout based on their general im-

pression and this often led to inaccuracy.

Computers will change this, said the boxing president. They will allow judges to record points by pressing buttons as the fight is in progress.

If three or more of the five judges press their buttons and the computer records the score, it will instantly show up on the screen.

The final scores will appear instantly on the screen, said Chowdhry who praised this innovation "a revolutionary step in the history of amateur boxing."

Such computer judges were used this year in Bangkok's King's Cup and at the 14th Asian

Chinese boxers who entered the 13th Asian Amateur Boxing Championship in Kuwait were all crushed in their first rounds because of their rigid boxing techniques and tactics.

The 14th Asian Amateur Boxing Championship marked a new track record. Besides taking titles Chinese boxers also drew public attention because of their overall boxing quality.

In previous competitions, Chinese boxers appeared exhausted in the third round and only had the strength to foster a passive defense.

This time their physical fitness has improved to the point where they could energetically fight through to the end. Fans not only saw the Chinese with better tactics, they also saw their fighters in better spirits and aggressive.

However, the shortcomings are still obvious. Chinese boxers are less aggressive and still lack a diversity in their attacks.

In hopes of gaining even better results China's boxers are busy practicing while keying up to next year's Asian Games to be held in Beijing. □

Boxing Championship, he said. The system will also be used at the 1992 Barcelona Olympics and other major world competitions.

The president pointed out that the new system is the payoff to years of research conducted by Denmark, Switzerland and the Soviet Union and that it was the Soviet system they went with after a careful selection.

Chowdhry also announced new findings that showed amateur boxing to be more safe than many believe. Three years ago, a medical examination centre for amateur boxing was set up in John Hopkings University that kept a medical record of 500 young boxers. The results showed that amateur boxing, under supervision, is safer than most of other sport events and does not endanger the boxer's health.

Another breakthrough has been made in the materials used to produce head protectors and gloves, according to Chowdhry. These materials will reduce force of a punch by 70 percent, with 50 percent of the impact taken by head protectors and 20 percent by the gloves.

We are still studying and experimenting in the materials side and two special research institutions in the Federal Republic of Germany have offered their help, he said. Such finds mean that in the future you will see very few boxers knocked down or knocked out, said the president.

Chowdhry also said that because of the growing popularity of boxing, there will be increasing numbers of boxers and their numbers in competition should be limited or else there will be over 700 boxers taking part in the Barcelona Olympics.

Limits placed on the number of boxers are hoped to both ease the strain placed upon the medical monitoring facilities and to guarantee the safety of the box-

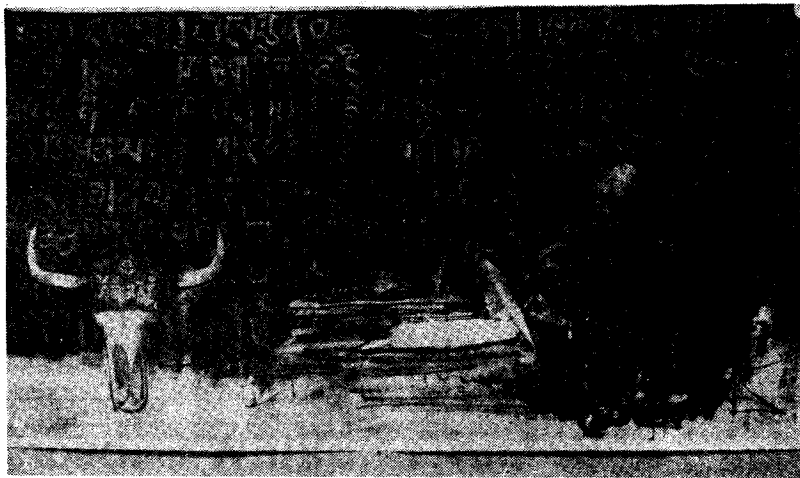
ers.

The president listed qualifying competitions such as international tournaments and regional and continental competitions as ways to reduce number of boxers entered in the next Olympics.

Chowdhry also said that there was little possibility that boxing

competitions will be cancelled from the Olympic Games in the foreseeable future. Antonio Samaranch, Chairman of the International Olympic Committee has twice made official statements that as long as he is in power boxing will remain an event as usual. □

Chinese Artist Gets UNESCO Prize



Shi's Award-Winning "Cutting Scripture" shows the deep piety of the Tibetans.

A young Chinese artist, Shi Guoliang, has been awarded a UNESCO National Commission prize at the 23rd Monte-Carlo International Competition for Contemporary Art held last May and June.

A traditional Chinese artist, Shi was one of 1,600 artists from 68 countries who entered a total of 8,400 works, of which 220 were selected for the competition. Of the 24 Chinese entries, Shi's work entitled "Cutting Scripture" was the only one that was awarded the prize.

Cutting Scripture's theme deals with an old Tibetan artisan's engraved scripture on a huge stone. Shi limited himself to the earthen colours of black, white, red and brown to express the Tibetan people's piousness towards

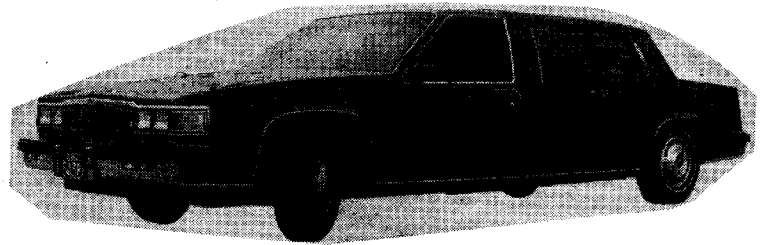
their religion while introducing some fresh concepts in techniques of expression.

Graduated from the post-graduate class of the Central Academy of Fine Arts' Traditional Chinese Painting Department, Shi is fairly noted throughout China who works as a professional painter at the Beijing Studio of Art and Calligraphy.

Most of his works are reflective of the local conditions and customs in Tibet and the countryside of north China. Lively and simple, his paintings possess a strong flavour of life.

People in Gansu's Lanzhou, in Sichuan and Taiwan and other places have seen Shi's solo exhibitions come to town. His published works include *An Album of Sketches and Techniques on Figure Wash Painting*. □

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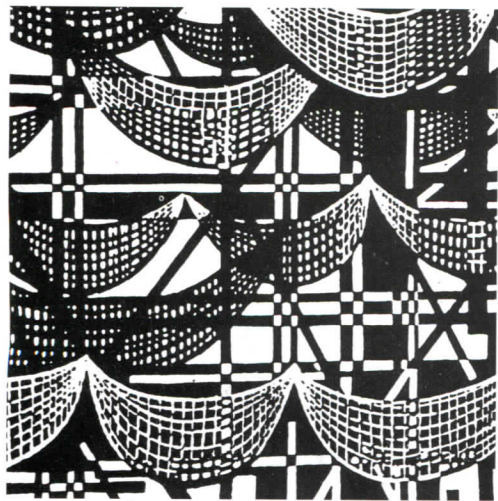
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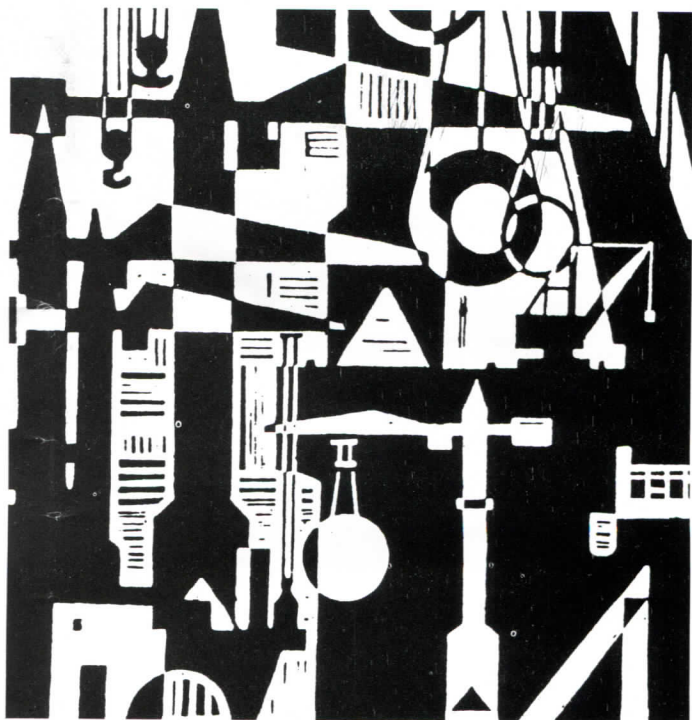
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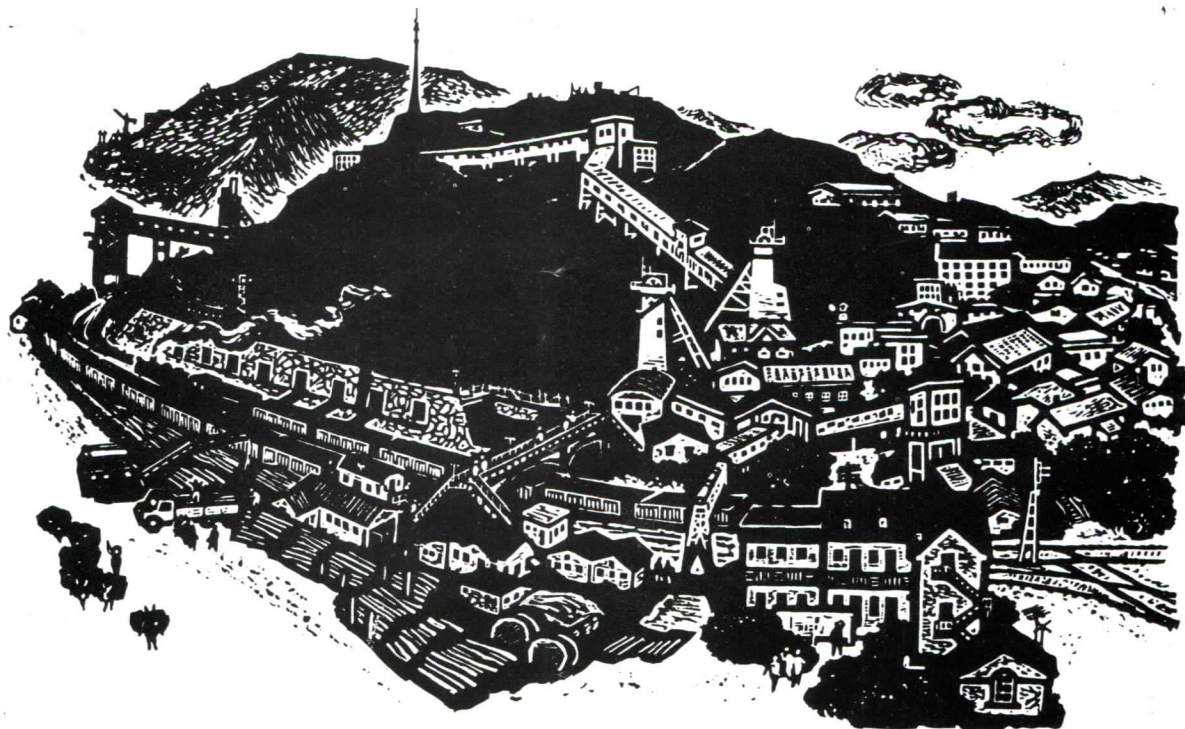
Construction Site.

Woodcuts by Lu Zhonghuan

Born in Beijing in 1945, Lu Zhonghuan arranges exhibitions for the Ministry of Water Resources. He has developed his talent for woodcuts and favours industrial construction sites and city scenes for his subjects.

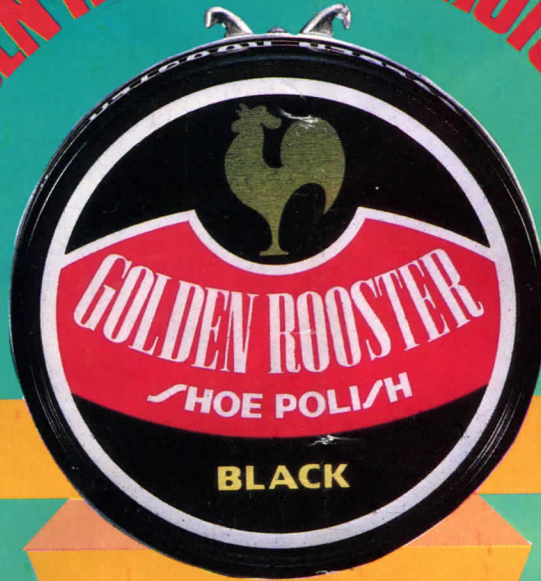


Tower Cranes at New Reservoir Site.



A Coal Mine.

THE "GOLDEN ROOSTER" STRUTS ITS STUFF



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