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Foreign Minister Qian on World Issues



The Neighbourhood Committee — Residents' Self-Government

New Power Grid In East China

China's first 500,000-V transmission line has been erected. It stretches 1,070 kilometres, from the Gezhouba Dam Electric Power Station in the middle reaches of the Changjiang (Yangtze) River to Shanghai, and has an installed capacity of 1.2 million kw.



A helicopter is used to erect the power transmission line.



The electric current of 3-6 billion kwh generated from the Gezhouba Dam Electric Power Station each year is sent to China's eastern areas. The power transmission line is nearly completely installed.

Photos by Xu Changjun and Hua Ai



Basic Law a Guarantee of Hk's Prosperity

□ The work of drafting the Basic Law of the Hong Kong Special Administrative Region has finally come to an end with its formal passage by the National People's Congress, paving the way for continued prosperity and stability in Hong Kong after 1997 (p. 4).

Qian Qichen Meets the Media

□ At a news conference in Beijing, Chinese Foreign Minister Qian Qichen fielded questions from foreign and Chinese reporters on topics ranging from China's relations with the two superpowers to the East European situation (p. 10).

Running China With Collective Wisdom

□ Heated debates and lively discussions characterized the Third Session of the Seventh NPC. During panel discussions, the work of the government was examined, existing problems were thrashed out and suggestions for future improvement made. On the basis of the opinions and suggestions of the deputies, the session endorsed a series of resolutions and laws (p. 14).

Urban Dwellers Running Their Affairs

□ Since China's promulgation of the Regulations on the Organization of Urban Neighbourhood Committees in 1954, some 100,000 such committees have been set up in the urban areas across the country. The article provides a close look at their work in Hangzhou, Zhejiang Province (p. 26).

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COVER: Residents' daily needs are met with the help of a Neighbourhood Committee in Hangzhou, Zhejiang Province.

Photo by Lin Hui

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Hong Kong Basic Law Guarantees “One Country, Two Systems”

by Our Guest Commentator Ruan Ping

The just-ended Third Session of the Seventh National People's Congress (NPC) finally passed the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, drawing a satisfactory end to nearly five years of drafting this law.

The Basic Law of Hong Kong is formulated in accordance with the concept of “one country, two systems” — that is, in the unified People's Republic of China, the mainland practises socialism, while Hong Kong, Macao and Taiwan practise capitalism. This concept not only leads to a satisfactory solution of the question of China's resumption of exercise of sovereignty over Hong Kong, but also provides a solid base for maintaining long-term stability and prosperity for Hong Kong.

For quite a long time, Hong Kong and the mainland have pursued two different social systems. Economic development in the two areas has also been imbalanced. Whether the “one country, two systems” blueprint will succeed in China under a socialist constitution depends on what the Basic Law of Hong Kong stipulates. Naturally, the drafting of the Basic Law of Hong Kong has drawn concern from people both at home and abroad.

Unprecedented as it is, the concept “one country, two systems” faces many specific and unpredictable practical issues in its translation into reality. Therefore, in drafting the Basic Law, a principled stand must be combined with flexibility.

The Basic Law of Hong Kong is a national law. It must, in accordance with China's constitution, clearly state the position of the Hong Kong Special Administrative Region in the national administrative system, specify the respective powers of the Central People's Government and the Hong Kong Special Administrative Region, embody the central government's basic policies and guidelines over Hong Kong, and stipulate the scope and degree of Hong Kong's autonomy.

On the other hand, the Basic Law of Hong

Kong is a mini-constitution for the Hong Kong Special Administrative Region. Its provisions and articles concern the various aspects of life in Hong Kong, including social and economic systems, guarantees for residents' basic rights and freedoms, administrative management, legislative and judicial systems and the protection of private property. It is a guarantee for continuing the capitalist system in Hong Kong after 1997. In other words, the stipulations of the Chinese constitution in these areas will not apply in Hong Kong.

Under the circumstances, there were two highly important questions of concern in the drafting process. One was the relationship between the central government and the special administrative region. Specifically, how it is possible to guarantee the state's exercise of sovereignty over Hong Kong while safeguarding the latter's high degree of autonomy. Another was the creation of a political structure that will provide the preconditions for a future “Hong Kong run by the Hong Kong people” so as to maintain its stability and prosperity.

According to the Sino-British Joint Declaration on the Question of Hong Kong, “The Hong Kong Special Administrative Region shall be directly under the authority of the Central People's Government of the People's Republic of China and shall enjoy a high degree of autonomy,” and, “Except for foreign and defence affairs which are the responsibilities of the Central People's Government, the Hong Kong Special Administrative Region shall be vested with executive, legislative and independent judicial power, including that of final adjudication.” These two passages best demonstrate the spirit of “one country, two systems.” There cannot be lopsided emphasis on either the “one country” or the “two systems.”

It is no easy task, however, to put the principles into practice, especially when legal issues are involved. For example, the application of national laws in Hong Kong is one of the knotty issues. Under the concept of “one country, two

systems," Hong Kong will retain its original legal system, which means that national laws in general are not to be practised in Hong Kong. On the other hand, because the special administrative region is a part of China's territory, several national laws that embody national sovereignty must be carried out in Hong Kong. Therefore, it must be clearly stated which national laws are applicable, which are not, and if applicable, what procedures should be undertaken.

Take the independent judicial power and that of final adjudication for another example. Independent judicial power means the courts can conduct trials independent of any interference, while the power of final adjudication means that judgment and rule by the Hong Kong Special Administrative Region's Court of Final Appeal are final. However, Hong Kong courts as local courts cannot handle cases concerning charges on the exercise of sovereignty by the highest state administrative organs. Common law rules, too, dictate that the adjudication power of courts is limited. Therefore, the drafted law should preserve the original restrictions imposed on Hong Kong courts' adjudicative rights while preventing the restrictions from being extended to check the full exercise of adjudicative rights by the special administrative region's courts.

The Basic Law of Hong Kong shows that not only the above-mentioned issues, but also other questions, such as the legislative power, the right to interpret and amend the Basic Law and the stationing of troops in the special administrative region, have all been smoothly resolved according to the spirit of "one country, two systems."

Hong Kong will return to China in 1997 changing from a British colony to the Hong Kong Special Administrative Region of China, enjoying a high degree of autonomy. With an eye towards the future, all the people, especially the Hong Kong residents took particular care in deciding what kind of political system was best suitable to the Hong Kong Special Administrative Region while the Basic Law of Hong Kong was being drafted. Because of differences of opinion over the current social conditions, basic targets and concepts, people had different ideas on what kind of political system would work and how far to develop a democratic political system that could meet Hong Kong's need for stable development.

The members of the Drafting Committee also

faced another problem: How to work out a Hong Kong political structure that would be accepted by the majority of Hong Kong citizens and would conform to all of Hong Kong interests, that would not only guarantee the gradual development of a democratic political system but also guarantee a smooth transition from Britain to China and continuation after 1997. The part of the Political Structure of the Basic Law of Hong Kong was formulated after soliciting different opinions and taking the strongest points from the various drafts. During the process of drafting the Basic Law the members of the Drafting Committee collected opinions from people of all walks of life in Hong Kong and gave full consideration to their desires. The committee demonstrated the work style of democracy through its concerted efforts and close co-operation.

The entire drafting process was one of investigation, study, discussion, consultation and even debate on the above mentioned two main questions. The Drafting Committee members remained faithful to the principles of safeguarding state sovereignty and maintaining the stability and prosperity of Hong Kong. They sought a common ground while ironing out differences, respecting and trusting each other, resolving thorny issues one after another and finally working out the Basic Law of Hong Kong.

Although the Basic Law of Hong Kong has been passed by the Third Session of the Seventh National People's Congress and the concept of "one country, two systems" has been written into law, it is only the beginning.

More questions may arise during the transition period and the development process after 1997. The Basic Law of Hong Kong has only provided a procedure and basic principles for resolving of the questions. This requires that all the Chinese people in the spirit of mutual trust and respect and seeking common goals despite their differences, proceed on the set line towards the target: This line is to carry out the Basic Law of Hong Kong to the letter and the target is, of course, to preserve state unification and the prosperity and stability of Hong Kong.

The concept of "one country, two systems" is without precedent in history. The Basic Law of Hong Kong is also unprecedented. Therefore, it is only natural for some people to be suspicious of the possibility of two systems — socialism and capitalism — in one country. However, the future will provide a satisfactory answer. ■

Third Session of the Seventh NPC Ends

To the delight of people both in Hong Kong and on the mainland, the Basic Law of the Hong Kong Special Administrative Region (SAR) was passed at the closing meeting of the Third Session of the Seventh National People's Congress (NPC) on April 4.

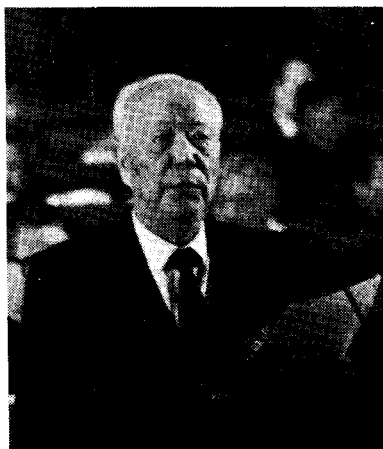
The basic law was the product of more than four years of work by the Hong Kong Basic Law Drafting Committee. It was made according to the provisions of the Chinese Constitution and under the principle of "one country, two systems." It stipulates that the Hong Kong SAR shall be incorporated as a local administrative region with a high degree of autonomy directly under the central government of the People's Republic of China.

The basic law also defines Hong Kong's future political structure.

It states that permanent residents and other people residing in the Hong Kong SAR will enjoy extensive political, individual, economic, cultural, social and family rights and freedoms.

Regarding the economy, the basic law spells out the Hong Kong SAR's economic system and policies in eight aspects: public finance, monetary affairs, trade, industry, commerce, land leases, shipping and civil aviation. All are indispensable to ensuring the normal operation of Hong Kong's capitalist economic mechanism and maintaining its status as a world financial centre and free port.

Also passed was the Amendment to the Joint Venture Law to further protect the interests of foreign investors in China. One of the four major changes specified in the amendment is that China shall not nationalize any Sino-foreign equity joint ventures.



Wan Li, chairman of the NPC Standing Committee, chairs the 3rd Session of the 7th NPC.

Other changes involve the selection of the chairman of the board of directors, the issue of operational periods, and the designation of banks with which equity ventures can open accounts.

This session accepted Deng Xiaoping's resignation from the chairmanship of the Central Military Commission of the People's Republic of China and elected Jiang Zemin, general secretary of the Communist Party of China Central Committee, to the post.

In addition, the concluding

meeting passed resolutions on a report on the work of the government, the State Council's 1990 plan for national economic and social development, the implementation of the State Budget for 1989 and the State Budget for 1990, a work report of the NPC Standing Committee, and work reports of the Supreme People's Court and the Supreme People's Procuratorate.

Third Session of Seventh CPPCC Closes. The Third Session of the Seventh National Committee of the Chinese People's Political Consultative Conference (CPPCC) closed successfully on March 29 after adopting several resolutions. It also elected by an automatic voting machine Hong Xuezhi as the new vice-chairman of the CPPCC National Committee. Yang Zhilin, Song Demin, Tang Aoqing and Tan Weixu were elected new members of the Standing Committee of the CPPCC National Committee.

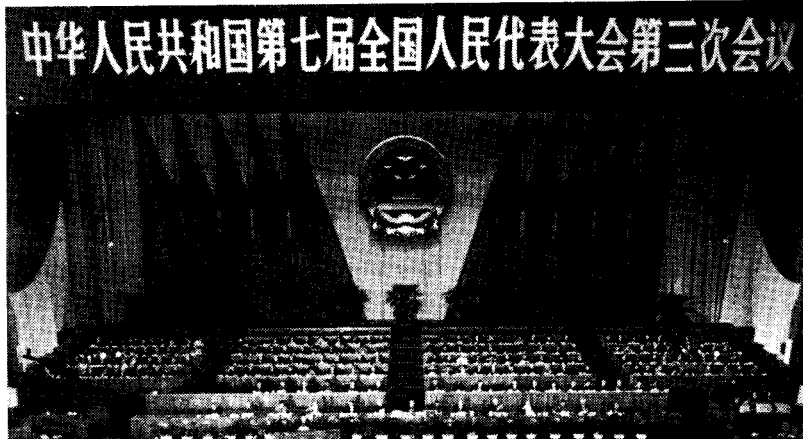
Li Xiannian, chairman of the CPPCC National Committee, described the session in his speech at the closing meeting as "united, democratic and morale boosting."

He spoke highly of the work done by the Chinese Communist Party's Central Committee and the State Council in the political, economic and diplomatic fields.

"Facts have shown that the col-

The 7th NPC holding its 3rd Session in the Great Hall of the People in Beijing.

CHEN ZONGLE



lective leadership of the Party Central Committee with Jiang Zemin as general secretary has adhered to Marxism and is the reliable core of leadership for the people of all nationalities," Li said.

He pointed out that the people are masters of the country. To bring their initiative into full play is the fundamental guarantee of victory in China's socialist cause.

The CPPCC has a major role to play in pushing forward the reform, opening to the outside world and socialist modernization, in strengthening the ties of the Party and government with the people and in enhancing the

unity among the people throughout China, Li said.

The political resolution adopted at the meeting expresses the hope that the State Council will carefully study and handle the suggestions and proposals made by the CPPCC National Committee members for furthering the nation's political stability.

According to a report on proposals put forward during the session, CPPCC National Committee members have made more than 1,700 proposals, which will be referred to 140 departments and institutions under the Communist Party Central Committee and the State Council. ■

ducks, pigeons and other transients can be found on its lakes and isles.

As the last foothold for these plateau creatures, the region "represents the finest wildlife area remaining in China and one of the finest in the world," said the letter of intent. "It represents a well-preserved ecosystem that has yet been little modified by humans, an ecosystem unique in the world."

The establishment of the Qiangtang Natural Reserve was proposed last autumn when Chinese environmentalists hosted a noted American biologist, Dr. George Schaller. They had concluded that the beauty of the region, its rare and interesting flora and fauna, and its great scientific value make it a natural treasure of Tibet, China and the world, and it should be protected, said Xue Dayuan, a Chinese biologist from the Nanjing Institute of Environmental Science.

Last November, Xue accompanied Dr. Schaller to Tibet. There, a representative from the Tibetan Environmental Protection Agency and Dr. Schaller, on behalf of Wildlife Conservation International, a unit of the New York Zoological Society, endorsed the letter. The document, which commits no legal effect,

Tibet to Establish World's No. 1 Preserve

With the help of their two-legged friends, rare four-legged residents and other endangered species on the "roof of the world" will soon have their own exclusive, well-protected sanctuary in north-western Tibet.

Chinese scientists have confirmed that officials in China and American conservationists signed a letter of intent last November 29 to establish what they say will be the world's largest wildlife reserve. It will be within the Qiangtang (Chang Tang) area, a rather pure tract encompassing the heart of one of the biggest and most unspoiled ecosystems on Earth.

Qiangtang, meaning "Northern Plain" or "Northern Wilderness" in the Tibetan language, is a mysterious, awe-inspiring area of about 800,000 square kilometres, roughly two-thirds of the Tibet Autonomous Region. To its north lie the Kunlun Mountains, and to the south tower the Gangdise and Nyenchen Tanglha mountain ranges. The Tanglha Range stands on its eastern threshold. This vast stretch of highland, at an average alti-

tude of 4,500 metres, consists of isolated mountains and rolling plains dotted with 1,500 lakes, more than anywhere else in China.

With an average annual temperature between minus 3 degrees and zero Celsius and a yearly precipitation between 100 and 300 millimetres, Qingtang is too cold and dry to accommodate human souls, but it is what Chinese and American zoologists call "a rare animal garden."

It is the native habitat for wild yaks, Tibetan wild asses, Tibetan takins, Tibetan gazelles, Tibetan wild sheep, blue sheep and Tibetan brown bears, all of which are found only in the Qinghai-Tibet Plateau, known as "the roof of the world." It is also frequented by other precious mammals and birds such as snow leopards, lynx, white-lipped deers, golden-haired monkeys, wolves, tigers and Tibetan snowcocks. Flocks of swans, wild



defines the location of the Qiangtang Natural Reserve (See diagram). Total area of the reserve will top 200,000 square kilometres, or about the size of Britain.

"This is indeed an ambitious design and its realization depends, to a great extent, on how much funds we can get," said Xue, adding that both sides are discussing ways to raise money.

He also expressed his hope that people all over the world would support the proposal and donate money. "Those plateau rare animals are not only our treasures, they also belong to the whole world, just like the giant panda," he said.

Xue said the government of the Tibet Autonomous Region, bearing a great responsibility to protect the wildlife neighbourhood, fully supports the efforts of the scientists and environmentalists concerned with this project. It would also like to see the letter of intent translated into reality, although no timetable has been set for establishing the reserve.

Across the country, the Qinghai-Tibet Plateau has been on the lips of many people recently. On March 14 the China Qinghai-Tibet Plateau Society, which plans to study the highland's biology, geology, resources, environment and development, was founded in Beijing.

At the inauguration ceremony, which also served to open a symposium on the tableland, zoologists from the Chinese Academy of Sciences estimated that there are about 35,700 wild donkeys now roaming the Karakoram-Kunlun areas. They also said there are 35,000 wild yaks and 90,000 Tibetan takins living in the Kunlun Mountains.

Among those alpine living treasures, the snow leopard has drawn the focus of attention.

"It is no less valuable than the giant panda," said Xue, adding

that there is even a snow leopard research society abroad. China now has no more than 1,000 snow leopards, he said.

Despite the fact that few people live in the area, snow leopards and other wildlife have failed to escape the threats posed by human beings.

Early on the morning of February 24, four farmers of Huangzhong County in Qinghai Province were caught with 14 freshly-killed snow leopards and

seven dead blue sheep, *The Qinghai Daily* reported. The conservationists and the media were shocked by the slaughter, and demanded that the hunters be punished severely, the newspaper added.

Because of these senseless acts, Xue said, it becomes imperative that all measures be taken, including setting up more preserves, to keep wildlife out of harm's way.

by Li Haibo

Favourable Market Turn in the Offing

China's sluggish market is expected to take a favourable turn sometime between spring and summer this year.

Market experts say that the country's general market situation will see a slight drop in social retail sales volume in the first quarter of this year, an initial recovery in the second quarter, and a possible move out of the bottom in the latter half of the year.

"We believe that the market should be both stable and prosperous, and we are confident that such a situation will come," said Minister of Commerce Hu Ping.

The present torpid market, Hu said, is to some extent an expected, inevitable negative effect of the austerity policy and the economic rectification effort. Or, to be specific, it is the result of moves taken to slow up the economy by limiting the supplies of money and credit.

Since the beginning of this year, the government has adopted a series of policies and measures to improve macroeconomic control and regulation to stabilize the economy and maintain social stability.

These measures include a proper increase in investment, readjustments in interest rates for enterprises' bank deposits and loans, a proper relaxation in the

control of institutional spending, the breaking of "debt chains" among enterprises and the restoration of the system of banks, honouring of collections.

These measures, designed to speed up the flow of funds, will promote commodity circulation, Hu said, and set the stage for an anticipated favourable turn for the market, where total demand still outpaces total supply.

China's market has been dragging its feet since early last summer. However, he said, normal consumer demands could only be postponed but never eliminated.

This year commercial departments in all parts of the country have been actively buying products, playing the role of a "reservoir" to support industrial and agricultural production, he said.

By the end of February, his ministry's commodity stocks saw a 16 percent increase over the same period last year. The rate of purchase exceeded the growth of production, thus putting an end to inert purchases and retail sales that prevailed in last year's fourth quarter, Hu said.

However, in the latter half of this year there might be a partial shortage of goods, the Minister said.

"At present, a slow and careful readjustment is necessary but a sharp turn of direction should be prevented. Otherwise, problems would occur." ■

Conditions Improve in Poverty Belt

Hunger is now a thing of the past for most farmers in the destitute area in central Gansu Province and the southern Ningxia Hui Autonomous Region, where poor farming conditions used to drive many to leave their homes and eke out a living elsewhere.

But now many of them not only make both ends meet but also store at least 2,000 kilogrammes of grain a year per household, thanks to state subsidies and the introduction of scientific farming.

In China, a poverty-stricken area means its average annual income per capita is less than 200 yuan and grain output per capita less than 200 kilograms. As a result of painstaking efforts, China's rural population under the poverty line dropped to 40 million in 1989 from 110 million in 1985.

China's largest stretch of depressed area consists of the 20 counties in Dingxi and Hexi prefectures in Gansu and eight counties in the arid hilly areas of Ningxia. Covering 180,000 square kilometres, these counties have a combined rural population of more than 7 million.

But now, statistics show that this poverty belt has cast off the label of "the poorest." Grain output in Gansu's poor areas averaged 260 kilogrammes per capita last year, up from 152.5 kilogrammes in 1982, and their net income averaged 380 yuan each, up from about 50 yuan.

The average per-capita grain output and income of farmers in the eight neighbouring counties of Ningxia was 240 kilogrammes and 210 yuan per person last year.

The percentage of the people under the poverty line has dropped from 75 to less than 10 in recent years, and 20 percent of them are considered well-off.

These counties have been regarded as the poorest in China since the Qing Dynasty (1616 — 1911). Even after the founding of

New China in 1949, farmers there had to live on state subsidies. They opened up virgin soil to grow grain and dug up turf and tree roots to serve as fuel. However, the more farmland they tried to develop the poorer they became because they destroyed the ecological balance.

In 1982, the State Council designated these counties as part of the state key areas for agricultural development. Since then, the state has allocated a special investment of 200 million yuan a year to these areas for water conservation projects, planting trees and grass, developing animal husbandry and rural enterprises, and resettling some rural dwellers to more favourable locations.

In addition, scientists have been sent to the region to disseminate simple but practical techniques among local farmers who had been farming by the most primitive methods at the mercy of nature. Scientists are also encouraging

farmers to diversify their economic activities by raising rabbits, cattle and sheep.

Statistics show that more than 100 irrigation projects have been built in this region with state subsidies. The projects have expanded the area of irrigated farmland by about 100,000 hectares and improved more than 70,000 hectares of irrigated land. Irrigated land in this region now totals 250,000 hectares. These projects have also provided drinking water for 1.08 million people and 500,000 draft animals.

The past seven years have seen farmers in these areas plant 600,000 hectares of grass and 670,000 hectares of trees and bring under control 13,960 square kilometres of once soil-eroded areas.

In the coming three years, more efforts have to be exerted to lift the remaining 1.05 million people from the poverty line by increasing their annual per capita income to 300 yuan and their grain ration to 300 kilograms by 1992. ■

Foundation Solicits Attention to Education

The government would take concrete measures to elevate teachers' social status and well-being, said Li Tieying, minister in charge of the State Education Commission.

These measures include, the minister said, regularly rewarding outstanding teachers, giving teachers higher pay than the average worker, and preferential medical and insurance treatment for those who have taken teaching as their life-work.

At a meeting March 25 with members of the Foundation for Awarding Secondary, Primary and Preschool Teachers, Li told the meeting that the establishment of the foundation means pooling social resources and drawing public attention to the development of education.

"We should make teaching one of the most respected and admirable occupations," the minister said.

The foundation, set up three years ago, has raised 400 million yuan. Last year, about 300,000 teachers received awards from either the government or the foundation.

The foundation has also sponsored academic exchanges, summer camps and other activities for teachers.

Chinese Premier Li Peng said at the meeting that education signifies the quality of a nation.

The government and educational departments are duty-bound with it, the premier said, but their effort is not enough to cope with the difficulties facing education in China.

"Education is the cause of the whole nation, which calls for efforts from all aspects of the society," Li said.

Party General Secretary Jiang Zemin told the meeting that bringing up the younger generation for the cause of socialism should begin with preschool education. ■

Foreign Minister Qian Meets the Press

Chinese Foreign Minister Qian Qichen, at a news conference on March 28 in the Great Hall of the People given by Yao Guang, spokesman for the Third Session of the Seventh National People's Congress, answered questions that ranged from the current international situation to Sino-Soviet and Sino-US relations.

TASS: Premier Li Peng is going to visit the Soviet Union. What's the aim of the visit? What exact date does the visit take place? What agreement does the Chinese side expect to reach during the visit and what are the prospects for Sino-Soviet relations?

Qian Qichen: Last May, General Secretary Mikhail Gorbachev paid a visit to China and issued an invitation to visit his country to Chinese leaders. Premier Li's visit is a return one at his invitation. It will take place in late April, the exact programme being discussed by both sides. We hope this visit will further promote Sino-Soviet relations after their normalization. We also hope that agreements can be reached in such fields as economic co-operation and reduction of troop deployment along the borders. In my view, the prospects of Sino-Soviet relations are good.

South China Morning Post: Exactly a year ago at a press conference here, you said that the question of granting British passports to people in Hong Kong was a matter for the British side to consider. Now the Foreign Ministry is telling us that China will not recognize the British passports given to Hong Kong people. Why the change?

Qian: The annex of the Sino-



Foreign Minister Qian Qichen.

CHEN ZONGLIE

British Joint Declaration stated quite clearly that all Chinese patriots in Hong Kong, whether holding British Dependent Territories Citizens' passports or not, are all Chinese citizens. According to China's Nationality Law, Chinese citizens who settle in Chinese territory must first apply to give up their Chinese nationality before they apply for foreign citizenship. It is a matter of course that before they obtain such permits, they are not entitled to enjoy British consular protection in the Hong Kong Special Administrative Region.

China Daily: Since the normalization of Sino-Soviet ties last May, negotiations between the two countries' diplomatic and military experts have been going on. What changes have taken place along the Sino-Soviet border and what

impact do these changes have on the strategic situation in Asia and the world?

Qian: Negotiations after the normalization of Sino-Soviet relations have been focused on measures to reduce the bilateral military presence along the border and increase mutual trust. What is being discussed at the moment is the reduction of troops along the border. Our goal is to cut troops to the minimum level corresponding to the normalized relations between the two countries. We are discussing some principles that will lead to such reductions. The situation along the Sino-Soviet border is stable.

Central People's Broadcasting Station: Is China prepared to adjust its policy towards South Africa now that black leader Nelson Mandela is released and the last colony in Africa, Namibia, has declared independence?

Qian: We welcome the South African authorities' move to free Mandela and their promise to allow the African National Congress and Pan-Africanist Congress to operate publicly and hold talks with them. However, this is far from enough, because fundamentally the South African authorities have not relinquished their apartheid policy. Under such a condition, China is unlikely to develop ties with South Africa.

Central Television Station: Many people say the focus of disarmament today is in Europe. But the Chinese people in Asia are equally concerned with their security. What comment does the Chinese government have on disarmament in the Asian-Pacific region?

Qian: It is quite understandable that the focus of disarmament

now is in Europe between the Soviet Union and the United States, between the two military blocs. However, disarmament should not be confined to one area only. The United States and the Soviet Union concentrate a fairly large amount of their military strength in the Asian-Pacific region, which, it should be pointed out, poses a threat to security and stability in the region. Therefore we hope the two countries can reach agreement on cutting their military presence in this area. There should be disarmament in this region.

Agencia EFE, SA: Recently the Chinese leadership carried a warning against "peaceful evolution." What exactly does "peaceful evolution" mean and how is this concept related to the situation in Eastern Europe?

Qian: The term "peaceful evolution" is not our invention but rather that of John Foster Dulles. He believed that it was impossible to alter China's revolution at the time, and that a strategy of peaceful evolution should be carried out on the second and third generation of the Chinese people. We should certainly keep vigilant against this. China's revolution will carry on right to the end and its socialist construction will and must reach its goal. It is therefore quite natural for us to be alert to "peaceful evolution."

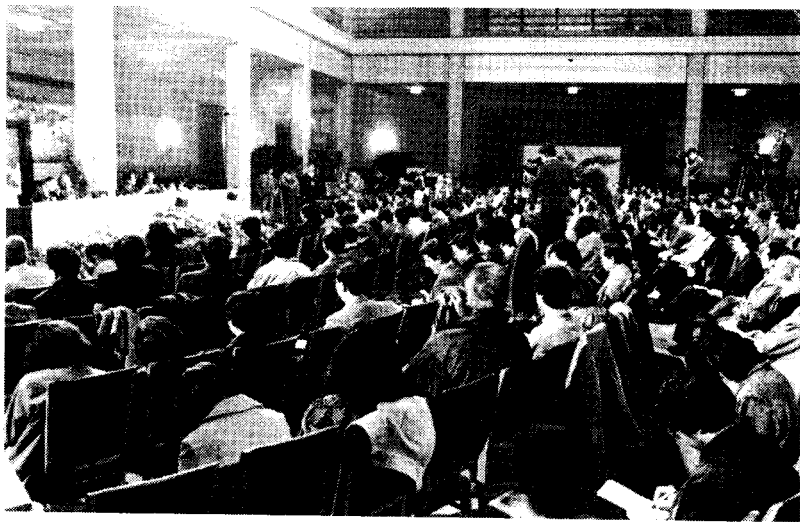
Los Angeles Times: Could you assess the current situation of US-China relations, especially the political pressure faced by President (George) Bush, the situation concerning Fang Lizhi and the question of renewal of the most-favoured-nation trading status. Will China take any steps to try to influence public opinion in the United States and make it easier for President Bush to promote US-China relations?

Qian: China has always attached much importance to its relations with the United States. It is China's hope that its relations with the United States will return to

normal. We appreciate similar remarks made by President George Bush. On the issue of Fang Lizhi, the American side should take initial action in resolving the issue since the US Embassy in Beijing has violated international law by illegally providing Fang with refuge. The only way out for people like Fang Lizhi is to mend their

United States to retrograde.

United Daily News: The Beijing authorities have been suspicious of Taipei's "elastic diplomacy" policy. If the Taipei authorities agree to give up their policy of "elastic diplomacy" on the premise that the Beijing authorities ease their pressure on Taiwan and gives it a living space in the inter-



The press conference.

CHEN ZONGLIE

ways and admit their guilt as soon as possible. The most-favoured-nation status granted to China is part of the reciprocal clause provided by the trade agreement reached by the two countries soon after the establishment of diplomatic relations. Now, some people in the US Congress are trying to stop the granting of the most-favoured-nation status to China. If they succeed, it will undoubtedly greatly impair the trade relations between the two countries, thus causing major retrogression in our relations. This is something China does not want to see. I think that the American people, including people in trade, political and economic circles in the United States as well as the US government, do not want to see things like that happen. We hope that the US government will make a wise decision on this matter and avoid doing anything that could cause relations between China and the

national community, what attitude will the Beijing authorities adopt? If they agree, what conditions will they propose and if they disagree, what are the reasons?

Qian: The Chinese government is opposed to the "elastic diplomacy" policy pursued by the Taiwan authorities because the policy is aimed at sabotaging relations between China and other countries which have established diplomatic relations with the People's Republic of China. It runs counter to their professed stand for "only one China in the world." So it is a matter of major concern, a question of principle that concerns the reunification of the motherland. In the international arena, the Taiwan authorities can participate, under certain conditions, in some economic activities sponsored by non-governmental organizations and sports games or other activities on which there is mutual agreement. However, if the Tai-

wan authorities continue to practise "elastic diplomacy" and try to buy off these countries with a huge amount of money, even the people in Taiwan will not allow it. Such actions are inappropriate.

Hong Kong Broadcasting Station: Will relations between China and the United Kingdom further improve with the passing of the Basic Law of the Hong Kong Special Administrative Region? Will the British government's move to grant the right of abode to 50,000 Hong Kong families impose new barriers in Sino-British relations?

Qian: Relations between China and the United Kingdom are gradually moving in a favourable direction. With the passing of the draft Basic Law of the Hong Kong Special Administrative Region at the Third Session of the Seventh National People's Congress, I believe Sino-British relations will further improve. In regard to the British plans to grant the right of abode to 50,000 Hong Kong families, the British side repeatedly explained to the Chinese side that the move was for Hong Kong's stability and prosperity. All of you should read the draft Basic Law of the Hong Kong Special Administrative Region closely. It is formulated under the concept of "one country, two systems," and is aimed at maintaining stability and prosperity in Hong Kong. There will be no exodus of talent and capital so long as people can do business and make money in Hong Kong, and they will return if some people and funds move out of Hong Kong for a time. We are fully confident about maintaining stability and prosperity of Hong Kong. Foreign entrepreneurs have invested and done business in China's mainland, so why can they not do the same in the Hong Kong Special Administrative Region? Some people consider that the stability and prosperity of Hong Kong cannot be maintained unless some people in Hong Kong be granted the right of abode in

the United Kingdom. My opinion is contrary to that. The move may cause disagreement among Hong Kong residents and undermine Hong Kong's stability and prosperity.

Time magazine: The China-US relations are now in a state of impasse. Recent reports from Washington indicate the growing frustration and disappointment by the Bush administration over what he sees as China's inability or failure to reciprocate adequately the US moves to break this impasse. Do you agree with that report or allegation that China has failed to reciprocate the US moves? If you do not agree could you please cite specific measures or moves that China took since June to remove the reasons that led to this impasse?

Qian: I think that President Bush will disagree with these remarks because he has said many times that China has made many responses to his efforts. He listed them once. You can check them.

Bulgarian Telegraph Agency: It seems to me there is a big contradiction between what I see as official Chinese reaction to the changes in Eastern Europe and what some newspapers carry, particularly in one of the Shanghai newspapers which published internal speeches. Can you qualify the real evaluation of the Chinese leadership towards the changes in Eastern Europe? Are we really victims of the "peaceful evolution" carried by the West?

Qian: The situation in Eastern Europe is changing rapidly and it is difficult for China to make an exact judgment. We are still observing what is happening there. It is necessary to take note of the situation in other countries, but it would be inappropriate to comment incautiously on it. What is happening in East European countries is their internal affair and it is up to them to make judgments.

Czechoslovak News Agency: How do you see the problem of stress-

ing the question of human rights in international relations?

Qian: The United Nations human rights declaration is an important international instrument. China has always attached importance to the UN conventions and covenants regarding human rights. Since 1980, China has acceded to seven UN conventions and covenants regarding human rights. Since 1982, China has been a member of the UN Commission on Human Rights. With regard to the human rights question in international relations, on the one hand it is necessary to prevent large-scale human rights violations. On the other hand we should also prevent the interference in the internal affairs of other countries on the pretext of human rights. Due to differences in national conditions, historical background and cultural tradition, countries may have different interpretations of the issue. For example, population growth is encouraged in some countries while discouraged in China. China has been engaged in a family planning programme under growing population pressures. The world will become chaotic if such different policies of different countries are treated as human rights violations. If the US population was five times its present size, congressmen would have held a different view while discussing the issue.

Radio Beijing: Since the unification of the two Germanies has been put on the agenda, how do you assess the prospects for the reunification of north and south Korea and that of China's mainland and Taiwan?

Qian: China's position is clear-cut on this question. We believe that sooner or later we will accomplish our objective of reunifying the motherland. And the people in Korea also believe that sooner or later they will be able to reunify their country. But this does not mean the two reunifications will be achieved in the same fashion.

United Press International: Last year after the events here in Beijing the Chinese government said that the foreign countries which imposed sanctions on China did not understand the situation, that their actions were a product of spreading rumours by the Western media and inaccurate reporting. China has now had almost a year, about 10 months, to explain its position to the rest of the countries and yet most of the sanctions are still in place. Why has your attempt to explain your position failed so far? What is the problem?

Qian: Some Western countries made the decision to take sanctions against China within one or two days of the June event. I think it was made only according to news reports, without detailed information and evidence in such a short time. It was easy to put sanctions on China while harder to lift them.

Newsweek: Chinese leaders lately have been making a number of comments about the supposedly hostile forces that are attacking China. They seem to think that there is some kind of international conspiracy to overthrow the Chinese system. Though I have asked, no one has been able to tell me exactly who they are talking about, what countries, what leaders, what people, how many of these people are there. Can you please tell us now exactly who you're talking about? Who are these hostile forces?

Qian: Some people do not like the socialist system in China. It is understandable for people to have different views on different matters and see the same thing in different light. Some people may like something and others may dislike it. This is only understandable. When we say the hostile forces we refer to people who impose political sanctions, economic sanctions and political pressures over China just because they don't like what is going on in China. They interfere in China's internal

affairs in an attempt to bring the Chinese people to yield to them and to change China's policies. These are regarded as hostile forces. So we believe whether one likes something or not is one thing, but whether one takes action to interfere in the internal affairs on that account is another affair.

Soviet Izvestiya: When commenting on disarmament questions China mainly considers the disarmament of the United States and the Soviet Union. Is China going to join in the world disarmament process?

Qian: It is natural for the Soviet Union and the United States to be the main countries to carry out disarmament measures since they both possess the capability to destroy each other. As for China, China has also taken some disarmament measures on its own initiative. It is known to all that China has made big efforts in disarmament by reducing its armed forces by one million men on its own initiative in the 1980s and it is now engaging in negotiations with the Soviet Union on reducing their military presence along the Sino-Soviet border. This can also be taken as part of the efforts for disarmament. Of course, it belongs to partial disarmament in border areas. As a nuclear country, China has never shirked its responsibility in this field. When China started to have nuclear weapons it declared that China would at no time and under no circumstances be the first to use nuclear weapons and it has always stood for an all-round prohibition of nuclear tests and thorough destruction of nuclear weapons. Under the condition that the United States and the Soviet Union take the lead in substantially reducing their nuclear weapons and stopping production, testing and deployment of nuclear weapons, China is willing to attend international conferences on nuclear disarmament together with all other nuclear powers or major nuclear

powers.

China News Service: Can you explain what new progress Sino-US relations have made since George Bush's envoys visited China last year? What should both sides do to overcome the present difficulties? What are the prospects for Sino-US relations?

Qian: The US envoys sent by President Bush on two occasions since last June had conducted positive talks with Chinese leaders, which promoted mutual understanding between the two sides.

Nevertheless, it does not mean there are no differences between the two sides. It means that the two sides can find where their common interests lie despite their differences.

To develop Sino-US relations, both sides should strictly observe every basic principle contained in the three Sino-US joint communiques and the principle of non-interference in each other's internal affairs.

Xinhua: Recently, Japanese Prime Minister Toshiki Kaifu said that the Japanese government attaches importance to the relations with China. Foreign Minister Qian, what is your view on the prospects for Sino-Japanese relations and whether they will make substantial progress in the foreseeable future?

Qian: I appreciate Japanese Prime Minister Kaifu's views on improving Japan's relations with China. The real improvement in relations between China and Japan needs further efforts by both sides.

Japan is one of the seven industrialized Western countries and is more or less restrained by this relationship.

In view of their historical background, geographical location and cultural heritage, there should be better relations between China and Japan. Recent months have seen increased exchanges between the two countries. The Chinese people hope our bilateral relations will return to normal as soon as possible. ■

NPC: Running China With Collective Wisdom

by Our Staff Reporter Wu Naitao

After an unusual year, deputies to the National People's Congress (NPC), taking on the tasks entrusted to them by the public, gathered in Beijing to examine and discuss the work reports of the government, the Supreme People's Court and the Supreme People's Procuratorate. In an unrestrained atmosphere the deputies aired their views as they affirmed the nation's achievements and pointed out the problems to be solved. A sober analysis of temporary difficulties was presented and constructive suggestions for overcoming them were offered.

Government Work Report

At various panel sessions evaluating Premier Li Peng's Government Work Report, deputies from around the country engaged in lively discussions, noting that the report conformed with reality, reflected the people's will, had clear goals, and addressed key issues

facing the nation; the report, it was generally agreed, minced no words in describing both achievements and problems, an indication of the government's confidence in surmounting temporary difficulties.

Deputy Li Diankui, a farmer from Shandong Province, said that he was greatly inspired by the success in last year's work as noted in the government work report. The nation's citizens were pleased, he said, by the curb of last year's turmoil and quelling of the rebellion in Beijing; the policy of improving the economic environment and rectifying the economic order and deepening the reform was in accord with the will of the people; and he was encouraged to see the improvements being made on the political-ideological front. "In my Dongying Prefecture," he said, "farmers are most pleased with five factors: first, the stable policies; second, there has been a progressive increase in private in-

come, with the 1989 average per-capita income surpassing the 1978 figure by ten times; third, the state policy is now in favour of agriculture; fourth, a noticeable drop in prices; and fifth, practical work done by cadres in the interests of farmers." He added that most farmers demanded four things to be done by the government: maintaining social stability; stabilizing rural policies; stabilizing prices; and continuing to fight against corruption. The discussion of these four topics in the government work report was exactly what farmers wanted to hear.

Deputy Zhu Zhaofang and other members of the Tianjin panel said that during this year's NPC they felt quite differently from the previous year. Prior to last year's NPC, they said that there were many complaints from the public but that this year there were fewer criticisms because grievances had disappeared. Last year prices soared and the public generally lacked confidence in the market; this year prices are stable and the public is more confident. As Premier Li Peng said in his report, "The inflation that seriously retarded stable economic growth has been curbed, and the strain caused by total demand outstripping total supply is easing." His assessment conforms with reality. The deputies pointed out in their discussions that the economy was the nation's foundation and that, in a large country like China with a population of 1.1 billion, economic chaos would lead to a major crisis. "After the quelling of the counter-revolutionary rebellion last year, the State Council devoted great

Chairman Wan Li (second left) of the NPC Standing Committee and Zhejiang deputies discuss state affairs.



efforts to improving the economic environment and straightening out the economic order. The government persisted in a policy of stabilizing economic development and, as a result, remarkable achievements were gained. If we persist in this policy, we will certainly be able to tide over any difficult periods and make further advances."

At the meeting of the Guangdong delegation, Deputy Ma Wanqi from Macao said that he was pleased to see that the drafting of the Hong Kong Basic Law had already been completed and that this session had endorsed the law after careful deliberations and discussions. "As the government work report pointed out," Ma said, "the Hong Kong Basic Law is certain to provide an important guarantee for Hong Kong's long-term stability and future prosperity. All Chinese in the inland, Hong Kong and Macao should respect each other, live in harmony and respect each other's social systems and lifestyles." The Hong Kong Basic Law would provide a valuable reference for drafting the Macao Basic Law, Ma said, and the government work report reaffirmed that the policies of the Chinese government towards Hong Kong and Macao, in accordance with the principle of "one country, two systems," would remain unchanged. This reaffirmation would help to enhance the confidence of the people of Hong Kong and Macao in their future and would benefit the long-term stability and development of the two regions. Moreover, Ma said, the proper handling of the Hong Kong and Macao issues would have a positive effect on Taiwan and would be of great significance in promoting the peaceful reunification of the motherland.

Social Stability

In their speeches, many deputies agreed that the Chinese peo-



A Jiangxi deputy takes the floor during a panel discussion.

ple, after experiencing last year's political disturbance, have a more profound understanding of the importance of maintaining state stability and social unity, and that every citizen should treasure the nation's hard-won political stability.

During the turmoil in Beijing last year, Deputy Gong Wenxiang, a farmer from Jiangling County, Hubei Province, twice cabled the NPC, calling for resolute measures to check the disturbances and safeguard stability and unity. In an interview, Gong said that, after quelling the rebellion, the plenary sessions held by the Party Central Committee were a demonstration of social stability which eased the troubled minds of farmers. "The fact that the current NPC session is held under such a lively atmosphere," he said, "gives me even greater confidence than before in the nation." He said that a stable agriculture had led to an overall stable situation and that a prosperous agriculture would lead to prosperity for all trades. To push the economy forward, it is necessary, first of all, to pay special attention first to agricultural production. That the government work report listed strengthening of agriculture as the task for this year, Gong said, was quite appropriate. At the NPC session, Gong

offered his opinions and suggestions for developing agriculture with the aid of science and technology.

Deputy Yan Chengzong is director of the Beijing Economic Commission. He spends a third of his time each year investigating factories and mines. Recently, when he learnt that some factories in Beijing had suspended production, he gathered their leaders at a forum in order to get to the root of the problem. He learnt that the enterprises did have many specific problems, most notable of which was the problem of unmarketable products. He did note, however, that workers' morale was stable and that many enterprises were actively readjusting their product line. He was pleased to find that those enterprises which were temporarily operating under capacity had made the proper arrangement to meet workers' daily needs. At the NPC session, Yan reported to deputies on the current conditions of Beijing's industrial enterprises and suggested that the session focus its attention on a discussion of social stability.

Speaking at the session, Zhang Zaiwang, a deputy from Tianjin, said that the public expected certain results to come out of the session. Some work units in his electoral district, he said, made it

clear that the public expected five things to be completed. The first was price, economic and social stability and an earnest attempt to solve problems; second, the formulation of measures as quickly as possible to deal with current economic difficulties; third, progress in the effort to combat corruption and promote a clean government; fourth, improving the democratic and legal systems in a down-to-earth way; fifth, safeguarding reform, opening, democracy and unity. Affirmation of and responses to these expectations are found in the government work report. Zhang also stressed the importance of supervising the government. He introduced the deputies to the experience of Tianjin, where, in the past two years, he said, ten best public servants have been cited and honoured for their achievements by local organizations under public supervision.

Deputy Ma Sizhong, chairman of the People's Congress Standing Committee of the Ningxia Hui Autonomous Region, talked about the relationship between strengthened national unity and the maintenance of social stability. "Since China introduced the policy of reform and opening to the outside world, the whole country has been blessed with stability, and the Hui and other minority nationalities, who make up 33.7 percent of the population of the autonomous region, are on good terms with the people of the Han nationality. In order to maintain stability throughout the country, we should continue to implement the Law of the People's Republic of China on National Autonomy and uphold the notion of equality between nationalities and respect for the religious beliefs of the various nationalities. At the same time, we should actively support economic development in minority areas. Peoples of various nationalities in Ningxia are willing to contribute whatever they can to the stability



A Guangdong deputy speaks out at a meeting.

Photos by CHEN ZONGLIE

and unity of the country."

Since his election as a deputy to the Seventh National People's Congress in 1988, Deputy Li Zhen, chairman of the Shandong Provincial People's Congress Standing Committee, has been performing his duty as a people's congress deputy by putting forth constructive opinions at annual NPC sessions. He believes that national stability is the will of all nationalities and the prerequisite for the development of economy and realization of the modernization programmes. Without stability, Li says, nothing could be accomplished and the success already achieved would be lost. Stability has been the norm since the counter-revolutionary rebellion of last year was smashed. Before coming to Beijing for the session, Li discovered that the positive political and economic situation in Shandong was typical of the whole country. In Shandong, despite a dry spell, there had been a good harvest; industrial production maintained a certain growth despite the shortage of raw and processed materials and capital and a sluggish market; and the economic rectification programme was successfully pressing forward.

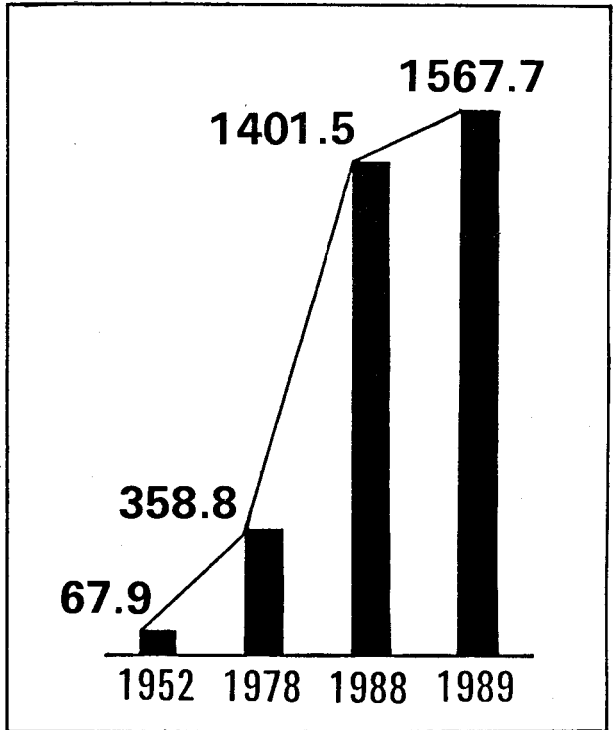
When talking about how best to maintain political and social stability, Li said that a lot of work

had to be done in this regard, the most important of which was to strengthen the socialist legal system and, using the Constitution and law as a powerful weapon, maintain and guarantee the long-term peace and stability. First of all, legislation had to have teeth. Second, laws and regulations must be drafted or perfected to guarantee the rights and interests of residents, punish criminals and maintain social security and the order of daily life. Third, efforts should be made to ensure that the law is observed and enforced to the letter. The people's congresses and their standing committees at various levels should utilize the power invested with them by the Constitution to strengthen their role in legal supervision. Severe punishment should be meted out to those law-enforcement personnel found guilty of law-breaking activities so as to ensure the full implementation of all laws and regulations.

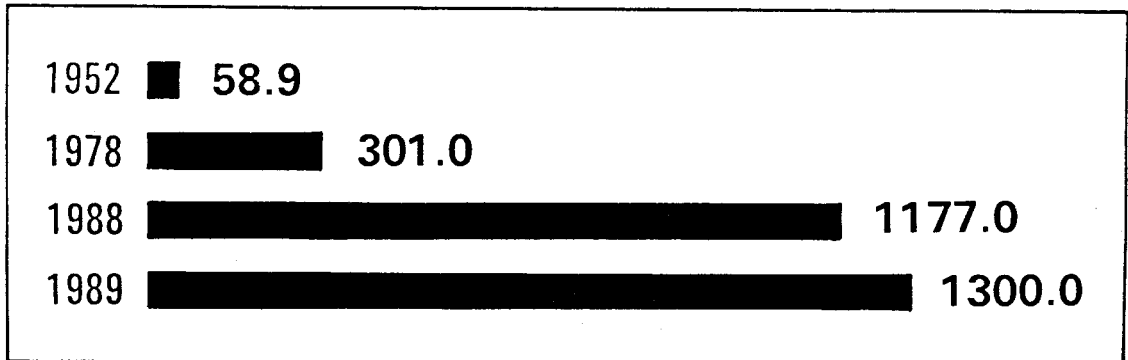
Taking the floor at the session, many deputies pointed out that while fully recognizing our nation's achievements, we should take note of the difficulties and problems that stand in the way of progress. Deputy Huang Huanying from Shanxi Province called attention to potentially destabilizing factors in the midst of stability. For example, he noted that some factories and mines have

Gross national product (GNP) (billion yuan)

China's economic and social development statistics in 1989



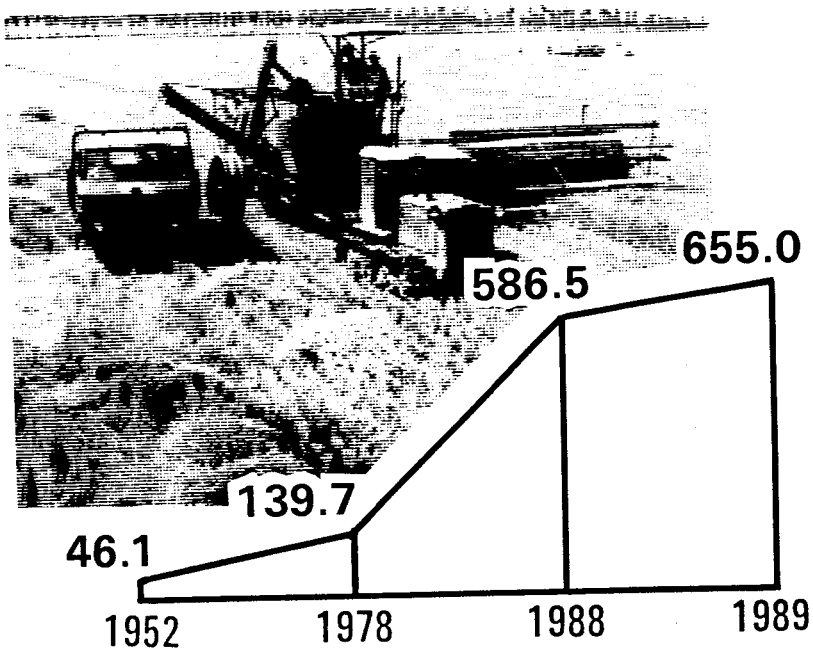
National income (billion yuan)



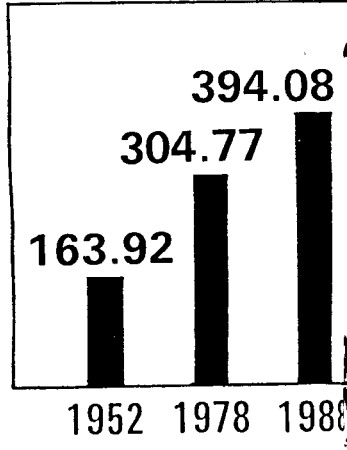
57 large and medium-sized capital construction projects already in operation.
128 large and medium-sized individual projects.



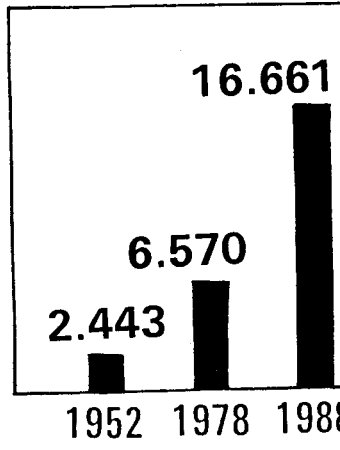
Total output value of agriculture (billion yuan)



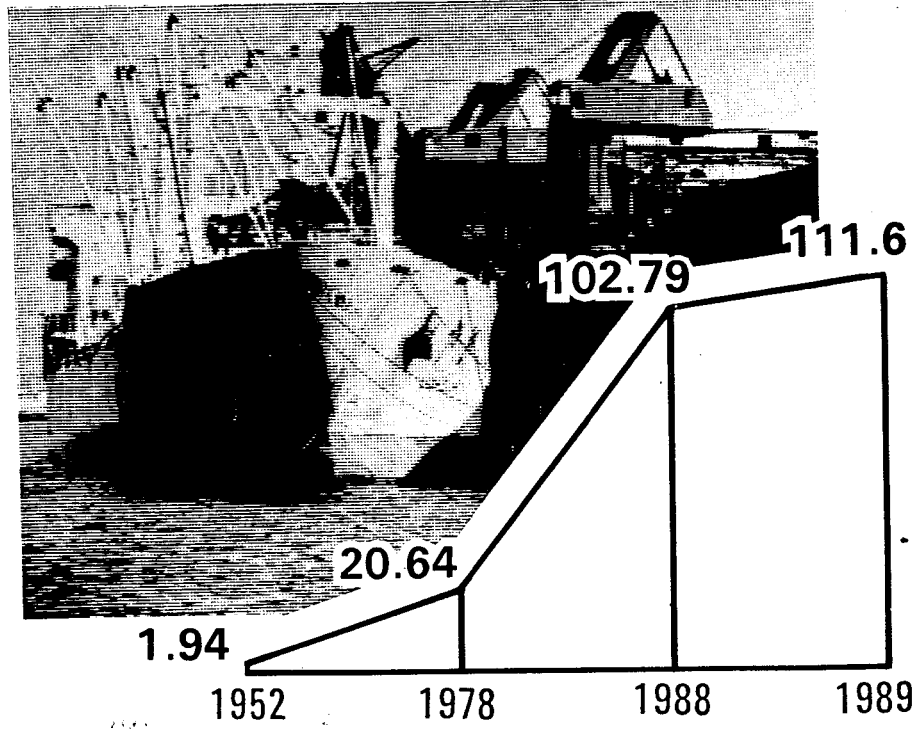
Grain (million tons)



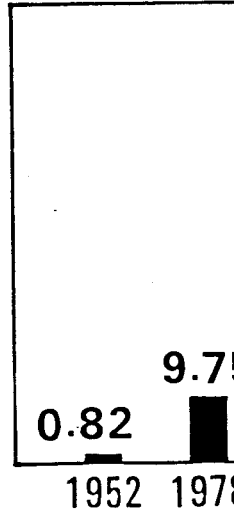
Fruit (million tons)










Total volume of import and export trade (US\$ billion)

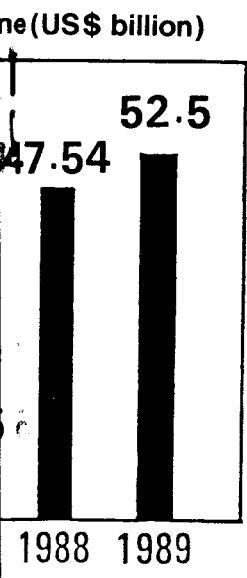
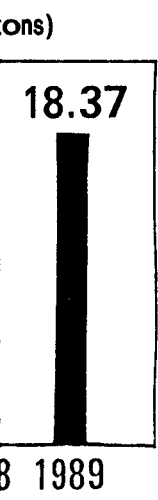


Export volume

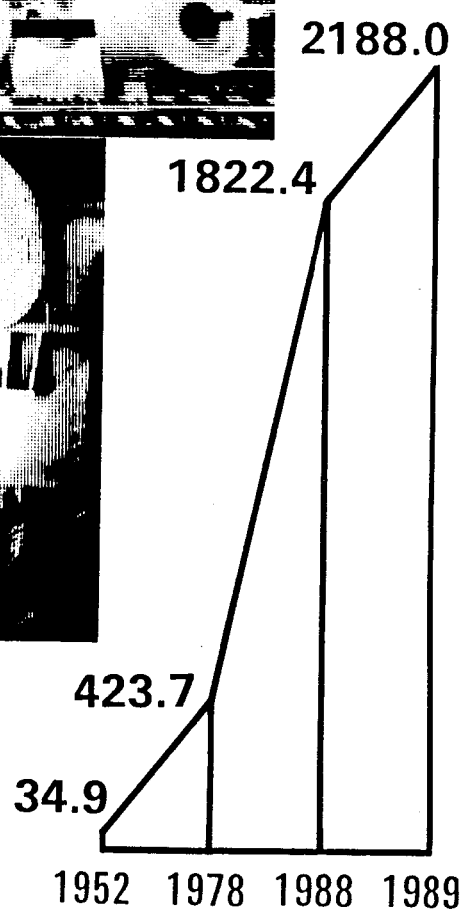
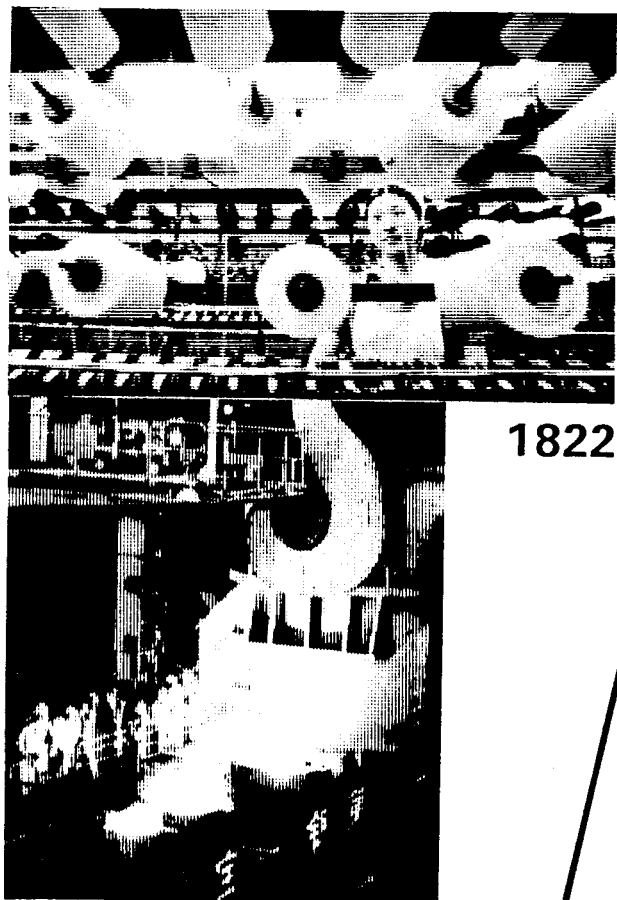


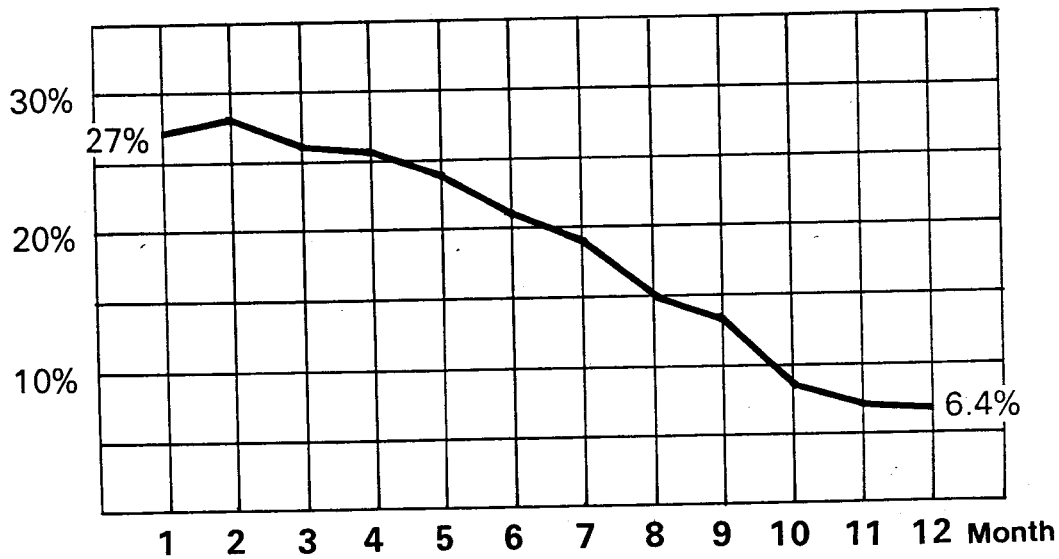
Output of industrial products

Varieties	1989 output	Increase over the previous year
 Yarn	4.74 (million tons)	1.8%
 TV	27.01 (million sets)	7.8%
 Raw coal	1.04 (billion tons)	6.1%
 Crude oil	0.137 (billion tons)	0.5%
 Electricity	582.0 (billion kwh)	6.7%
 Steel	61.24 (million tons)	3.0%
 Chemical fertilizer	18.55 (million tons)	6.6%

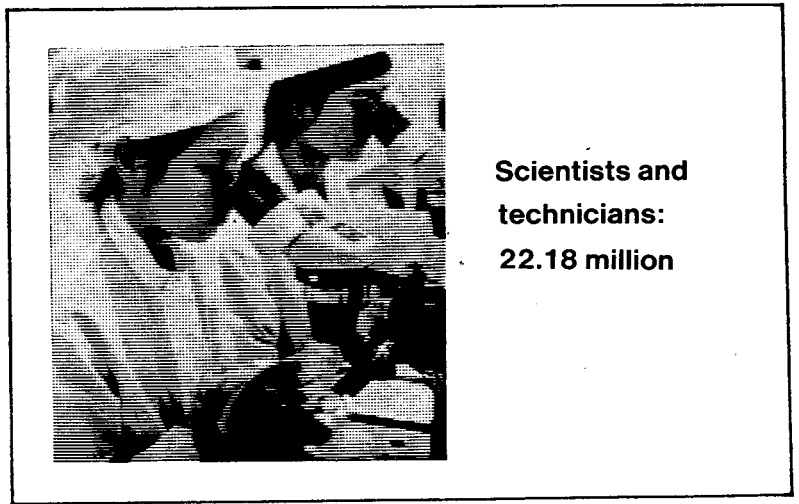


Total output value of industry (billion yuan)

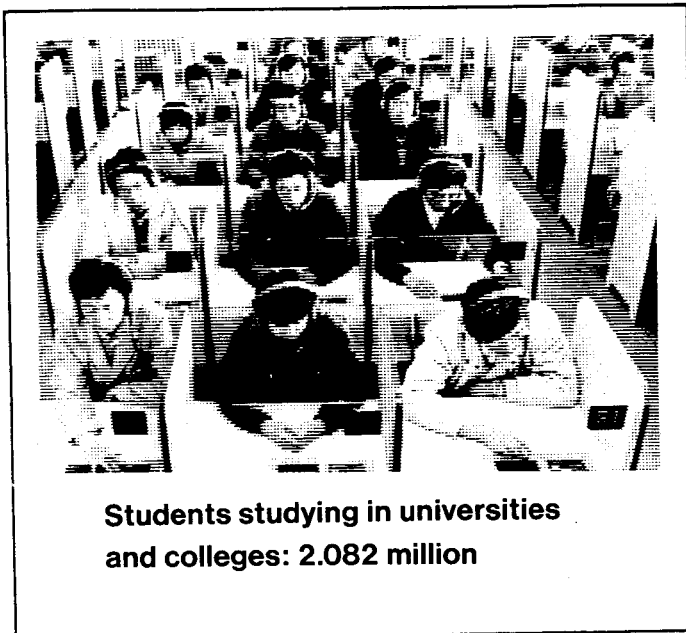




Growth rate of retail sales in 1989 compared with the same month in 1988.

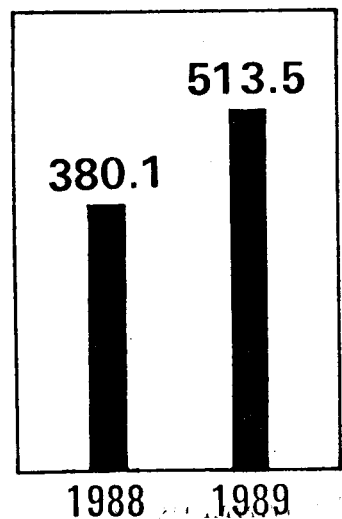


**Scientists and technicians:
22.18 million**



Students studying in universities and colleges: 2.082 million

Total savings' deposits of residents at the end of 1989 (billion yuan)



suspended production; commodity prices need to be further stabilized; corruption is still a problem as some government functionaries are still abusing their power for personal gains; and the social order has not yet taken a fundamental turn for the better. These problems, if mishandled, would give rise to public discontent. Therefore, he noted, if we are to deal seriously with these problems, we should pay close attention to solving them beforehand.

Officials, Rank-of-File

During the Third Session of the Seventh National People's Congress, Premier Li Peng and other high-ranking government officials joined in discussions together with some deputies, listening to their opinions, offering their explanations and answering questions.

Prior to the convocation of this session, Premier Li Peng demanded that members of the State Council Plenum attend the session as non-voting delegates. "We should accept the NPC's supervision over our State Council's work and be responsible for the National People's Congress," he said.

Premier Li himself met with the deputies from Beijing, Guizhou, Gansu and Hebei to hear their views. He expressed his thanks for their support of the State Council's work and welcomed their comments and criticisms. He explained his views on education, the economy and the situation facing Sino-foreign joint ventures.

Vice-Premier Tian Jiyun joined the discussion of the deputies from Yunnan, a province having 24 ethnic groups. Yunnan deputies talked mainly about the development of local resources, communications, agriculture and border trade as well as the difficulties and problems confronting the province. Tian recorded their

comments for later review.

Wang Binqian, state councillor and minister of finance, joined a discussion of Shanxi deputies. While talking about possible ways to alleviate financial problems, Wang pointed out that, "In any event, the financial deficit should not continue for long. At present, the central government has financial difficulties as do the localities. The way out lies in developing the economy, that is, increasing production, practising economy, increasing revenues and reducing expenditures."

Li Guixian, state councillor and president of the People's Bank of China, attended the discussion of deputies from Liaoning, the well-known industrial province which boasts many large and medium-sized industrial enterprises. When some Liaoning deputies demanded an increase in state loans to enterprises suffering from financial difficulties, Li said that the State Council, while persisting in the policy of tightening money supply and credit, has decided to selectively relax control on financing and increase loans. In the first half of this year, bank loans will be increased to 55 billion yuan.

The CPC General Secretary Jiang Zemin, formerly secretary of the CPC Shanghai committee, joined the Shanghai deputies in discussion. Chairman Wan Li of the NPC Standing Committee joined the panel meeting of deputies from Guizhou, Jilin, Inner Mongolia and Zhejiang. Zou Jiahua, state councillor and minister in charge of the State Planning Commission, Song Jian, state councillor and minister in charge of the State Science and Technology Commission, and some other ministers as well as Ren Jianxin, president of the Supreme People's Court, and Liu Fuzhi, chief procurator of the Supreme People's Procuratorate, also attended panel discussions on separate occasions.

Difficulties

During the NPC session, some deputies said in their speeches that united efforts should be made to tide over difficulties together with the government when there are external pressure and domestic difficulties.

Deputy Feng Yisheng, director of the Lubei General Petrochemical Works in Shanxi, said that when the state is confronted with difficulties, deputies have the duty to share them. "In 1989, an unusual year," Feng said, "when various problems dramatically surfaced, our company planned to start first-phase construction of a salt factory with a designed annual capacity of 200,000 tons. The state, however, had no money to invest in the project. We organized a public sale of factory stocks and, in this way, raised 1.5 million yuan. In the meantime, the Communist Party members took the lead by working without pay for more than 6,000 hours. Without taking a penny from the state, we built the first-phase project of the salt factory.

Deputy Yang Mianmian, director of the Qindao-Liebherr Co. Ltd., a joint venture between China and Federal Germany, said that his factory also suffered from similar difficulties and problems. "But" he said, "the difficulties also presented us with an opportunity to improve management and product quality. It was by improving product quality that our factory went through the difficult period. Our product quality is now at the international level. Moreover, our Qindao-Liebherr refrigerators are among the best sellers in the country. Last year when the domestic refrigerator market was sluggish, our industrial output value reached 330 million yuan, and our profits and tax payments to the state hit 45 million yuan, an increase of more than 30 percent over 1988. ■

Interview With Academic Members of the CPPCC

by Our Staff Reporter Lu Yun

After the Beijing rebellion was quelled last June, it is not uncommon for people in the West to say, among other things, that the anti-bourgeois liberalization campaign is directed against the intellectuals and that the Chinese intellectuals are now under suppression. The comments, however, did not hold water. During the Third Session of the Seventh National Committee of the Chinese People's Political Consultative Conference (CPPCC) held March 18-29, *Beijing Review* interviewed some CPPCC members knowledgeable about the current situation facing Chinese intellectuals.

Policy Unchanged

Professor Gao Jingde, who served as president of Qinghua University between May 1983 and November 1988, said he had found no change in the government's policy towards intellectuals. "Among China's intellectuals," he said, "only a few stand

for bourgeois liberalization; the majority are firm in their support of socialism. Therefore, anti-bourgeois liberalization is not directed against the masses of intellectuals."

Gao continued, "After the rebellion was put down, the policy of respect for knowledge and talented people has continued. Taking myself as an example, although I have stepped down from my post after my tenure expired, I'm still highly respected by my university. The university's new leading body has carried forward the fine tradition of unity and co-operation and ensured continuity of the guiding principle and policies. At the age of 68, I still serve as vice-chairman of the university's administrative committee and chairman of the university's diploma evaluation committee; I also participate in discussions and decision-making for important issues of the university. In addition, I am a member of the Standing Committee of the Cen-

tral Committee of the China Democratic League, member of the General Assembly of the Chinese Academy of Sciences, chairman of the board of directors of the China Electrical Engineering Technology Society, vice-chairman of the board of directors of the China Electrical Machinery Engineering Society, member of the Standing Committee of the China Association for Science and Technology, member of the Diploma Evaluation Committee under the State Council, member of the State Evaluation Committee for Scientific and Technical Invention, member of the Evaluation Committee of the Natural Science Fund, deputy editor-in-chief of *Sciences of China*, and chairman of the editorial board of *Electrical Engineering News*. Since the latter half of last year, the increasing activities of these organizations have brought me more work than I can handle."

In addition, as a member of the Science and Technology Education Committee under the State Education Commission, Gao recently was on a judges' panel for awarding outstanding results in teaching and audio-visual education.

Since last year, Gao has also served as head of the commission's research planning group. He has attended meetings of the Department of Technology and Science of the General Assembly of the Chinese Academy of Sciences and discussed results of six scientific research projects. The opinions reached at the meetings have already been submitted to the State Council and won the commendation of Premier Li Peng and State Council-

Gao Jingde (second left) at the Third Session of the Seventh CPPCC.



lor Song Jian. Li Peng afterwards instructed relevant departments to study the report and put it into practice. Gao also participated in compiling a "Who's Who" about modern Chinese scientists and technical experts and a biography of Chinese and foreign scientists.

Gao noted that in the past year Qinghua University has made some progress in developing its democratic practices. A democratic atmosphere now prevails over the university's faculty and trade union congresses. The student union and the postgraduate student union have also strengthened democratic management. Today, before the university makes any decision on important issues, the leadership invites the leading grassroots organization members of all democratic parties to participate in the discussions.

Referring to recent development among university students, Gao said that a student of his university wrote a letter to General Secretary Jiang Zemin last autumn, hoping he would come to Qinghua to have a chat with the students. Jiang did soon arrange for a talk with the students at which Gao was also invited. At the meeting Gao was impressed by the way the general secretary trusted and cared for the students while setting strict demands on them.

Gao believes that because of the influence of bourgeois liberalization in the previous few years, it is necessary to strengthen education in patriotism, collectivism, socialism and national conditions. In addition, while improving the curricula and teaching material, the students should also be exposed to society so that they have a chance to learn from the workers and farmers. Such social activities have brought home to the students that workers and farmers have a strong desire to maintain



Yuan Dongyi (first right) at the Third Session of the Seventh CPPCC.

the unity and stability of the country and to make the country prosper. After a stint in social work, students take their studies more seriously.

Fang Lizhi Denounced

In his speech at the Second Session of the Seventh CPPCC held in March 1989, Yuan Dongyi, secretary-general of the Tianjin Foreign Languages Translation and Editing Centre, expressed great indignation at Fang Lizhi's remark made in October 1988 that he'd rather let the Chinese nation and culture perish than forgo the opportunity to become a "world citizen."

Yuan spoke on this subject again during the interview. He said it was not surprising to him that Fang Lizhi, Li Shuxian, Yan Jiaqi and their kind had pulled the strings behind last year's rebellion aimed at overthrowing the leadership of the Communist Party and the people's government. The fact that Fang and Li still are hiding themselves in the US Embassy in China and that Yan has fled the country, Yuan noted, fully exposes their true nature as political careerists and conspirators.

Yuan noted that intellectuals

are a part of Chinese working class and the majority of them love the motherland and socialism and are the elites and backbone of the Chinese nation. They are respected by the government and the public. Even though Fang Lizhi and Li Shuxian have no support among the intellectuals, it is not strange that a handful of people like Fang have appeared among intellectuals. China's several thousand years of history has seen no lack of intellectual scoundrels, such as Qin Hui who betrayed the nation and capitulated to the nation's enemies. An iron statue of Qin, with his hands tied behind his back, can still be seen sitting on his knees beside the tomb of Yue Fei (a patriotic general of the Southern Song Dynasty of the 12th century who was falsely accused and executed) on the bank of Hangzhou's West Lake.

Despite this, Yuan is pleased with the nation's healthy cultural development which stresses adherence to socialism and patriotism and with the results of the anti-pornographic campaign. He said the Party Central Committee headed by Jiang Zemin is full of vigour in its work and has done much to the public's satisfaction. It is in this type of work,

Yuan noted, that intellectuals perceive the best hope of rejuvenating the Chinese nation and accomplishing the goals of modernization.

Making Contributions

Song Hongzhao, member of the CPPCC National Committee and professor of the Beijing Union Hospital, regarding the comments abroad about suppression of intellectuals, said, "The facts are just the opposite."

Song, a medical expert who was elected president of the International Cell Nourishment Association for his success in treating choriocarcinoma, was awarded the Second Chen Ji-ageng medical science prize in co-operation with professors Wu Baozhen and Wang Yuane four months ago. In 1986, his work was awarded first prize by the state for technological progress. His achievements have been covered by many Chinese newspapers.

Song received his doctor's degree in 1943 at the Beijing Union Hospital and, in the 1950s, he headed a research group seeking a cure for choriocarcinoma. To-

gether with his colleagues, he successfully treated patients suffering from cervical choriocarcinoma with pharmaceuticals, treatment which prevented the patients from losing their uterus and allowed them to retain their fertility. Of some 265 patients he has treated, 85 percent have become pregnant and given birth to 303 children, 295 of whom have survived. Chromosome examinations of 90 children have revealed no abnormality. The reasons why some patients have not become pregnant are similar to those for normal people.

For more than 30 years, Professor Song's research group has cured 1,300 patients using advanced methods. The death rate for patients suffering from this kind of disease dropped from 90 percent to less than 20 percent. The death rate specifically for cerebral metastasis has dropped from 100 to 30 percent. The major scientific research achievements made by Song and others has won him both respect and a high reputation.

A busy man over 70 years of age, Song is still full of vigour. Since 1972, his training course at

the Beijing Union Hospital has trained several hundred qualified personnel in the use of radical treatment methods for the cure of choriocarcinoma. Since 1978, Professor Song, in his training of more than 3,000 qualified medical personnel, has left his footprints in nearly every locale throughout the country except for Taiwan and Tibet. In 1989, he lectured, researched and carried out a variety of medical investigations nationwide for some four and a half months.

As a member of the Medical, Public Health and Physical Culture Commission of the National Committee of the CPPCC and a standing committee member of the Consulting and Supervisory Committee of the Central Committee of the Chinese Peasants' and Workers' Democratic Party, Professor Song has visited six provinces and autonomous regions since 1988, making an in-depth and systematic investigation of new problems which have cropped up during the reform of the hospital system. The results of his investigations and his suggestions have been reported to the central authorities. His reports were made not only to the CPPCC Standing Committee and to the meeting of chairmen of the National Committee of the CPPCC, but also in public speeches at CPPCC sessions and in proposals sent directly to the central authorities.

The Reform Continues

Xie Shaoming, a member of the CPPCC and advisor to the State Science and Technology Commission, expressed his satisfaction at the results of a survey made by the commission which showed that, except for a few people like Fang Lizhi, the Chinese scientific and technological community is, on the whole, politically reliable. They love the motherland and socialism and

Song Hongzhao (third left, front row) at a public health panel discussion.



have devoted their wisdom and painstaking labour to the state and to the progress of the mankind. He also noted that in the past ten years the central authorities have repeatedly stressed the importance of the respect for knowledge and talented personnel and that, during this period, the political status and working and living conditions of scientific and technical workers have markedly improved. He noted, however, that the problem of unfair distribution still exists in the country and that the working and living conditions of the scientific and technical workers are comparatively arduous. Despite these circumstances, Xie praised them for their utter devotion and conscientious work, and their quiet immersion in diligent pursuit of their goals in order to achieve scientific and technological success. In 1989 alone, 10,459 scientific and technological achievements reached advanced domestic levels and some 2,229 achievements were up to advanced world levels. Moreover, most achievements have already been applied to production purposes.

After quelling the rebellion in Beijing, the policies of structural reform of science and technology which were originally approved by the State Council have remain unchanged. Some policies, concerning the working and living conditions for scientific and technical workers, have continued to bring improvements. A strict distinction has been made between companies in the circulation field and those run by scientific and technological institutions such as science- and technology-oriented development companies and economic entities combining technological import with industry and trade and combining technology with agriculture and trade. While screening and putting companies in order, except for those which



Xie Shaoming (second left, front row) makes a point at the scientific and technological panel.

Photos by LU YUN

violated the law, the policy of protection and continuing support for development will be maintained. Likewise, a flexible and stimulating policy for scientific and technical workers has also gone unchanged. On the premise that scientific and technical workers fulfil their job responsibilities, they are allowed to continue offering part-time services. Rewards for scientific and technical workers in Party and government organizations at the county level and below who fulfil their contracts for scientific and technological research projects should be resolutely implemented.

Xie Shaoming pointed out that in the past year, the structural reform of science and technology has been conducted in an active and steady way. For instance, the volume of business in the technological market totalled 3.2 billion yuan in 1987. This figure jumped to 7.2 billion yuan in 1988 and 8.1 billion yuan in 1989 while the number of non-governmental scientific and technological institutions has reached 12,000 with a total staff of more than 200,000. The new technological-industrial development zones are also developing step by step in some large and

medium-sized cities. Xie added that reform has promoted the development of productive forces. Last year for instance, 350,000 scientific and technical personnel went directly to rural areas to contract for various kinds of technological and economic development. Over 6,000 scientific and technological contract groups have emerged and the non-governmental scientific and technological service and co-operation organizations now number 46,000. Scientific and technological contracting has gradually formed a pre- and post-production service system and brought about a large increase in farm production. In Xinyang Prefecture, Henan Province, the former per-hectare output of paddy rice was only 5,250 kg, but with the implementation of the scientific and technological contract system and the promotion of hybrid rice, each hectare now produces an additional output of 2,550 kg of rice annually.

Xie Shaoming said that the rapid development of the scientific and technological contract system in the rural areas has played an important role in helping poor areas extricate themselves from poverty. In 1986, the

State Science and Technology Commission accepted the task of solving the problem of adequate food and clothing within five years for the 18 poor counties in the Dabie mountainous area where the boardlines of Anhui, Hubei and Henan provinces meet. Since 1986, the State Science and Technology Commission has sent 200 scientific and technical workers in separate groups to these areas and, in

co-operation with 25 institutes of higher education and scientific and technological institutions in the three provinces, conducted an investigation of resources, helped the local governments to work out developmental plans to vigorously expand silk-worm production and develop forest, fruit, tea, domestic fowl breeding, and building material industries with local resources. By

1989, the 18 counties had solved the problem of adequate food and clothing for their people, one year ahead of schedule. Recently, the aid-the-poor leading group under the State Council put forward a suggestion that the experience in the use of science and technology to help poverty-stricken areas of the Dabie Mountains be expanded to other poor areas. ■

The Neighbourhood Committee —Residents' Own Organization

by Our Staff Reporter Cheng Gang

More than 200 million urban citizens in China handle their own affairs according to law through neighbourhood committees in their respective residential areas.

Since the Regulations on the Organization of the Urban Neighbourhood Committees was promulgated in 1954, nearly 100,000 neighbourhood committees have been established in urban areas in China. As of January 1, 1990, the Organic Law of the Urban Neighbourhood Committees of the People's Republic of China went into effect.

The neighbourhood committees' tasks, as stipulated by the new law, are to publicize state law and policy, safeguard residents' legal rights and interests, and urge citizens to honour their obligations; administer a variety of public affairs concerning public welfare; mediate civil disputes; help maintain social order and security; help the government do work in the interest of the residents; and report to the government the opinions, needs and recommendations of citizens.

Usually, one neighbourhood committee is set up for each residential area of 100 to 700 households. Its leaders are chosen from among local residents, mostly retirees in good health and housewives who are popular in the neighborhood, who have the time and the desire to serve the public interest wholeheartedly. Every year, the government allocates funds for each committee to carry out its work and to cover allowances for the leaders.

A Model Committee

Hangzhou is the capital city of Zhejiang Province located in the nation's southeast coastal area. It has 657 operating neighbourhood committees for its 1.25 million residents. Thousands of committee members actively serve the citizens of their respective residential areas in an effort to maintain a peaceful, convenient living environment.

Over the past ten years, housing in Hangzhou has developed at a pace so feverish that basic services are often inadequate when the residents move into

their new living quarters. The neighbourhood committees brought these problems to the attention of the government departments in charge and, at the same time, mobilized residents to try every means at their disposal to overcome those difficulties which the government could not immediately address.

When Yan Huijuan, a retired teacher, moved into the Dongjia residential area and was elected head of the local neighbourhood committee in 1981, she was faced with a tough problem. Because the area had not its own kindergarten, many working couples had to send their children to kindergarten or relatives far away in the early morning and arrange for their return in the evening. Others had to take their children to their workplaces. Yan spent much of her time energetically lobbying the city's urban construction real estates and education departments of the district government. Her call was finally answered. Within a short time, these departments allocated funds and land and a kindergarten was built in the neighbour-

hood. The newly built three-room structure, however, was not large enough to meet the needs of the residents. When her demand to expand the facility was refused by these departments, she went directly to the mayor of Hangzhou, who supported her request for the expansion. The residents, meanwhile, were also organized to appeal to leaders of their work units for financial support. As a result, some 50,000 yuan was raised. The



Yan Huijuan with kindergarten children.

CHENG GANG

expanded kindergarten was soon in use and, from that time on, those residents with children of pre-school age never worry about day care problems.

In order to improve living conditions, the Dongjia Neighbourhood Committee also set up a small store, a barbershop, a dining hall, a garment processing workshop, as well as a bicycle parking lot and public telephone booths.

Old residential areas are often better off than new residential areas. In the Dengxinxiang

neighbourhood, for example, there are more than 50 shops and service centres on one street alone. These include household, labour and medical services, a nursery, a repair shop, a canteen and a department store. Some of the services, such as house cleaning, coal and gas delivery, buying grain and transporting patients to and from the hospital, have been well received.

These services of the neighbourhood committees not only offer retired people an opportunity to serve the society, but also

provide increased employment opportunities for jobless young people. Between 1982 and 1985, the Dengxinxiang Neighbourhood Committee alone arranged 1,100 unemployed youth to undertake service work.

Flower Garden Area

In the residential area of Yaopingxiang, flowers, lawns and trees are everywhere. Hence it is called the "flower garden area." However, who could imagine that several

years ago, it was an old area of broken walls, blocked sewerages and muddy and slippery roads? To change the situation, neighbourhood committee cadres managed to get financial support from the city authorities and saplings and flower seeds from local units. Part of the profits from their service enterprises was also used to make up for the financial shortage, and dwellers were organized to dredge the sewerages, build flower beds and plant grass and trees. Several years of efforts transformed the once dreary area



Posters: A committee member mediates a family dispute;

Committee members catch a criminal offender.

Drawn By ZHAO REN

into a green world of fresh flowers, trees and grass.

In addition to beautifying and protecting the environment, the Yaopingxiang Neighbourhood Committee also opened entertainment centers to enrich residents' cultural life. It joined hands with another neighbourhood committee in setting up a tea house in which the elderly can play chess and have a chat while sipping tea and those with a keen interest in painting and calligraphy can try their hand at these artistic endeavours. Other neighbourhood committees in Hangzhou have also opened clubs for the aged, recreational rooms for the young and coaching classes for after-school pupils. The committees also arrange evening parties whenever there are festivals.

Mediator of Disputes

It is at times hard to avoid quarrels, disputes, fighting and other unpleasant actions between neighbours and among family members. Although it is impossible for the neighbourhood committee to take the place of the court in rendering a decision in quarrels, it does play a positive role in mediating disagreements. After investigating the cause of a dispute, mediators usually reason matters out based on the facts available, analysing problems according to relevant laws and public moral standards in an effort to determine right from wrong and encourage the two sides to come to terms. If the two sides agree, an agreement is signed and the matter is forgotten. If mediation does not fulfill the obligations of the law, then the case will be submitted to the relevant judicial departments. Usually, mediation is concerned with petty civil disputes, and, in some cases, it can help to completely clear up misunderstanding between the two sides.

Tu Kaiyuan, now in his 70s, has acted as a mediator for five years for the Xiaobeimen Neighbourhood Committee. He is a good speaker and his impartial advice to people has earned him a good deal of respect. One day, a man named Chen dumped some wastes in front of the neighbour's door. In the ensuing quarrel, Chen manhandled his neighbour, a disabled man named Zheng. Zheng complained to Tu, who was already familiar with the bad-tempered Chen. After examining the affair in detail, Tu had a heart-to-heart talk. When the mediation meeting was held, Tu invited representatives of the residents, the people's police and those related to the two parties. He pointed out that Chen had violated the law by beating Zheng and that justice did not look kindly on those who struck disabled people. Tu suggested, because the two men were neighbours and would be seeing one another for a long time, that Chen apologize to Zheng and pay for his medical treatment. He also asked that Chen promise that such a thing would not happen again. Knowing he was wrong, Chen accepted Tu's recommendations and the two sides signed an agreement. Last year, Tu dealt successfully with 60 or so cases of disputes.

An official of the Hangzhou Intermediate People's Court said that the neighbourhood committee's mediation work alleviated the burden on his court and, as a result, they could better deal with major criminal cases.

For Order and Security

Security is the prerequisite for a happy life. Neighbourhood committees, therefore, actively protect residential areas and prevent crimes. Retirees of the Dongjia Neighbourhood Committee voluntarily patrol the residential areas, often reminding

people to turn off propane gas tanks and stoves, lock their doors and windows, secure their valuables and pay attention to electrical wiring. They are quite familiar with the residential area and can prevent accidents from occurring. Once, while Yan Huijuan was on patrol, she saw someone jump over the back wall of a home in preparation to commit a crime. She immediately gathered several young people and caught the man red-handed. The neighbourhood committee's vigilance has prevented the occurrence of fire disaster, gas poisoning and criminal case in the area for many years.

Another task for the neighbourhood committee in regards to order and security is to help ex-prisoners to be integrated back into society. In 1988, after Wu Yimin had been released from prison, he was found to be extremely depressed. After a heart-to-heart talk, Yan Huijuan discovered that his wife had left him and that they had divorced. Moreover, his former work unit had dismissed him. Wu was having difficulty starting his life over again. Yan discussed the situation on the neighbourhood committee and put Wu in a restaurant in the area. Wu did very well at the restaurant, often earning more than 300 yuan per month, a wage higher than most factory workers. Last year, he remarried. Wu now often volunteers to help neighbours repair household electrical appliances, and sometimes helps the neighbourhood committee in their efforts to maintain social order and security.

Since 1985, not one of the released prisoners in Dengxinxiang and the surrounding 18 neighbourhoods has broken the law, thanks to the success of local neighborhood committees in solving their work and housing difficulties and integrating them back into the community. ■

China's Family Planning Policy

NONGMIN RIBAO
(Farmers' Daily)

One of China's basic principles is its family planning policy, which has been worked out according to the realities of the country.

Before the founding of the People's Republic of China, the country was noted for a high birth rate, high death rate and low natural growth rate of the population. Between 1840 and 1949—a total of 109 years—China's population increased by just over 60 million.

After the founding of New China, the nation's economy improved as well as people's living standards and medical and health facilities. In addition, the state, to a fault, did not take effective measures to curb the population growth. So, for a long period of time, China found itself faced with a high natural growth rate.

Before 1973, China's population rose at an average annual rate of more than 20 per thousand. Between 1962 and 1970, the average annual population growth rate registered more than 25 per thousand. By comparison, China's population jumped to 1.08 billion in 38 years (1949-1987) from 540 million.

Now China has entered its third birth peak. Even if the state strictly controls the population growth, there will be more than 20 million new babies born annually in the next eight years.

China is a developing nation with more people, less arable land and poor economic conditions plus backward productive forces and underdeveloped economy, culture, science and technology. With 7 percent of the world's arable land, China is feeding 22 percent of the world's people. Of these people, 80 percent live in the countryside.

China belongs to those countries having a very low gross national product (GNP). It has 220 million illiterates and semiliterates, making up about a quarter of the world's total.

To get rid of poverty and backwardness, and to build a strong modern socialist nation, China has worked out a development target for its social economy.

From 1980 to the end of this century, China will strive to increase its per-capita share of the GNP by four times over 1980 in order for the Chinese people to live a comfortable life. By the middle of the next century, China will attempt to approach the level of moderately developed countries.

If China fails to control its population, goods turned out

through developing production will be siphoned off by the over-rapid growth of population, thus making the country weaker and seeing no improvement in the people's standard of living. Such results would make it impossible to realize China's development target. So while accelerating its economic construction, China employs a family planning policy in an attempt to curb its population to around 1.2 billion by the end of this century. This is also aimed at making China's population more compatible with the development of the social economy, and more suitable to the use of natural resources and the environment.

The family planning policy is to enable China to extricate itself from poverty and backwardness, and build itself into a strong and prosperous country.

(February 5, 1990)

Shaolin Temple's First Foreign Disciple

RENMIN RIBAO
(People's Daily)

Shaolin Temple, China's cradle of martial arts, recently accepted a Swiss journalist from a European television station as its first foreign disciple in its time-honoured history.

He was also the first foreigner to be allowed to wander alone within the confines of the temple and, as is required of any new recruit, was given a ceremony to honour his Chinese master. It was July 1989, when he visited China as the head of a Swiss *gongfu* delegation, that he became a disciple.

Though raised on Western culture, he had long fancied Oriental culture, declaring that it was his lifetime goal was to learn everything there was about *Shaolinquan*, a school of martial arts that has been honed to near perfection by generations of monks at Shaolin Temple.

As if a determined heart could

dissolve the toughest rules in the world, his request was finally granted. Two of the temple's senior monks, moved by his sincerity, made an exception in his case, and accepted him as an "orthodox disciple."

One of his masters is a 60-year-old member of the 33rd generation of Shaolin monks. Admitted to the temple at the age of seven, he is superb at boxing and medicine, and is especially good at *qigong* (a breathing exercise). He is said to be able to lick a piece of red-hot iron with his tongue without so much as wrinkling his nose. The Swiss disciple's other master is only 30 years old, the temple's general martial arts coach.

Under the guidance of these two masters, the foreign disciple practises diligently. He is determined to be the West's first martial arts master of the Shaolin school.

(February 4, 1990)

ETCCTSTS' Major Tasks in 1990

The Economic and Trade Coordinating Committee for the Two Sides of the Taiwan Straits (ETCCTSTS) of the mainland, established on December 16, 1989, is trying its best to promote economic development between the two sides of the Taiwan Straits. ETCCTSTS' major work in 1990 is as follows:

- Negotiate with its Taiwan counterpart about mutual visits as well as mutual visits between mainland businessmen and their Taiwan counterparts.

- Explore the possibility of co-sponsoring with its Taiwan counterpart a symposium on development of economic and trade relations between the two sides of the straits in 1990. The symposium will introduce the mainland's policies, regulations and laws designed to encourage Taiwan investment, ways of improving mainland's investment environment and arrange negotiations about establishment of projects between the two sides.

- Offer Taiwan businessmen consulting services about trade, investment, technical exchanges, laws and commercial affairs.

- Formulate with its Taiwan counterpart rules about mediation and decide personnel choices for the mediation so as to solve possible disputes arising in trade, investment and technical exchanges between the two sides.

- Probe legal and commercial problems (for example, in the fields of banking, insurance, transport and commodities inspection) which may hinder the economic and trade development between the two sides.

- Exchange with its Taiwan counterpart economic and trade information as well as new developments in legislation.

- Explore the possibility of holding commodities exhibitions in Beijing and Taipei in 1991.

The economic relations and trade between the two sides have developed rapidly in recent years.

The trade volume between the two sides reached US\$3.7 billion in 1989. There are now more than 700 enterprises with Taiwan investment on the mainland. The Taiwan authorities' refusal to have direct transportation, commercial and postal links with the mainland has adversely affected the development of economic relations and trade between the two sides.

In order to promote understanding and exchanges between businessmen on the two sides, the mainland's ETCCTSTS signed an agreement with its Taiwan counterpart in Hong Kong in mid-December last year, by which the two organizations will work together to "promote exchanges between the mainland and Taiwan" in the spirit of "equality, mutual benefit and friendly consultation."

The second joint conference of the two ETCCTSTSs will be held in late November or early December 1990 to discuss their work in 1991.

by Yao Jianguo

New Services for Foreign Investors

According to a recent meeting of the China Foreign-Funded Enterprises Association (CFFEA), the association is ready to offer more and better services to foreign-funded enterprises in 1990.

CFFEA Deputy Secretary General He Qu said that new service items include:

- Organize experts to discuss problems in export for foreign-funded enterprises so as to further expand export.

- Popularize the experiences of those foreign-funded enterprises with good operation and high economic returns.

- In addition to the China Export Commodities Fairs held in Guangzhou in spring and autumn every year, several yearly product exhibition markets will be established in coastal areas year round so as to further increase publicity of foreign-funded enterprises's

products.

- Starting in late March, training classes will be held in Beijing, Shenzhen of Guangdong Province and Dalian of Liaoning Province in order to train professionals in international trade, marketing, management and sales, as well as joint-venture book keeping. There are also plans to establish training centres in Shenzhen and Beijing, and form a national training network under the responsibility of local associations.

- Set up a legal committee to protect the legitimate interests and rights of foreign investors.

- Establish an investment information network and regularly provide foreign investors with information on investment environment, policy and measures as well as on specific projects. Seek to establish non-governmental ties with Southeast Asian countries so as to open more channels for absorbing foreign funds.

Established in November 1987, the CFFEA was designed to help foreign-funded enterprises in management and the government in use of foreign funds. So far, 47 local associations with more than 4,500 member enterprises have been set up. China has approved the establishment of more than 20,000 foreign-funded enterprises, which earned US\$3.9 billion from export in 1989. ■

Foreign Credit for Shanghai Subway

The officials responsible for construction of Shanghai's subway announced at a press conference on March 7 that agreements to provide US\$300 million in government credit from the Federal Republic of Germany, France and the United States have all been finalized.

Under the agreements, the Shanghai municipal government will use foreign funds for the project, the equipment for which will also come from foreign firms. Last year, the Shanghai departments responsible for subway construc-

tion signed contracts with companies and enterprises in the United States, France and the Federal Republic of Germany for supply of equipment. Of these contracts, that with the Federal Republic of Germany went into effect on January 11; the transfer agreement of the credit provided by the French government was signed on February 19; the contract for the driving equipment provided by France's FCB went into effect in March; and the contract for five items of equipment to be provided by the Export-Import Bank of the United States was discussed and approved on February 8.

Government credits from the three countries are all effective and have begun to be used. Also, the commercial contracts for the introduction of major equipment and technology are all completed; these offer a guarantee of materials and technology for the construction to begin on schedule.

At present, the construction of the No.1 line of the subway, a total length of 14.57 km., has been started and will require a total investment of 2.543 billion yuan. Of this sum, foreign investment accounts for US\$300 million, for which government credit from the Federal Republic of Germany will be 460 million marks, credit from the French government US\$21.5 million and US government credit US\$26 million. ■

Broad Prospects For Sino-Italy Ties

Economic and technical cooperation between small and medium-sized Chinese and Italian enterprises has been gaining momentum since last November and in February, three more Chinese enterprises signed co-operative contracts with Italy, according to the State Planning Commission's Co-ordinating Centre for Small and Medium-Sized Enterprises with Foreign Countries.

At the end of last year, the China Council for the Promotion

of International Trade co-sponsored in Milan a "trade talk on Sino-Italian economic and technical co-operation" with the Italian Chamber of Commerce Federation. Enterprises from seven Chinese provinces, including Jiangsu and Zhejiang, participated in the talk which focused on co-operation in the fields of textile, leather, clothing, machine-building, instruments and meters, chemicals and electronics. The two sides signed 26 items on co-operative production, joint venture and compensatory trade, making up 53 percent of all the projects signed. Both sides expressed satisfaction with their co-operative partners. For instance, the Ningbo Printed Silk Mill signed a contract with the Italian Laseta Mantero Co. on jointly establishing a printed silk project, for which Italy provides dyeing technology and key facilities while the Chinese side provides workshops and raw materials. The planned annual output of 1 million metres of printed silk is all for export. The Italian Chamber of Commerce Federation plans to organize a group of enterprises to visit China to give the final touch on contracts initialed in Milan and to sign new ones.

A co-ordinating centre official believes that small and medium-sized enterprises between the two countries enjoy a broad field of co-operation and great potential for joint development. With the further deepening of China's economic rectification and a further improved investment environment, the economic returns of Sino-Italian small and medium-sized enterprises will continue to improve. ■

World Bank-Financed Project Completed

The wasteland reclamation project in Heilongjiang Province funded by the World Bank has been completed, a Ministry of Agriculture official announced at a recent news conference held in Beijing.

The project is the first of its kind

to use funds from the World Bank. During the five years from June 1983 to the end of 1988, the State-Owned Farm Administrative Bureau of Heilongjiang Province opened 200,000 hectares of wasteland and constructed some supporting facilities with a loan of US\$70 million from the World Bank and 260 million yuan from domestic sources. In 1989, when it was put into production, the project turned out 316,000 tons of grain and soybeans—the originally estimated target for the year. In 1991, when the project reaches its designed capacity, grain and soybean output is expected to reach 375,000 tons.

Liu Wenju, the bureau's deputy director, said that the repayment of loans is on schedule, and that portions due to be paid in 1989 and 1990 will be cleared this year and soybeans have been exported to compensate for the loan right through the peak repayment period.

The area at the northern-most tip of Heilongjiang Province, Liu said, has a good environment for foreign investment and great potential to be tapped. Known for its fertile land and a high degree of mechanization, the area has some 800,000 hectares of wasteland, 800,000 hectares of wooded land, 500,000 hectares of grassland, 200,000 hectares of water area, and 60,000 hectares of reed ponds to be cultivated. He said the bureau hopes to continue to develop compensation trade, co-operative production, joint ventures with the World Bank, other international and regional financial organizations, foreign governments and companies on the basis of equality and mutual benefit.

Since 1982, China has used World Bank loans of some US\$2 billion for the development and construction of 22 projects in the fields of agriculture, forestry, water conservancy and agricultural education and scientific research, some of which have been put into operation and others are currently in progress.

by Song Xinhua

International Award for Chinese Film

The Chinese feature film *The Year of Disaster* was awarded the Silver Bear Prize at this year's 40th International Film Festival in West Berlin.

This is the third time that a Chinese film has been honoured at the festival. The first was *Red Sorghum*, which took the Gold Bear Prize in 1988, and the second was *The Last Tolling of the Bell*, which won the Silver Bear Prize in 1989.

The festival's panel of judges said that director Xie Fei had shot a moving film reflecting China's reality.

The Year of Disaster, adapted from the novel *Black Snow*, tells the story of a young man named Li Huiquan over the course of the year of his birth sign. In Chinese tradition, each year is symbolized by one of 12 animals, the horse, the dog, the dragon and so on. Every 12th year, when the sign of one's birth year rolls around again, is believed to be especially significant, either for good or ill.

In *the Year of Disaster*, Li is 24 and has just been released from prison after serving a three-year sentence for helping his friend Fang Chazi kill a man who had become involved with Fang's girlfriend.

He returns to his old neighbourhood only to discover that his mother has died. A neighbour, Auntie Luo, and the local policeman help get him a job selling clothes from a stall in an outdoor market and he begins to

make money. Despite this success, he remains extremely lonely, especially when he is at home at night.

One day, Li goes to a cafe with a friend and meets Zhao Yaqiu, a singer about 18 years old. While she does not have the beauty of a mature woman, the youthful purity of her face and soft, unsophisticated style of her performance take Li back to his childhood.

Because Zhao is bothered by a group of hooligans on her way home every night, Li is asked to escort her. In time, through watching her sing and walking her home at night, Li falls in love but does not reveal his feelings to her, he only pins Zhao's picture beside his bed.

Zhao becomes more popular, however, and as she attracts more admirers she begins to be more pretentious. Li is replaced by other escorts. These changes sadden Li but he doesn't speak out. He is angered, however, when he learns that Zhao is hanging around with a black marketer named Cui Yongli and warns Cui to behave himself.

Fang Chazi, meanwhile, has escaped from prison and makes his way to Li's home. Li tries to persuade Fang to give himself up but won't report him to the police himself. A couple of days later, Fang, feeling his friend has deserted him, disappears.

By now Zhao has become a glamorous singing star. Li sells off his goods and uses the money to buy her a gold necklace, the

symbol of his hopes, which Zhao refuses to accept. Feeling lost, the distraught Li goes to a restaurant and drinks himself into a stupor. When he staggers back out into the street, he is attacked by two young muggers who murder him.

The Year of Disaster portrays a new kind of individual who has appeared recently in Chinese society. Introverted psychologically but physically strong, Li gains material wealth only to find he is still lonely and alienated. This reflects the changed values, the moral degradation and the crisis in beliefs that have followed the rising tide of commercialism. Although Li wants to turn over a new leaf, the lack of spiritual sustenance in the new environment along with the limitations of his own character eventually lead him to a tragic end.

The inevitability of the tragedy shakes and enlightens the audience. The film is a call for idealism and belief, for correct values and a healthy spiritual life. Since the social problems portrayed in the film exist not only in China but also in other developing countries, as well as in developed countries, foreign audiences easily understand and accept it.

"I shot the film because the novel presents new but true aspects in our society," Xie said. "Besides, the complicated and peculiar character of Li Huiquan attracted me very much. This young man does not have a bad nature. He cherishes beautiful

Beijing to Hold Week Of Religious Music

The China Buddhist and Taoist Music Week will be held in Beijing June 1-6 this year. Apart from special musical performances, there are tours, seminars and other related activities listed on the programme.

The Buddhist musical groups taking part in the activities include ones from Beijing, Tianjin, the Wutaishan Monastery in Shanxi Province, the Labuleng Monastery in Gansu Province, the Qianshan Longquan Monastery in Anshan, Liaoning Province, the Tianning Monastery in Changzhou, Jiangsu Province, the Longren Monastery in Jiujiang, Jiangxi Province, and the Kaiyuan Monastery in Chaozhou, Guangdong Province.

The five Taoist troupes will come from the White Cloud Temple in Beijing, the White Cloud Temple in Shanghai, the Wudangshan Temple in Hubei Province, the Xuanmiao Temple in Suzhou, Jiangsu Province, and the Qianshan Wuliang Temple in Anshan, Liaoning Province.

This will be the first time that so many Buddhist and Taoist musical troupes have gathered for academic exchanges since the founding of the People's Republic in 1949. Religious and artistic circles have great expectations for the music week.

Buddhist music and Taoist music both have a long history in China and are important components of traditional Chinese music.

The music week is co-sponsored by the China Art Academy, the China Buddhist Association, the China Taoist Association and the Beijing Buddhist Association. The organizing committee has already been set up in Beijing. ■



From left to right: screenwriter Liu Heng, director Xie Fei (holding the Silver Bear) and leading actor Jiang Wen of *The Year of Disaster*.

YANG FEI

memories about the ideals of his childhood. He detests the profit-before-everything attitude and maintains a primitive and unsophisticated sincerity and kindness. He wants to lead a dignified and significant new life but has to drift with the tide. He emphasizes the code of brotherhood but that leads to his imprisonment and the later shielding of an escaped criminal. At the end, he dies in a spiritual crisis."

The film is shot in a simple but sophisticated style, with careful attention to detail adding depth to the portrayal of the particular social environment Li inhabits.

Some of the judges in Berlin regarded Jiang Wen's performance as Li Huiquan to be the best of the festival and Jiang said it was his most satisfactory role to date. "All of the parts I've had in the past discarded my actual age and were set in different historical periods," he said.

This almost prevented him from getting the lead in *The Year of Disaster*. After adapting the screenplay, Xie hesitated to offer Jiang the role of Li because he thought Jiang was too old. Fortunately, Xie learnt that

Jiang was only 26.

Jiang is one of the most successful film actors in China; the Berlin festival remembered him well from *Red Sorghum*. Jiang's performing style is so natural that the audience tends to think he is only being himself. Only those who work with him know how hard he works.

For instance, in order to play Li Huiquan, he made but one demand: "Give me two to three months to get familiar with the life." Then he plunged into the individual businessmen in Beijing to observe, talk to and make friends with the people in order to prepare himself for the role.

In addition, he always provided several optional plans for each of his scenes. It was he who suggested the film's title. So it isn't strange to hear Xie say, "Jiang is not only a talented actor, but also a promising director."

Regarding the position of Chinese films in the world, Jiang says confidently that Chinese films have the ability to win international prizes because the Chinese people are by no means inferior to others.

by Hong Lanxing

The Asian Games and Beijing's Tourism

The 11th Asian Games will be held in Beijing between September 22 to October 7. The construction of various training sites, gymnasiums, stadiums and accommodation villages is almost completed and support work for the Asian Games is being stepped up. The 20,000 tickets set aside for foreign visitors for the opening ceremony (price US\$50-US\$80 each) have all been sold out, and it is estimated that 100,000-200,000 tourists will visit Beijing during the Games.

This is the first comprehensive international games to be held in China. In order to make it a success, the Beijing municipal government and Asian Games Organizing Committee entrusted the Beijing Municipal Tourism Administration to organize an "Asian Games Committee Tourist Service" (AGCTS), which is headed by Bo Xicheng, director of the Beijing Municipal Tourism Administration. The AGCTS will be responsible for arranging accommodation for officials of the Asian and International Olympic Councils, athletes, reporters and tourists.

Tourist Activities. According to AGCTS Head Bo Xicheng, a series of tourist activities specially arranged for the Asian Games are scheduled to begin on April 1st. They include the following:

April 1-October 7: The city of Beijing will invite tourists to sign their name and nationality to a gigantic scroll titled A Million Autographs which bear an Asian Games logo, a Beijing tourism emblem and the words "Asian Games, Tourism, Friendship and Peace" in Chinese and English.

The scrolls will be available at such scenic spots as the Great Wall, Tiananmen Rostrum, the Temple of Heaven and the Summer Palace. When the Asian Games close, the scrolls will be presented as a gift to the Asian Games Committee, the Asian Olympic Council of Asia and the World Tourism Organization.

April 7 to 11: The Beijing International Kite Meeting will be held at the Mentougou Sports Centre and Tiananmen Square.

April 10-May 5: The Beijing Peach Blossom Festival will be held at the Beijing Botanical Gardens.

July to September: The Beihai Lantern Festival will be held in the Beihai Park.

September 1-October 7: The 11th Asian Games Arts Festival will host nearly 40 programmes from 10 countries and regions.

During the Asian Games, a Commodities Fair will be organized at the Beijing Exhibition Centre. Commodities of the best quality and special native products from around China will be available for the convenience of athletes and tourists. The Commodities Fair is to be complete with a cinema, a restaurant serving special flavoured dishes and other recreational entertainment. Films which show the achievements China has made during her decade-long reform and opening to the outside world, and folk customs will be shown at the cinema.

Around October 1 National Day: Special National Day celebrations will be held in Beijing's major parks.

New scenic spots: New tourist attractions to be opened before

the advent of the Asian Games include: Suzhou Street, located to the north of the Summer Palace, which is famous for a Tibetan temple and scenery common to the area south of the Changjiang (Yangtze) River; and the Beijing Nine-Dragon Playground, a joint venture with Japan.

One-Day Excursions: During the Asian Games there will be five special one-day tours and visit to a local family (making *jiaozi*—Chinese raviolimeat!).

Exhibitions: During the Asian Games, 37 exhibitions will be held simultaneously in Beijing. Among them will be the China Sports Exhibition, Chinese Sports Art Exhibition and International Sports Philately Exhibition.

In order to guarantee high quality tourist service, the Beijing Municipal Tourism Administration has already taken steps to retrain people to be involved in tourist services. And beginning April 1, tourists will be able to lodge complaints by telephoning a 24-hour Tourist Hot Line (telephone No. 5130828) with operators conversant in Chinese, English or Japanese.

by Han Baocheng





An Ancient Pagoda.



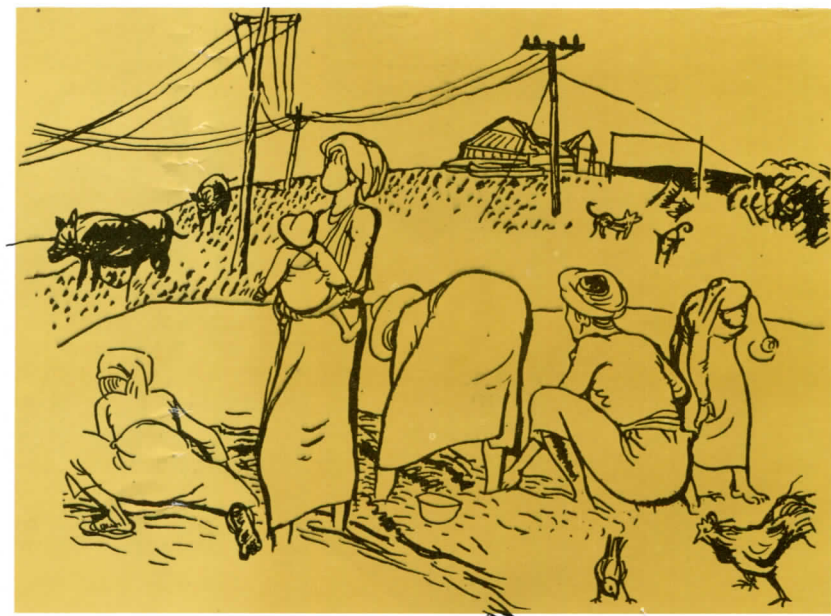
An Aini Nationality Girl.

ART PAGE

A View of a Dai Nationality Village.

**Sketches by
Zhou Qi**

Zhou Qi was born in Heilongjiang Province in 1961. He now is an art editor with the *New World Press*. He painted sketches as he travelled in China's southwestern national minority areas.



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