

A CHINESE WEEKLY OF NEWS AND VIEWS

Beijing Review

北京周報

Vol. 33, No. 19

May 7-13, 1990



**CONTROL
OF CHINA'S
POPULATION
GROWTH**

**Li Peng's Soviet
Visit Successful**



New houses in a mountain village.

Photo by Xuan Qingquan



Li's Trip Promotes Beijing-Moscow Ties

□ When Li Peng arrived in Moscow, he became the first Chinese premier to visit the Soviet Union in 26 years. His four-day official visit, during which both sides exchanged views on various issues, marked a new step forward in furthering the bilateral relationship since the two neighbouring states normalized relations last May (p. 4). When in Moscow, Li gave a news conference at which he told the reporters that there will be no more turmoil in China in April, May or June this year. (p. 8).

Population Problems and Countermeasures

□ Although China's family planning has become the order of the day, the population problem is still serious. Appropriate countermeasures have to be taken (p. 16).

Upholding Unity of Theory and Practice

□ A *Renmin Ribao* editorial, published on April 22 to mark Lenin's 120th birthday, stresses the importance of linking theory with practice. As a result of the application of this principle, the world's first socialist state was born amidst the salvos of the October Revolution, and the victorious new-democratic revolution led to the founding of the People's Republic of China. The editorial also emphasizes the need for China's Communists to adhere to this principle in their effort to build socialism with Chinese characteristics (p. 15).

Amendments to the Joint Venture Law

□ *Beijing Review* carries the full text of the revised Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment and a companion article on why it should be amended. The joint venture law, promulgated in 1979, has promoted China's open policy and helped attract foreign investment. The amendments recently made at an NPC session are designed to further improve the investment climate for foreign businesses and enable China to make better use of advanced foreign technology and management expertise and spur development of the national economy (p. 24).

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Photo by Sun Jianzhong

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

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

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

Li Peng's Trip Helps Beijing-Moscow Ties



Premier Li shakes hands with Soviet President Mikhail Gorbachev in Moscow on April 24.

LIU JIANGUO

As the first Chinese premier to set foot on the Soviet soil since Zhou Enlai's Moscow visit in 1964, Li Peng commanded the world attention during his four-day official visit to the Soviet Union, which marked a new step forward in the relationship between the two neighbouring states.

It wasn't until Mikhail Gorbachev's China visit last May that China and the Soviet Union returned to their normal bilateral relations. During their talks in Moscow, both Li and Nikolai Ryzhkov, chairman of the Council of Ministers of the Soviet Union, credited Gorbachev's visit with deepening the trust and understanding between the two nations. Both regarded the Soviet leader's visit as something that had "ended the past and opened up the future."

Both Li and Ryzhkov emphasized the need to expand the scope

of co-operation and improve bilateral relations, especially in the political, economic, trade, scientific-technological, cultural and educational fields.

At a welcoming banquet hosted by the Soviet government on April 23, the day of his arrival in Moscow, Li said that both China and the Soviet Union, linked by the same mountains and rivers, "are socialist countries undertaking reforms in the light of our respective national conditions."

Sino-Soviet relations, he said, have traversed a torturous course and good relations have not come easily. "Therefore, we cherish a great deal what the two countries have achieved in this regard," he added.

Regarding Sino-Soviet economic relations, Li and Ryzhkov exchanged optimistic views during their talks.

Li noted that both China and the Soviet Union can comple-

ment each other with strengths in their respective economies. The two countries can develop economic and technological co-operation, including co-operation in labour, the mutual purchase of patents and the running of joint-venture enterprises, he said.

The two countries can also expand personnel exchanges and improve transportation links, the premier added.

Ryzhkov expressed his agreement by issuing a statement saying the two countries have great potentials in economic and technological co-operation. The two sides can co-operate in energy, metallurgy, power, transportation, aviation, spaceflight, wood processing, agriculture, consumer goods and other fields, he said.

Gorbachev met with the Chinese premier on April 24. He recalled his visit to China last

May, saying that Soviet-Chinese relations have made much progress and have entered a new phase since the normalization of bilateral ties.

They agreed that the two nations should increase personnel exchanges in various fields, including exchanges of high-level military personnel.

Anatoly Lukyanov, president of the Supreme Soviet, expressed his hope while meeting Li that the friendly contacts between the Supreme Soviet and the National People's Congress of China would continue.

Both sides agreed that friendly ties would be furthered in the spirit of the Sino-Soviet Joint Communiqué signed last May 18. Their mutual relationship, they said, should be based on the general principles governing state-to-state relations, i.e., the Five Principles of Peaceful Coexistence — mutual respect for sovereignty and territorial in-

tegrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence. Such a relationship, they agreed, should serve the fundamental interests of the people in both countries and be conducive to peace and the development of Asia and the world at large.

During Li's Soviet visit, the two countries signed six agreements. Two agreements — a long-term co-operation and development programme of economy, science and technology, and a co-operation agreement on peaceful use and studies of space — were signed by Li and Ryzhkov on behalf of their governments.

Chinese Foreign Minister Qian Qichen and his Soviet counterpart, Eduard Shevardnadze, also signed two agreements. One dealt with the mutual reduction of military forces in border areas

and the guideline for enhancing trust in the military, and the other was a consultation accord between the two foreign ministries.

The other two agreements were a credit agreement on daily-use commodities provided by China to the Soviet Union and a memorandum on the construction of two nuclear power plants in China with Soviet government loans.

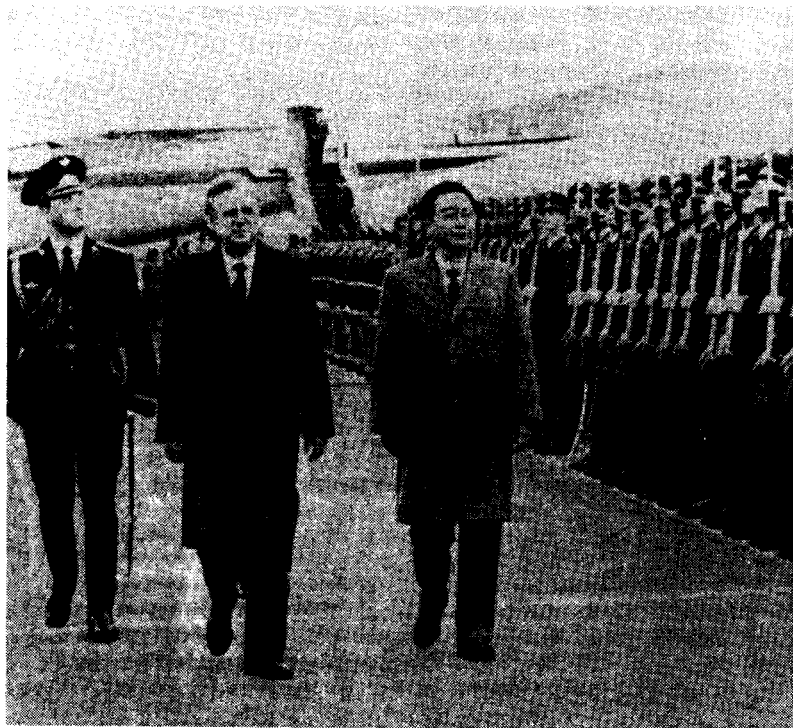
It is believed that the signing of these documents has extended the legal basis for Sino-Soviet relations in the form of treaties.

Leaders of the two countries voiced their desire to continue negotiations in line with the principles set forth in the Sino-Soviet Joint Communiqué for a just and reasonable solution to the border issue, a product of history.

China reiterated that Taiwan is an inalienable part of the territory of the People's Republic of China and that China strongly opposes any attempt to create "two Chinas, one China and one Taiwan" or "an independent Taiwan." The Soviet Union stated that it would consistently support the Chinese government's position.

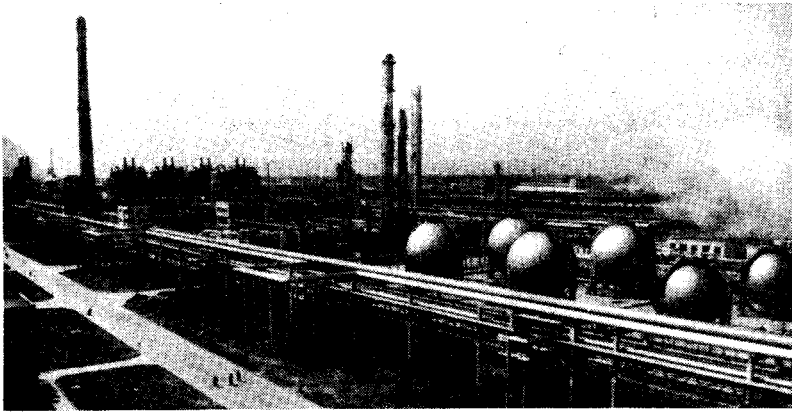
The two sides expressed their willingness to promote a just and reasonable comprehensive solution to the issue of Kampuchea, and their appreciation and support of the United Nations' positive role in handling the issue. They also would continue to support the dialogue between the two sides in Korea to help ease the situation on the Korean Peninsula and to create conditions for a peaceful reunification of Korea.

In an editorial on April 28, *Renmin Ribao* (People's Daily) hailed Li's successful Soviet visit as a "new page in Sino-Soviet good neighbourly relations." ■



Li Peng greeted by Nikolai Ryzhkov, chairman of the Council of Ministers of the Soviet Union, at Vnukovo Airport in Moscow on April 23.

LI ZHIYUAN



Shanghai's ethylene project, the fifth largest of its kind in China, goes into operation early in April.

XU YIGEN

Enterprises Raise Fund By Bond Issuance

An ethylene project in Shanghai, which was commissioned earlier this month, was able to dispense with state investment and built itself with funds raised through bond issuance.

The project, with an annual production capacity of 300,000 tons of ethylene, is the fifth largest of its kind in China. To meet its construction cost, which amounted to 3.6 billion yuan (US\$760 million), three local enterprises and financial departments issued bonds in China and abroad. Overseas bonds amounted to US\$500 million. For an enterprise to issue bonds was something unheard of in China before.

Economists say that raising funds by issuing bonds is an important financial reform as well as a major step in restructuring the investment mechanism for capital construction.

China's key construction projects used to depend solely on state allocations. The conventional investment mechanism is often handicapped by repeated cost overruns and delays, which have caused a chronic shortage of investment and periodic economic overheating.

For enterprises to raise funds on their own will help alleviate the strain on state funding, stimulate their initiative and foster the understanding that they should operate within their means.

As the funds raised by the ethylene project bore an average interest rate of nearly 13 percent, construction delays would have caused great losses for the fund-raising enterprises responsible for the ethylene project. Thus every effort was made to accelerate construction, and as a result, the entire project was completed in 35 months, 13 months sooner than the international average for construction of similar projects.

With its considerable profits, the ethylene project is in an excellent position to clear its debt. The first batch of domestic bonds were paid for on schedule in the first quarter this year and foreign debt will be paid through exports or import substitution.

Economists say the successful ethylene project in Shanghai will be imitated by some other big enterprises in China. The Shoudu Iron and Steel Company in Beijing and the Shanghai Baoshan Iron and Steel Complex, for example, will follow suit. ■

New Virus Makes Inroads on Computers

Many of China's computers were afflicted with a virus on April 13, warned a computer virus monitoring centre under the Ministry of Public Security.

The computer virus, known as "Jerusalem," was first found in 1988 in a university in Israel. Last October 13, it attacked a great number of Western compu-

ter networks.

So far seven computer viruses out of about 100 in the world have found their way into China, affecting thousands of computers. Six were discovered in Beijing, namely, "Jerusalem," "Vienna," "Brain," "648," "Hemp," and "Yankee-doodle." They were introduced mainly from abroad with software and computer networks, as well as floppy disks.

Though newly found in China, "Jerusalem" was quite widespread, said an official of the centre.

Damage caused by viruses include the weakening of computer functions, mangling of normal programmes and deletion of stored information.

Regular work at a computer centre in one of Beijing's universities was suspended because the centre's 50 terminals were infected with "Jerusalem" within a week.

Normal production at a Beijing chemical factory was slowed for a month when the virus attacked the company's computers.

Because an increasing number of computers have been hit by viruses which threaten data bases, experts are urging that measures be taken to protect these vital networks.

The Ministry of Public Security has ordered a complete check-up of China's computers and disks, and urged all users to verify, segregate and eliminate computer viruses. ■

Turning Losses Into Profits

In a nationwide campaign to overcome financial difficulties, a number of ailing enterprises in the city of Shenyang in northeast China are now struggling out of debt with the help of a special association.

Over the past few years, the capital of Liaoning Province has

faced serious financial difficulties. Last year, one-third of Shenyang's 1,300 enterprises lost a total of 130 million yuan (US\$27.6 million).

This lowered the average standard of living for workers and 300,000 were reported leading a "hard life."

Some workers were getting 70 percent of their wages, some were only getting 20 or 50 yuan a month as "subsistence expenses" and others were receiving no pay whatsoever.

In order to help these panicked workers, Shenyang's Federation of Trade Union set up a special association with technological experts and model workers.

The association decided that the most effective way to ease the plight of the workers was to help ailing enterprises become profitable.

But rather than simply give the enterprises subsidies to overcome their financial difficulties, the association made every effort to explore ways by which enterprises could help themselves get out of debt.

In co-operation with Shenyang's patent office, the association provided patented products to some of the poverty-stricken enterprises at favourable prices or even free.

It also offered help to improve the firms' management, to upgrade product quality and update equipment.

In order to fit in with the city's economic adjustment, the association managed to make its work of helping ailing enterprises, including cutting taxes and providing low-interest loans, part of the municipal government's over-all plan.

In this way, the association has helped the Powder Metal Factory, which suffered heavy losses last year, get back on track.

Out of 36 ailing enterprises the association focused its attention on, 24 have either started to gain a profit or reduced their losses. ■

'Earth Day' Message: Treasure Our Planet

As 1,000 scientists, environmental activists, government officials and school-children attended an exhibition in Beijing to mark "Earth Day," mountaineers from China, the United States and the Soviet Union were making their final assault on Mount Everest.

The joint expedition is expected to reach the summit in early May, where members will try to clean up debris left by previous expeditions. They will also send a televised message from the summit of Everest, known as Mount Qomolangma in the Tibetan language, to the leaders of the three countries appealing for peace and environmental protection.

On the eve of the April 22 exhibition marking the 20th anniversary of "Earth Day," the first to be observed in China, Premier Li Peng gave a televised speech, outlining China's stand and measures on environmental protection.

He noted that the first "Earth Day" was observed on April 22, 1970, and symbolized "the first large-scale environmental protection movement launched by the broad masses in the history of mankind.

"The movement has effectively propelled the vigorous development of environmental protection throughout the world," the premier said. "However, 20 years later, mankind is still challenged by environmental problems. We need worldwide co-operation to clear up the obstacles on the way to solving the problems in a concerted effort.

"The Earth belongs not only to us, but also to future generations," Li continued. "What we

can do today in the management of our Earth will determine our common future while the basis for a common effort derives from understanding among all governments and all people.

"The Chinese government has attached importance to the protection of the environment, which has been instituted as a state policy," Li stated.

"My government will take a positive attitude towards international environmental protection problems, and will seek effective measures to deal with them in co-operation with other countries," he added.

During the previous week, "Earth Day" was celebrated in Beijing with three evening galas, sponsored by the National Agency of Environmental Protection. A number of international pop stars and artists entertained tens of thousands of people.

In Nanjing, capital of Jiangsu Province, the China Geological Society and Nanjing University jointly organized a series of scientific lectures. Through radio broadcasts and newspapers about 65 million people in the province have become aware of the environmental protection issue.

Professor Zhou Guangzhao, president of the Chinese Academy of Sciences, pointed out that the 1990s will provide mankind with a "last opportunity" to solve the problem of natural resources versus environment.

"It is necessary to develop the comprehensive study of basic sciences to obtain a knowledge and understanding of the balanced relationship between human activities and natural evolution," he said. ■

Li Peng Meets the Press in Moscow

At a news conference in Moscow, visiting Chinese Premier Li Peng said the situation in China is stable and there will be no renewed unrest in April, May or June. He also talked of international issues, such as the reform in the Soviet Union, the situation in Eastern Europe and the multi-party system.

On April 25, Li Peng, premier of the State Council of China, who was on a four-day visit to the Soviet Union, gave a news conference at the media centre of the Soviet Foreign Ministry. More than 300 Chinese, Soviet and Moscow-based foreign reporters attended the conference.

The Chinese premier began by expressing happiness over the success of his visit, an official one at the invitation of the Soviet government.

In reply to a question raised by a TASS reporter, Li said that talks between Chinese and Soviet leaders opened new vistas for future bilateral co-operation in economic and technological areas. The two neighbours' economies are mutually complementary, he said.

He explained that China has some advantages that the Soviet Union lacks, and conversely the Soviet Union has what China lacks. He cited the agreements signed during his visit which included a co-operative project between the two countries—the construction of two nuclear power stations, each with a capacity of 1 million kilowatts, with the Soviet Union providing long-term loans to China. China, in its turn, will provide the Soviet Union with a short-term loan of nearly 500 million Swiss francs in the form of commodities, which include light industry products and textiles.

Noting the forms of co-operation, the premier said that in addition to conducting trade, the two countries can establish enterprises jointly owned or exclusively owned by one side in each other's country. They can also set up processing industries using the other side's materials and exchange technology. In conclusion, the premier said, "The scope of bilateral co-operation is very expansive."

At the request of a Xinhua (New China News Agency) reporter, the premier talked about the main results of his visit. He said both the Soviet and the Chinese sides would publish their own news reports to sum up the results at the end of the visit. "In May last year, Comrade (Mikhail) Gorbachev paid an historic visit to China," Li said. "At that time there were two sayings—ending the past and opening the future. I'm here to continue to open the future and have made a success in this respect."

On East European Situation

An American Broadcasting Company reporter asked Li what comments on Gorbachev and the policies of East European countries were made by a plenary session of the Central Committee of the Chinese Communist Party not long ago. Li answered that the main thing the plenary session did was to have adopted a resolution on strengthening ties between the Communist Party

and the people. This, he said, was an important measure to implement the policy of reform and opening to the outside world and to further deepen political restructuring.

The premier pointed out that a small number of people in the West hope that China and the Soviet Union hold different views on reform and that the bigger the differences, the better.

He admitted that on the question of reform, China does not share all the views and practices of other socialist countries. Each nation has its own conditions and is at a different stage of development. Therefore, all countries should decide how to build socialism in accordance with their own national conditions and there are no universal patterns to follow. The premier said that he had held talks on this issue with Gorbachev, Premier Nikolai Ryzhkov and Anatoly Lukyanov, president of the Supreme Soviet. He said the Soviet leaders told him that the reform in the Soviet Union was conducted within the socialist framework.

Turning to the situation in Eastern Europe, the Chinese premier said that no one had foreseen such drastic changes in some East European countries. Whether these changes mean that these countries have totally renounced socialism remains to be seen and observed carefully, Li said. However, China is willing to maintain normal state re-

lations with them on the basis of the Five Principles of Peaceful Coexistence irrespective of whether they uphold socialism or not, he said.

The Chinese premier then asked Foreign Minister Qian Qichen to answer an Egyptian reporter's question concerning the immigration to Israel by Soviet Jews. Qian said he and his Soviet counterpart, Eduard Shevardnadze, had specifically discussed the matter in their talks. Many Arab countries, he said, had voiced their concern over this issue to China and he had conveyed their concern to the Soviet foreign minister.

A reporter with *The Times* newspaper of London asked whether Li agreed with Gorbachev's assertion that the current reform in the Soviet Union was equal to the October Revolution in terms of nature and scale. The British reporter also asked why the Soviet and Chinese sides would publish separate news reports on his visit.

"I remember that in my talks with Gorbachev, he said that in terms of depth and significance, the reform in the Soviet Union can be matched with the October Revolution. I understand that he meant the impact of the reform programme on the development of the Soviet Union can be matched with that of the October Revolution, rather than that the Soviet Union will embark on a road opposite the direction of the October Revolution. At a recent rally in Moscow commemorating the 120th anniversary of the birthday of Lenin, Comrade Gorbachev said that he would stick to the Leninist road. I appreciate his remarks."

Referring to the second question, the premier said that both sides would publish their own news reports rather than a joint communique. It is no easy task to draft a joint communique since the visit is a short one, the pre-

mier explained. It is purely a technical issue. After reading the reports from the Chinese and Soviet media, one would find the two versions basically identical in content and no differences in principle would be found, he said.

Domestic Situation

In reply to a Soviet reporter's question on how China would deepen its reforms, Li said that China has made remarkable progress since it launched the policy of reform and opening to the outside world more than 10 years ago. China will never deviate from that policy, he said. However, in the process of reform, just like in anything new, mistakes might emerge now and then.

China's mistake, according to the premier, is that for a period of time, development was a bit too rapid. As China is a developing country, its leaders and people had hoped that the economy would develop quickly, living standards improve rapidly and the pace of reform move quickly. They were anxious to achieve successes. But as a result, China experienced serious inflation. After a year and a half of straightening out the economic order and improving the economic environment, the inflation rate has been brought down and the national economy is now developing in a healthier way.

The Chinese leader said that while implementing the economic readjustment policy, China has not altered its reform and open-door policy. On the contrary, he said, reform is being deepened and openness expanded. For instance, the recent Third Session of the Seventh National People's Congress amended and supplemented the Joint Venture Law, which further relaxes the policy to attract foreign capital.

A Norwegian television report-

er asked whether China's political stability would face any problems. Li Peng said: "There will not be any problems. The current situation in China is incomparable to that of last year. For example, at this moment of last year, I was handling a series of tough problems in Beijing, whereas now I am here visiting Moscow. This also indicates that China's political situation is stable. Some people predicted that in April or May or June, new turbulence would happen in China. I will say here with assurance that such things will not take place in China. The Soviet Union's press said in yesterday's reports that I mentioned China's Cultural Revolution during the talks. Yes, I did mention the Cultural Revolution. The Cultural Revolution brought lots of suffering to the Chinese people. Now the Chinese people share one identical view. That is, an absolute majority of people hope to see China stable, not turbulent."

Other Problems

A Japanese correspondent asked whether the general secretary of the Communist Party of China would visit the Soviet Union if invited. Li said that General Secretary Jiang Zemin would visit the Soviet Union at a proper time. However, because of his own visit to the Soviet Union that has just taken place, Li said he did not think Jiang would visit in the near future.

A reporter from China's *Economic Daily* asked the premier how he felt about revisiting the Soviet Union after many years. Li happily talked about his impressions when he studied in the Soviet Union in the 1950s. He said that what impressed him most deeply was that the friendship between the Chinese people and the Soviet people was so profound that even when the two

countries were at odds, the friendship still continued. He said during his current visit he noticed great changes in the city of Moscow; the roads were broader and there were more highrise buildings. He said he also visited an astronautic centre in the suburbs of Moscow that day and was impressed by the Soviet Union's advanced space technology.

In replying to a Mexican television correspondent, the premier said that in his talks with Gorbachev, the two sides discussed how to reduce the number of troops stationed along the Sino-Soviet border and how to reduce the level of military confrontation between the two countries. An agreement in principle had been reached, he said.

Li emphasized that Sino-Soviet relations have been normalized and that both sides hope to maintain good-neighbourly and friendly relations. China and the Soviet Union share more than 7,000 kilometres of border. It will benefit both sides to reduce the number of troops stationed along the border to a level acceptable to both sides. Li said he and Gorbachev did not dwell on the problem of nuclear arms re-

duction, for China only possesses a small number of nuclear arms, which are purely defensive.

At the request of an ANSA correspondent, Li commented on the reforms in the Soviet Union and its practice of a multi-party system. He pointed out that Soviet leaders have said their reforms would follow the socialist road. He said each country must take its specific situation into account while deciding what concrete steps to adopt. It is up to the Soviet Party and people to decide if the Soviet Union will practise a multi-party system. As for China, he said, it practises a multi-party co-operation and political consultation system under the leadership of the Communist Party of China. Besides the Communist Party, there are still many democratic parties in China. They co-operate with the Communist Party and are not opposition parties. The Communist Party of China and the Communist Party of the Soviet Union resumed normal relations when Gorbachev visited China last May. The Communist Party of China also enjoys normal relations with many parties in the world, including communist parties, social democratic parties as

well as nationalist parties, Li said.

The Chinese premier called upon his foreign minister, Qian Qichen, to answer questions from an Italian correspondent about China's relations with the Vatican and the Kampuchean issue. Qian said that China does not have diplomatic relations with the Vatican. Regarding the Kampuchean problem, he said he had discussed the issue in detail with his Soviet counterpart and that both sides feel it is time the problem was solved. Both China and the Soviet Union are permanent members of the United Nations Security Council, Qian noted. And both should actively participate in consultations over the Kampuchea issue by the five permanent members of the UN Security Council, he added. Both China and the Soviet Union maintain that Kampuchea must realize national reconciliation and the union of the four factions. Of course, Viet Nam's military withdrawal must be complete and be verified, Qian said. The two countries also observed that the United Nations should play a role in solving the Kampuchean problem. Both sides are ready to carry on contacts and consultations on the problem, he said. ■

Africa Burdened by Foreign Debt

by Chang Qing

Huge foreign debts that must be repaid at high interest rates are the main cause of Africa's economic difficulties. Now at crisis proportions, this ever-increasing foreign debt has caused the deterioration of the African economy and deepened the gap between the North and South.

In 1970, Africa's total foreign debt was US\$13.2 billion. But towards the end of 1980 its foreign debt skyrocketed to US\$105.4 billion, increasing at an average an-

nual rate of 22 percent. At the end of 1989 Africa's foreign debt had more than doubled in a decade to US\$250 billion. Repaying the principal and interest would take half of Africa's annual export income.

Late last August, Egyptian President Hosni Mubarak, chairman of the Organization of African Unity, told a seminar that the debt crisis in Africa had deepened. This was typified by four symptoms—principals on foreign debts remained unpaid as did mounting interest pay-

ments; interest rates soared; acquiring new loans was virtually impossible, and the volume of export goods decreased. In short, while the African foreign debt had climbed, the ability of African countries to repay their debts had become weaker.

Many factors have led to this vast foreign debt, the main one being Africa's weak economic foundation caused by the long oppression and exploitation of the continent by colonialists. More recently, Africa's heavy foreign debt burden has resulted from deteriorating foreign trade terms in an unfavourable international environment.

Imperialism forced the African continent to become a base for raw materials, thus leading to today's dire economic situation. Most African countries depend on exporting one or two minerals or industrial crops. Eighty percent of Africa's export income is from petroleum, coffee, cocoa, tea, cotton, copper, iron ore, bauxite, nickel and natural gas. Of that, petroleum takes up about 60 percent. Petroleum accounts for 90 percent of the gross export value of Nigeria and Angola; coffee, 90 percent of Burundi's gross export value; cocoa, 70 percent of Ghana's; sugar, 65 percent of Mauritius's; diamonds, 76 percent of Botswana's; and copper, 90 percent of Zambia's. In comparison, manufactured goods make up only 14.5 percent of Africa's total export volume. The staple goods Africa imports are still industrial manufactured ones, about 70 percent of all its imported goods.

Over the past 10 years there were some improvements in some areas of Africa's economic development, but on the whole not much has changed in the economic situation. In fact, in some areas the economy has tended to worsen.

Between 1980 and 1988, the an-

nual growth rate of black Africa's economy was only 1 percent. Although the growth rate was 2.9 percent in 1989, it was still lower than what it was in the 1970s.

Per capita income in Africa fell by about 25 percent in comparison with that of 10 years ago. The number of countries that fell into the category of "least developed" increased to 28 in 1988 from 17 in 1978.

The debt crisis in Africa has also resulted from improper economic policies pursued by some African countries. Take agriculture as an example. It has developed slowly over the years but the African population has grown quickly. The population of most African countries has increased annually by more than 3 percent. In Cote d'Ivoire (The Ivory Coast) the population growth rate is 3 percent and in Tanzania, Zambia and Botswana, 3.5 percent. In the past 10 years, Africa became 80 percent self-sufficient in grain production. But more than half of all African countries must still import some grain to make up for insufficient supplies even in years when the harvest is normal.

Western creditors and organizations have not yet taken effective

measures to solve the debt crisis in Africa. In 1986, the Organization of African Unity appealed for North-South talks on debt, but was rejected. In 1988, the French proposal for remission of debt in poor African countries was not supported by the summit meeting of the seven Western industrial nations. Under pressure from world public opinion, the United States issued the Brady Plan in March 1989 to reduce or remit part of the developing countries' foreign debts. The plan called for commercial banks to cancel part of developing countries' debts and demanded that international monetary organizations continue to provide debtor countries with new loans to promote development of their economies and strengthen their ability to pay debts. African countries pointed out that the Brady Plan did little to settle the African debt crisis. The plan urged a 20 percent reduction in debts on commercial loans, but 75 percent of Africa's loans were loans from other governments.

To resolve the debt crisis, African countries have adopted new economic development strategies. In recent years more than 30 African countries have carried out reforms and readjusted their economic structures. ■

A Look at Helmut Kohl's Foreign Policy

by Yin Shouzheng

Eight years have passed since Helmut Kohl became chancellor of the Federal Republic of Germany in 1982. By the end of this year's legislative assembly, his term of office will probably exceed that of his predecessors Helmut Schmidt and Willy Brandt and become the longest since Konrad Adenauer. During Kohl's term as

chancellor, Federal Germany has made some achievements in domestic and especially in foreign affairs.

Relations With Eastern Bloc

As soon as Kohl came to power, he persistently carried out the North Atlantic Treaty Organiza-

tion's two-track policy by deploying on schedule US Pershing-II and cruise missiles in West Germany while negotiations continued with the Soviet Union to eliminate intermediate-range nuclear missiles. After that, Kohl agreed with the United States that West Germany would participate in the "Star Wars" research programme. The move irritated the Soviet Union so much that high-level mutual visits between the two countries were cancelled. In 1986, Kohl's criticism of Mikhail Gorbachev's propaganda tactics again caused much anger among the Soviet people. As a result, German-Soviet relations went cold and stagnated for a time.

In recent years, with the easing of US-Soviet relations, especially with the signing of the Intermediate Nuclear Force (INF) treaty, substantive changes have taken place in East-West relations. To keep abreast of the developments in the world situation, Kohl lost no time in adjusting his foreign policy by giving priority to German-Soviet relations. He maintained a principle of defence and detente and stressed that more attention must be paid to detente, co-operation and dialogue. His aim was to strengthen West Germany's mediation role in East-West relations and its independent position in the international arena by taking advantage of the "historical opportunity" provided by the current world situation.

During the early years of Gorbachev's office, Kohl adopted a wait-and-see attitude towards his reforms. However, in the past two years, the West German leader's views began to change gradually. He observed that Gorbachev's internal and external policies have changed substantially and the Soviet leader was paying more attention to dialogue with the West, and that West Germany should make use of the opportunity to support Soviet reform and seek lasting and over-all co-operation with the Soviet Union.

Visits between the two countries increased and top leaders met more frequently. After Federal President Richard Von Weizsacker visited the Soviet Union in 1987, Kohl and Gorbachev exchanged visits. The political statements issued after the visits outlined the future development of Soviet-German relations and laid a foundation for long-term close co-operation between the two countries. Today, a hot line has been set up between Kohl and Gorbachev. They have also decided to hold regular meetings and to maintain

personal contact. Foreign ministers of the two countries have also established a system of regular political consultations. Defence ministers held an official meeting during Kohl's visit to the Soviet Union. Exchanges and contacts between the two countries' military leaders have also increased gradually.

Bilateral economic co-operation is expanding constantly and trade volume has risen significantly. In 1988, when Kohl visited Moscow, the two sides signed seven government-to-government agreements on environmental protection, the use of nuclear power, nuclear technology and space navigation as well as 32 enterprise-to-enterprise contracts. Besides this, with the support of Kohl's government, a banking group headed by the Deutsche Bank took the lead to grant the Soviet Union a loan of 3 billion Deutschmarks for the purpose of modernizing the Soviet Union's 200 light industrial enterprises and the food industry. The move started a loan craze in Europe towards the Soviet Union. From 1986 to November 1989, 105 joint ventures were set up between the Soviet Union and Federal Germany.

In trade, the Soviet Union and Eastern Europe have been a traditional market for West Germany. Currently, the Soviet Union ranks first among West Germany's Eastern trade partners. West Germany is poor in industrial raw materials and fuel. The market in the Soviet Union and Eastern Europe is a great attraction. By developing its relations with the Soviet Union, West Germany not only can import from the Soviet Union the raw materials and fuel for its industrial development, but can also expand its export of technologies and equipment to the Soviet Union to obtain economic benefits. Looking at long-

term interests, economic exchanges and co-operation can also influence economic and political reforms in the Eastern bloc.

Kohl also expects that his "eastern" policy can soften the Soviet Union's attitude towards the "German problem" so that necessary conditions can be created for establishing special economic and political relations between the two Germanies and their eventual unification.

European Integration

Kohl maintains that Europe's future lies in political unity and that only by strengthening the union and speaking in one voice can European countries fully play their roles.

The European Community (EC), since its establishment in 1958, developed rapidly in the 1960s but stagnated in the 1970s. After Kohl came to power, development resumed. In order to solve the agricultural problem that for a long time obstructed the development of the European Community, Kohl agreed at the EC summit meeting in 1984 to donate 2 billion Deutschmarks in aid. The move significantly promoted European integration. During the first half of 1988 when West Germany took its turn at being the executive president of the EC Council of Ministers, it adopted many practical and effective steps to serve the aim of establishing a unified market within the EC in 1992.

For example, in February 1988, owing to Kohl's efforts, the EC summit meeting adopted the Delor plan and reached a packaged agreement on the EC's agricultural policy, structural capital and financial budget.

In the first half of 1988, the European Community and the Council for Mutual Economic Assistance agreed to establish di-

plomatic relations.

It was reported that by June 1988, two-thirds of the 286 measures about establishing a single market listed in the white paper of the European Community Commission had been adopted.

In the course of promoting European integration, Kohl has paid particular attention to friendship and co-operation with France. From a historical point of view, German-French co-operation has always been the core of West European union as well as a force to promote West European integration. After Kohl assumed office, he revived the core. Regular and irregular meetings with French President Francois Mitterrand were held. Consultations at all levels between the two governments became more frequent. In recent years, West Germany and France have become the biggest trade partners within the EC. In the fields of industry and science and technology, co-operation between the two countries has also developed significantly. In an effort to promote the establishment of a unified market, Kohl took the lead to support France's proposal of setting up a single European currency and a European central bank.

Kohl has put particular stress on German-French co-operation in a security policy. He said that a European defence without a German-French axis is unthinkable. The two countries have set up a special committee for defence consultations and have agreed to strengthen national defence and security. A protocol about establishing a German-French defence and security council has been officially signed. The two countries have also held many large-scale joint military manoeuvres.

Kohl has also maintained that although West Germany and France should take the lead to promote European integration,

the interests of Britain must also be taken into account so that it will support the cause.

US: at Arm's Length

West Germany and the United States are tied together by their common economic, military and political interests. In economics, the United States ranks first in both West Germany's external investment and foreign investments in Federal Germany. Moreover, the United States possesses a comparatively large proportion of West Germany's total trade volume. Militarily, West Germany must depend on the United States for the "nuclear umbrella." For the United States, West Germany is its firm ally and the mainstay of NATO. In politics, West Germany needs help from the United States on the problems of German unification and West Berlin while the United States also wants to make use of these problems to bargain with the Soviet Union.

Because of the above factors, to maintain a friendly and co-operative relationship with the United States has always been regarded by all Federal German governments as the basis of their foreign and security policy.

During the later period of the Schmidt government, an equidistant diplomacy was adopted towards the United States and the Soviet Union owing to the intensification of contradictions between West Germany and the United States. After Kohl took office, he adjusted West Germany's American policy and paid more attention to German-US relations than Schmidt did. Kohl particularly stressed that West Germany must co-ordinate with the United States in its security and defence policy. He asserted that German-French defence co-operation could never replace the US-German military

alliance. He also did not agree that France replace the United States and provide West Germany with the "nuclear umbrella" instead.

However, with the increase in West Germany's economic strength and the changes in the European situation over the past two years, Kohl has been trying hard to seek a more independent role in NATO. He did not want West Germany to be always at the command of the United States. The two countries began arguing over some significant international problems.

Kohl is opposed to NATO's short-range nuclear arms modernization programme. He has demanded that negotiations on the reduction of short-range missiles be held as soon as possible with the Soviet Union. He maintains that modernizing short-range missiles should be postponed to 1992 while the United States proposes that the programme be carried out now. Kohl has suggested gradually reducing conventional arms levels of both NATO and the Warsaw Pact to an amount that makes the two conflicting sides unable to go on the offensive but is enough to defend themselves. Although the United States has agreed to reduce conventional arms levels through negotiations, it at the same time has demanded its West European allies strengthen their conventional forces so that they will not lose their ability to counter-attack before a Soviet offensive.

As far as bilateral economic relations are concerned, Kohl has insisted on following a limited austerity policy. He is irritated by the US policy of high interest rates, high deficits, high exchange rates and dollar devaluation that has damaged West Germany's interests. The United States has accused West Germany of pursuing egoism and has demanded that West Germany expand its government ex-

penditure in order to maintain the West's economic growth.

Regarding the problem of third world policy, Kohl is opposed to US military intervention in some third world countries. He also objects to bringing East-West conflicts into the third world. He proposes to help third world countries to develop economically while the United States holds different views.

A United Germany

German unification has always been a state policy of all Federal German governments. More attention was paid to the issue by Kohl after he assumed office. However, he maintains that the "German problem" can only be resolved within the wider context of a unified Europe.

In order to promote the realization of German unification, Kohl promised to follow a policy based on political dialogue, reconciliation and co-operation. He has proposed to improve relations between the two Germanies through expanding bilateral contacts and increasing visits.

In recent years, relations between the two Germanies have developed rapidly. Kohl is more generous than Schmidt in providing economic support to the German Democratic Republic. Statistics show that Federal Germany provides Democratic Germany with 3 billion to 4 billion Deutschmarks in loans each year as well as more than 1 million marks in economic aid. What is even more noticeable is that visits between the two countries have increased year by year, especially after Democratic Germany opened its border. The problem of German unification is thus put on the agenda.

Following Kohl's 10-point plan on German unification put forward last November 28, Democratic German Premier Hans Modrow announced his unifica-

tion programme on February 1. He said that unification of the two Germanies must be placed on the agenda. Except for the problem concerning the status of a unified Germany, there is no big difference between Kohl's plan and Modrow's programme. On February 7, the Federal German cabinet adopted a decision to set up a "German unification" committee headed by Kohl. It will deal with problems that have much to do with unification, such as currency, economic reform, a balanced social welfare system as well as legal, foreign and security policies. During his visit to West Germany on February 13 and 14, Modrow and Kohl agreed to set up a special committee to discuss the problem of establishing a currency alliance and an economic community between the two Germanies.

North-South Dialogue

Kohl maintains that industrialized countries and developing countries are now more interdependent than ever before and that by the end of this century, North-South relations will be a more outstanding problem. He advocates dialogues and partner-like co-operation between the North and the South. He has voiced support for the non-aligned policy of third world countries and vowed to respect their independence and sovereignty. He encourages the West to co-operate with third world regional economic organizations, to provide support and create conditions for third world debtor countries to expand their exports.

To respond to changes in the international situation, Kohl has made significant adjustments to West Germany's development policy. Promoting economic and social development in the third world has become a new focal

point of his foreign policy. This is manifested as follows:

First, West Germany's development aid has been increased. In 1985, development aid totalled 8.7 billion Deutschmarks, about 0.4 percent of West Germany's gross national product, and while the average rate of that of the industrialized countries was 0.35 percent. In 1987, the figure rose to 8.9 billion Deutschmarks, which helped more than 120 countries. The aid was mainly directed to the world's poorest countries and regions.

Second, efforts have been made to reduce the debt burden of third world countries. In June 1988, West Germany announced that it would cancel public debts worth a total of 2.2 billion Deutschmarks owed by the six African countries south of the Sahara. Moreover, West Germany plans to cancel debts worth about 86 million Deutschmarks defaulted by five other African countries.

It is mainly because of the following factors that Kohl has paid much attention to improving relations with the third world. Although Federal Germany is an industrialized country, it must depend on the third world for part of the energy and raw materials its industrial production requires. West Germany imports 51.2 percent of its energy and 97 percent of its crude oil. Petroleum imported from OPEC countries accounts for 60 percent. Raw materials imported from third world countries make up 60 percent of West Germany's total imports of raw materials. Of the 26 major minerals, 21 have to be imported and a majority of these come from third world countries. At the same time, part of West Germany's products are also sold to third world countries. ■

Upholding the Unity of Theory and Practice

Renmin Ribao (People's Daily) published an editorial on April 22 to mark the 120th birthday of Lenin, the great revolutionary teacher of the proletariat and of the oppressed nations and people of the world.

The editorial notes that Lenin persisted in integrating Marxism with reality, creatively developed Marxism, and pushed it to a new stage. After analysing the economic characteristics of imperialism and the new situation of the class struggle, and after bringing to light the law of unbalanced economic and political development of capitalism in the era of imperialism, Lenin came to the conclusion: "The victory of socialism is possible first in several or even in one capitalist country alone," thus developing the doctrine of proletarian revolution and dictatorship. Under Lenin's leadership, the October Revolution was victorious, and the world's first socialist state was born.

The editorial says Lenin was the true friend of the oppressed nations and people. He showed profound sympathy for the Chinese people in the abyss of their suffering, always keeping their fate foremost in his heart, and closely followed the process of the Chinese revolution. It was Lenin who firmly opposed the Tsarist government's policy of aggression and expansion against China; it was Lenin who warmly supported the Revolution of 1911 led by Sun Yat-sen and the revolutionary struggle against warlords; it was Lenin who declared, after the October Revolution, the abolition of the

unequal treaties imposed on China by Tsarist Russia; and, again, it was Lenin who supported the Chinese Communists' effort in founding the vanguard of the proletariat—the Communist Party of China.

The Chinese Communists lived up to Lenin's expectations. Mao Zedong, by applying the stand, viewpoint and method of Marxism-Leninism, scientifically analysed China's national conditions, overcame the "left" and the right opportunist mistakes, put forward the theory of encircling and finally seizing the cities from the countryside, led the Chinese people in the overthrow of the three big mountains—imperialism, feudalism and bureaucrat-capitalism—and established the People's Republic of China, thus leading China onto the socialist road. In protracted revolutionary struggles, the Chinese Communists, represented by Mao Zedong, integrated Marxism-Leninism with China's specific conditions, and in the practice the great Mao Zedong Thought was formed. Since the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party in 1978, our Party has restored the ideological line of seeking truth from facts, proceeding from reality in everything and linking theory with practice. The Party's second generation leading collective represented by Deng Xiaoping advanced the theory of building socialism with Chinese characteristics, formulated the basic line for the primary stage of socialism—taking economic construction as the central task, upholding the four cardinal prin-

ciples (adherence to the socialist road, to the Communist Party leadership, to the people's democratic dictatorship and to Marxism-Leninism and Mao Zedong Thought), and persisting in reform and opening to the outside world. This theory, this line, represents the integration of the universal truth of Marxism-Leninism with the practice of China's construction.

Lenin, the editorial says, specially stressed the need to uphold the Party's leadership in revolution and construction, pointing out that all political and economic work of the state power was placed under the leadership of the vanguard of the working class—the Communist Party. He noted that on questions concerning its life and death, a political party could not tolerate the slightest wavering, nor could it permit any compromise with those who tried to bury it. The proletarian party is the main body that links theory with practice; if this main body is negated or abolished, then integration of theory with practice will become a hollow word.

The editorial says that Lenin provided not only a model for combining theory with practice, but an example of maintaining close ties with the masses. He cherished deep love for the people and a firm belief that they are the makers of history; he fully respected their historical initiative and creative revolutionary spirit. He had bitter hatred for and waged relentless struggle against bureaucracy characterized by divorcement from and standing high above the masses.

The mass line of "from the

masses, to the masses," formulated and adhered to by the Chinese Communists in the protracted revolutionary struggles, is a creative application and development of Marxism-Leninism. Recently, the Sixth Plenary Session of the 13th Party Central Committee adopted the Decision on Strengthening the Party's Ties With the Masses, calling on all Party members to carry forward the fine tradition of the mass line and give full play to its political advantage. This is a basic guarantee for long-term stability and peace in the country.

The editorial says that in the past few years, when international anti-communist and anti-socialist forces have stepped up their pursuit of the "peaceful evolution" strategy in dealing with the socialist countries, a handful of people who advocate bourgeois liberalization in China have directed the spearhead of their struggle against the Party leadership and Marxism-Leninism and Mao Zedong Thought—the theoretical basis of the socialist system, playing down the importance of Lenin and Leninism and preaching the theory of "the outdatedness of Leninism." This trend of negating Marxism-Leninism must be criticized.

The editorial concludes that the outstanding achievement of the Russian Bolshevik Party led by Lenin is immortal and that the outstanding contributions made by Mao Zedong and other Chinese proletarian revolutionaries of the older generation will shine forever. We Chinese Communists of this generation, as successors to their unfinished cause, must continue to advance along the road of integrating the universal truth of Marxism with China's concrete practice and make new contributions to the building of socialism with Chinese characteristics. ■

Population Problems And Countermeasures

The family planning policy China adopted in the 1970s resulted in a reduced population growth by more than 200 million people. However, although family planning is the order of the day, the population problem is still serious and appropriate countermeasures have to be taken.

by Peng Peiyun

It is well known that the population problem has a direct bearing on socio-economic development. It is thus a major problem of common concern in the world. Since the Bucharest meeting on the world's population in 1974, many countries, the developing countries in particular, have been successful in checking the excessive growth of their population in the light of the principle and target set in the world population action plan. Given the formidable base figure and an annual growth rate of 1.7 percent, however, the world's total population topped 5.2 billion in early 1989. The population is still growing and economic development lags far behind demand for a better life, especially in developing countries. Although the world's grain production registered a big growth due to advances in agricultural technology, the per-capita increase has been quite limited. What is more worrisome is that the excessive population growth has led to a sharp decrease in the per-capita share of farmland. The excessive harvesting of trees, the overgrazing of grasslands, over-development of resources and environmental pollution have exerted extremely

heavy pressure on natural resources and on the whole ecological system. How to properly deal with the population problem in the remaining years of this century is thus of vital importance to the quality of life of the people in the coming century.

Since China is the world's most populous country, any change in its population will affect the population situation of the whole world. The following is a brief account of the progress China has made over the past 20 years in controlling the size of its population and the development trend of its population.

Excessive Growth Checked

Since the 1970s, China has been implementing a family planning programme, the object of which is to control the size and improve the quality of its population. As a result, the natural growth rate of its population dropped by a big margin, from 2.6 percent in 1970 to 1.4 percent in 1988. In the 1960s, the child-bearing rate of Chinese women was 5.68 on an average, and the figure decreased to 2.47 in the 1980s. If we had maintained the 2.6 percent natural growth rate of 1970, we would have had some 200 million more people born between 1970 and

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1988. Since we have 200 million less, the pressure brought about by excessive growth of the population on people's life, education, employment and medicare, ecology and environment has been greatly lessened. This fact clearly shows that the China's birth control plan has been successful and favourable to its socialist economic development and to improving the people's standard of living. To a certain extent, this success contributes to slowing down the rapid growth of the world's population.

With advances in the economy and society, and with the implementation of the family planning programme, there is a gratifying change in the people's attitude towards marriage and birth. This new trend is characterized by family planning, late marriage and late birth, and giving birth to fewer but healthier children. Of all children born in 1970, 20 percent were the family's only child and 60 percent were the family's second or third child. In 1988, the one-child rate increased to more than 50 percent and the more-than-one-child rate dropped to 15 percent. Of all the couples of the child-bearing age, 150 million couples or 70 percent used contraceptive measures; of these, 34 million couples voluntarily applied for Only Child Certificate, representing a 100 percent increase over seven years ago.

After the founding of the People's Republic of China in 1949, along with the development of China's economy, the quality of China's population improved remarkably. The implementation of family planning programme played an important role in this respect. Before New China was founded, the average life-span was 35 years; this had reached 69 years in 1987. The death rate of the population and the infant mortality rate dropped respectively from over 25 per thousand



When Li Xiaoyu, a farmer of the Yao nationality, and his wife voluntarily asked for an Only-Child Certificate after they had their first baby, it was a break from the Yao's ethic tradition to have as many children as possible. ZHOU ZHONGYAO

and over 200 per thousand to below 7 per thousand and 40 per thousand.

Such a success is the result of the high attention paid by the government to family planning and of the public support for the work. The success is also a result of the continuing hard work of 200,000 cadres and tens of thousands of voluntary workers involved in the family planning programme as well as the aid and support of the UN Fund for Population Activities after 1979.

Stark Reality

In mid-April 1989, China's mainland population passed the 1.1 billion mark. Beginning in 1986, China experienced another baby boom period when the 300-plus million people who were born in the 1960s and early 1970s entered the child-bearing age. The new round of increased births will continue until the mid-1990s, with the net increase of 15 million births each year. For a developing country like ours, with weak economic foun-

dation and relative shortage of resources, the pressure created by such developments is heavy.

Despite the success of family planning, birth control work has developed extremely unevenly in China. The 30 provinces, municipalities and autonomous regions of the mainland can largely be divided into four types, categorized by their capacity to control the birth rate. Eight provinces and municipalities which contain 22 percent of the nation's population have good population programmes, strictly implement the state policy regarding birth control and have managed to keep the child-bearing rate to the zero growth level; four other provinces with 22 percent of the national population have fairly good programmes, relatively successfully carry out the state policy, and have a low and decreasing birth rate; ten provinces with 43 percent of the national population do a lack-luster job of family planning work, implement the state policy poorly, and have a high birth rate; eight provinces

and autonomous regions with 13 percent of the national population have poor birth control programmes and high birth rates. The last two types are mostly places which are economically and culturally backward, some being remote frontier regions or minority nationality areas (the state permits a comparatively loose birth control policy in minority areas). In these areas, there are enormous obstacles to the successful implementation of the state family planning policy. Such serious difficulties shortcomings will not be resolved in a short period of time.

It is possible that China will face a number of serious problems in population growth in the next century.

First of all, the total population will continue to increase. Even if the natural growth rate of China's population can be lowered to 1 percent in the early years of the next century, the an-

nual net increase of population will still be more than 12 million. Under the impact of the momentum of the population growth, China's population will continue to increase in the next 50 or so years. Even if we are able to do a good job of family planning, China's population will not stabilize until it reaches 1.5 billion by the mid-21st century.

Second, strenuous efforts must be made to improve the quality of the population. By the end of this century, China will popularize middle-school education and provide medical care to all the people in most urban and rural areas. On this basis, we must further improve the scientific and cultural level of all workers before the end of the next century. We must train enough people to meet the needs of social development and improve the people's health.

Third, the problem of potential surplus labour in rural areas will

appear as a result of the development of the rural economy and the higher rate of birth. There will be large numbers of surplus rural labour who will need to transfer from the agricultural to a non-agricultural field. This will eventually speed urbanization of the population in the next century and create bigger pressure on cities and towns.

Fourth, persons 65 years old or older made up 5.5 percent of China's total population in 1987 and will represent some 7 percent at the end of this century. In the 21st century, China's population will continue this ageing trend, with those 65 years old or older numbering 250 million by the year 2040. This rapidly ageing population will bring about a variety of problems.

All in all, such a large, culturally backward, rapidly ageing population, plus the increasing migration of rural populations into urban areas, will create a series of



Handicapped by a big population and a backward economy in recent years, the Tongle Township in the Sanjiang Dong Autonomous County of the Guangxi Zhuang Autonomous Region has many idle school-age children. WANG CHENGXUAN

difficulties in providing food, housing, medical care, education, employment, social security and environmental protection. These difficulties, if not properly solved, will inevitably hinder China's socio-economic development in the 21st century.

Countermeasures

Faced with such a serious population problem, the Chinese government is working on counter-measures based on the world's population action programme, the proposals put forward by the Mexico population conference and China's own reality. In formulating these counter-measures, the general approach is to incorporate the requirements brought about by the growing population into China's overall socio-economic development strategy.

There are three steps to China's socio-economic development strategy. The first step is to double China's 1980 GNP and provide sufficient food and clothing for all the Chinese. This task has been basically fulfilled. The second step is to quadruple the 1980 GNP and provide a decent standard of living by the end of this century. The third step is to modernize China, to raise the per-capita GNP to the level of a moderately developed country and enable the Chinese to lead a well-to-do life by the middle of the 21st century.

To realize this strategic goal, what matters most is the strict control of the growth of the population and the improvement of the quality of the nation's citizens. For a long time to come, birth control will be a basic state policy. Most importantly, efforts should be made to bring the birth rate down to the level of zero growth. Since the remaining 11 years of the century is an extremely crucial time in the effort to control the growth of the popu-



Publicizing the family planning programme in a Beijing street.

WANG CHENGXUAN

lation, China must do its utmost to keep the lid on the coming baby boom so as to make family planning in the next century easier. The hope is that with several decades of effort China's population will be at a level commensurate with its socio-economic development, its natural resources and capability to protect the environment.

To carry out its family planning programme, China has to continue and improve on what has already proved successful. First, publicity on family planning should be intensive and extensive in order to raise the public awareness about the population problem. The public should be alerted to the difficulties brought about by the rapid population growth and thus the need for birth control. At the same time, while carrying out the world's population action programme concept that "an individual's reproductive behaviour should be kept in line with social needs and aspiration," we should stress the citizens' rights and duties in regard to births and gradually establish a new order of

family planning which is managed according to law. In the future, the focus of family planning publicity will be in the countryside.

Second, young couples should be provided with detailed information on contraceptive practices and family planning combined with care for the mother and baby. Sufficient contraceptive tools and pills should be produced, their quality improved and attention given to scientific research on family planning. The aim is to provide young couples with safe, efficient, simple and inexpensive contraceptives and birth-control operations.

Third, the work of family planning should be combined with efforts to develop the economy, popularize education, improve medical care, social welfare and social security and raise the social position of women. Chinese women have come to realize that family planning is not only necessary to the state but also to themselves. We will continue to strive to raise the political and economic position of Chinese women, and offer them better education



Wu Fenglan (third from left), a country woman in suburban Fuxin, Liaoning Province, disseminates birth-control information free of charge. In her township, 99.5 percent of child-bearing couples use family-planning methods. DONG HUAXIN

The steady growth of agriculture, especially of grain production, is the foundation for development of the national economy as a whole. While energetically developing agriculture, we will continue to encourage and guide the development of township enterprises, develop small and medium-sized cities and towns, and further readjust the nation's industrial makeup so as to utilize the rural labour surplus, create conditions suitable for urbanization and minimize the social drawbacks which might occur when a large number of farmers flow into the cities.

To care for the elderly, we will establish a uniquely Chinese old age security system. On the one hand,

so as to enable them to decide their own destiny.

To improve the quality of the population, we will encourage the birth of healthy babies, offer good child care and education and energetically develop public health, sports and other undertakings. In particular, we will prioritize education and develop the economy through reliance on the latest scientific and technological advances and the steady improvement in labour productivity. With a healthier and better educated population, the burden of a large population will be transformed into an advantage when the citizens are able to propel economic development and social progress. In addition, such improvement in turn brings about further control over the growth of the population.

as the economy grows, we will energetically develop social security programmes and community welfare facilities for the elderly. On the other hand, we will continue to carry forward our nation's time-honoured tradition of the young caring for the old, and ensure that the elderly are properly provided for through the concerted efforts by the state, community and family.

The above is a brief account of the future population situation and government's countermeasures now in the making. China's population has become a problem over a long historical period. In this Oriental country saddled with a backward and unevenly developed economy and culture, solutions to the problem will inevitably be ac-

companied by many difficulties. We have the resolve and confidence, however, to solve the problem through our unswerving effort.

The formulation and implementation of population policies and programmes based on its own realities are the internal affairs of a country. At the same time, because the population problem is one of global dimensions, all countries in the world should share experiences and discuss their common concerns. Like many other developing countries, China faces the problem of population growth outpacing its socio-economic development. We are thus willing to learn from and share our experiences with other countries.

The interdependence of modern human society demands that the North and South co-operate in a concerted effort to deal with the population problem. Such co-operation will benefit both developing and developed countries. In the search for solutions, it is both necessary and appropriate that all the countries carry out their co-operation according to the goal, as advocated in the UN Charter, of "promoting social progress and improving livelihood." We hope that co-operation based on this goal will be strengthened in the future. The UN Fund for Population Activities, other departments within the United Nations, inter-governmental organizations and international non-governmental institutes can do much to help achieve this goal.

All in all, while carrying out the reform and opening and promoting the socialist modernization programme, China will continue to do its utmost, together with other countries, to stabilize the world's population growth and make life better for future generations. ■

Family Planning: Everyone's Concern

by Our Staff Reporter Guo Feng

The problem of China's burgeoning population is all too apparent on the nation's railroads, the daily passenger flow of which is some 2.7 million people.

Like any other passenger trains, the one to Zhengzhou has 12 hard seat, seven hard berth and one soft berth carriages. Each carriage measures four meters high, three meters wide and 20 meters long. A hard seat car has 118 seats, while the hard berth car is lined with 60 beds in three levels. This daily train alone carries some 2,000 people, including those who have to stand because all the seats have been sold out.

With the increasing demands, the need for safety has required various measures such as running more trains and adding more carriages. At the same time, water, road and air trans-

portation have been rapidly developed. Despite all this, many people still have to postpone their travel because of the lack of tickets.

The population explosion is the major cause of this problem.

By January 1, 1990, the total population on China's mainland reached 1,111.91 million, a net increase of 15.77 million during 1989.

Of course, a large population does not necessarily constitute a problem. It is, for example, only through the effort of hundreds of millions of hardworking people that a "green Great Wall" — a man-made shelterbelt in northern China — has been built. The project has successfully stopped soil erosion, transformed deserts into arable land, alleviated dust storms and provided a balanced ecosystem.

However, an out-of-control in-

crease in the population, especially when the quality of that population is rather low, can also be a burden on transportation, energy resources, environmental protection, education and employment and make it increasingly difficult to raise the standard of living. Thus, the basic policy of China is to focus the effort on solving population related problems. The family planning program — postponing both marriage and pregnancy and limiting one child for each couple — has been widely encouraged. The goal is to slow the increase in the population to around 1.2 billion by the end of this century. It is not an easy task.

Family planning is probably one of the most difficult social problems to deal with in the world. This is particularly so in China, where 20 percent of the population are illiterate. Old ways of thinking, such as more children guarantee a happy life and men are more important than women, are hard to change. To adequately explain the family planning program, one has to understand traditional thinking before it is possible to gradually explain how birth spacing is not only a contribution to humankind, but also a benefit to everyone. To its credit, the Chinese Family Planning Association has done a remarkable job in this regard.

Founded in 1980, the association has 20 million members nationwide. Through the masses, especially the "five olds," namely old Party members, old cadres, old models figures, old workers and the elderlies, a patient effort was made to drive home to every



Free, regular medical check-up and consultation is provided by the Zhengzhou Family Planning Association.

WU GUANGHUA

one the public and personal interests of family planning. The role of the "five olds" proved to be very efficient, since it is a tradition to respect the elderly. The success of their work is evident in the fact that if, against the family planning program, people had married early (China's legal age for marriage is 22 for men and 20 for women) and had at least two children, there would have been several million more people born on China's mainland each year.

The Henan Experience

With a population of 82.31 million, Henan in central China is the second largest province in terms of population. Only Sichuan Province is larger. Henan is an agricultural province with wheat, cotton and peanut as its staple crops. However, its average arable land per capita is 1.35 *mu* (0.09 hectare), the size of three basketball courts.

Ever since the provincial family planning association was set up in February 1982, special attention was paid to the grassroots. "Family planning concerns everybody," vice-president of the

provincial association Xia Shikui said. "We should assist the government and do more to persuade the masses." They recruited a great number of members from factories and villages instead of relying on a few people in government organs, as had been done in the past.

Zhengzhou Cotton Mill No. 6 is one example. It has 10,117 workers, including 4,500 female workers of childbearing age. A special effort was made by provincial and municipal associations to expand membership in the family planning association. As of now, 1,000 people, including the present and former general managers, have become members. Members put up posters, organize parades and hold campaigns to encourage workers not to get married too early and to stick to the one child policy. At the same time, each one-child family is subsidized five yuan per month, their child is given priority of free education from the factory-run nursery to college, as well as priority for the family in housing, since, like the majority of work units in the country, the cotton mill provides low-rent housing to its employ-

ees.

Family planning members also care for the factory's retired workers, making sure that they have a happy retirement. They organize retirees to provide baby-sitting, laundering and other kind of volunteer services for one-child families. The young families are, in turn, freed from worries that no one will take care of them after they retire. "I don't plan to have a second child, although both my parents and in-laws would like me to have more," Wang Shuying, a female worker, said. "With improved living conditions and various support facilities, I think I'll be secure in my old age. Besides, with only one child, I still have enough energy to enjoy life."

Rural Problems

Although urban couples are generally willing to have only one child, the real problem in population control is in the countryside where 80 percent of the population live.

There still exist tremendous differences between the urban and the rural areas, differences which have accumulated over several thousand years. In remote areas, in particular, inconvenient transportation results in poor communication as well as in fewer opportunities for education. Consequently, illiteracy is much higher and the old ideas such as men are superior to women and more children guarantee a better life, persist.

Of course, the blame for such ideas cannot rest only with traditional thinking. In places where the conditions are poor and people have to live by manual labor, males are depended upon for planting, harvesting and transporting crops. A family without a man is like a farm without tractors and combines.

Yuanzhai Village in Lankao County in northeastern Henan



Activities are often held by the Zhengzhou Cotton Mill No.6 to encourage couples to postpone marriage and pregnancy and to have just one child. CAI BANGXIN

has 250 families, a total of 1,086 people. The village is protected by a 15-meter high earthen dam on its northside from flooding of the Yellow River which runs alongside the village. As a matter of fact, the villagers suffered a lot from floods in the past. Whenever such a disaster struck, people had to go elsewhere and beg for a living. The word "beggar" got to be used as a substitute for people from the Lankao County. It was not until 1949 when the farmers were organized and the flooding was brought under control. Flooded land was transformed into farms and people grew wheat and peanut for a living. They no longer had to desert their homes and eke out a living elsewhere.

Life became better and better and, with improved medical care, more babies were born. But the increase in population also decreased the available average arable land acreage. Within 40 years, the village's per capita land shrank from 3.85 *mu* (0.26 hectare) in 1949 to 1.89 *mu* (0.13 hectare) in 1989.

The shrinking of farmland did not go unnoticed by the villagers. Without land, they would have no means of living; they did not want once again to go begging. With this in mind, 140 members of the village work hard to explain to their fellow villagers the importance of family planning. Measures are taken to encourage the villagers to have fewer children. Apart from giving a one-child family 50 kilograms of food and 50 yuan (US\$10.2), they also provide free educational opportunities in village-run schools and conduct regular medical check-ups. Expenses are covered partly by public funds of the village and partly by state subsidies. With the help of the Villagers Committee, the members also pool funds to help the one child families prosper economically. Classes are held to ex-



Yuan Meicheng was among the first group from Yuanzhai Village to join the Family Planning Association.

WU GUANGHUA

plain family planning knowledge and contraceptives are supplied free of charge. "I'm 68 years old," said Yuan Meicheng, a father of seven. "But it was not until a few years ago that I learned about contraception." He said that people of his generation all have three to five children. Some even have more than 10. Part of the reason for the large family was that they had no knowledge of contraception.

China's family planning, an organized effort under unified leadership of the government, indicates the nation's determination. Like its railroad transportation, China's overall development is burdened with a huge population. A lot of effort is devoted to feeding people, making it difficult to develop other areas of the economy. This is not only a concern for China. An underdeveloped China is a burden on the development of the Asia-Pacific region, if not the whole world. The world cannot be said to be developed if China remains backward and so, strategically, China's family planning program is a contribution to all human civilization.

Of course, much still remains to be done for the one-child family to be widely accepted in a country with a low level of mechanization. To solve the problems related to the population, economic strength is needed. At the same time, ironically, the population explosion has given rise to many barriers to the rapid growth of economy. Contradictory measures thus have to be adopted, such as one in the rural areas which allows a second pregnancy after six years when the first-born is a girl. Although this sounds like a great help to some families, it also triggers off two new problems. It increases the number of the already poorly educated rural population, and reinforces the traditional idea that men are more important than women.

Nevertheless, difficulties like this are being quickly eclipsed by the achievements from China's family planning program, as it is accepted by more and more people. The Yuanzhai Village is representative of the more than one million villages throughout the country. ■

AMENDED JOINT VENTURE LAW

A Major Step to Improve Investment Climate

by Our Staff Reporter Li Ping

The Third Session of the Seventh National People's Congress approved the Amendment to the Law of People's Republic of China on Joint Ventures Using Chinese and Foreign Investment on April 4, 1990. The legislative action has, among other things, borne out China's determination to continue its policy of opening to the outside world.

It has been more than ten years since this law was first published in July 1979. The law, the first of its kind in China, has played a tremendous role in the implementation of the open policy and attracting foreign investment. Statistics show that between 1979 and 1989, there were 21,739 foreign-funded projects in China, involving a total contrac-

tual investment of US\$33.801 billion, with US\$14.886 billion used. Among these projects, 12,195 were Chinese-foreign joint ventures worth some US\$12.55 billion, with US\$6.85 billion used. These joint ventures cover many fields of business in China. Among them are the China Schindler Elevator Co. Ltd. (China-Switzerland-Hong Kong), the Shanghai Volkswagen Automotive Co. Ltd. (China-West Germany), the Beijing-Matsushita Colour Kinescopes Co. Ltd. (China-Japan), and the Shanxi Antaibao Coal Mine (China-USA), which have played an important role in speeding up China's modernization process. The Guangdong Dayawan Nuclear Power Plant (China-Hong Kong), currently

under construction, will soon join their ranks.

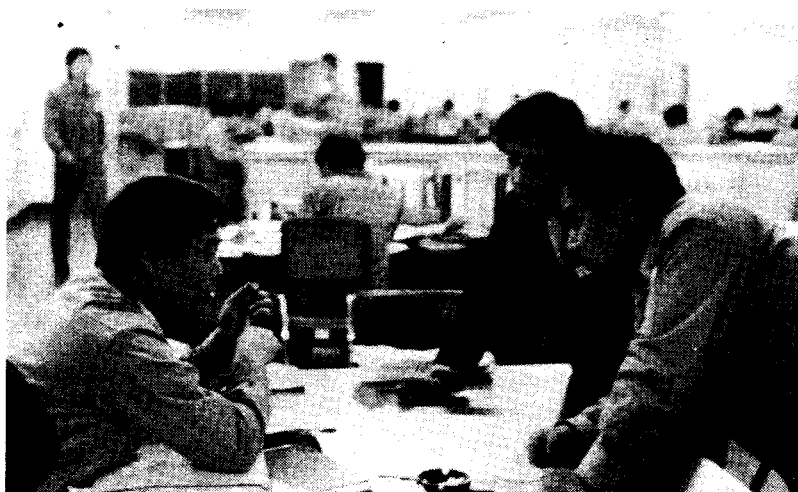
Practice over the past ten years has proved that the joint venture law has played an active role in attracting and using foreign investment, boosting economic growth, raising the technical and managerial level of enterprises, creating more jobs, expanding exports and stimulating the growth of rural enterprises.

The law's basic principles remain applicable today. However, with the further implementation of China's open policy and development of foreign investment, it is imperative that some of the law's provisions be amended and supplemented. Highlights of the amendment include:

No nationalization or requisition of joint ventures. A third paragraph has been added to Article 2, which reads, "The state shall not nationalize or requisition any joint venture. Under special circumstances, when public interest requires, joint ventures may be requisitioned in accordance with legal procedures and appropriate compensation shall be made."

Experts believe this amendment is very necessary. A similar article is included in the Law of People's Republic of China on Enterprises Operated Exclusively with Foreign Capital promulgated on April 12, 1986. This amendment conforms to international practice and the principles specified in agreements on investment protection signed by Chinese and foreign governments. This amendment demonstrates China's determination to continue the open policy and helps strengthen the confidence of overseas investors for operating businesses in China.

Choosing the chairman of the board of directors in joint ventures. Section 1 of the original Article 6 of the law stipulated,



A Japanese technician (first left) and his Chinese counterpart (first right) of the Beijing-Matsushita Colour Kinescopes Co. Ltd. discuss a technical problem.

YU HUIRU



At this year's Spring Festival celebration, General Manager Chen Xulin (first right) and American experts of the Beijing Jeep Co. Ltd., a Sino-US joint venture, toast their successful co-operation and hope for continued progress in the new year.

YU HUIRU

"The board of directors shall have a chairman appointed by the Chinese participant and one or two vice-chairmen appointed by the foreign participant(s)."

According to the article, no matter how much money the overseas partners invested in a joint venture, they could not assume the post of chairman of the board of directors. Over the past ten years, many foreign partners have suggested amending the article because it is not in keeping with international practice. Their Chinese partners also felt that the article was not conducive to encouraging foreign businessmen to invest more in China. The amended version now reads, "The chairman and the vice-chairman or vice-chairmen shall be chosen through consultation by the parties to the venture or through election by the board of

directors. If the Chinese side or the foreign side assumes the office of the chairman, the other side shall assume the office(s) of the vice-chairman or vice-chairmen.

The term of the joint ventures.

The original law stipulated in Article 12: "The contract period of a joint venture may be decided through consultation by the parties to the venture according to its particular line of business and circumstances."

On September 20, 1983, the State Council issued the Regulations for the Implementation of the Law of the People's Republic of China on Joint Ventures—Using Chinese and Foreign Investment. Article 100 of the law specified the time limit for joint ventures. It reads, "The duration of a joint venture engaged in an

ordinary project is usually from 10 to 30 years. The duration for projects requiring large amounts of investment, long construction periods and low interest rates on funds can be extended beyond the 30 years." On January 15, 1986, the State Council made some changes to the regulation, stipulating that the duration of a joint venture engaged in an ordinary project is usually from 10 to 30 years. Duration for those engaged in projects requiring large amounts of investment, long construction periods and low interest rates on funds, or those engaged in sophisticated products, with advanced technology or key technology provided by foreign partners, or those engaged in highly competitive products on the international market, can be extended up to 50 years. The duration of some joint

ventures can be extended for more than 50 years with the special approval of the State Council.

Thus, based on the practice of the law for several years and on the opinions solicited from people of various circles, Article 12 has been amended to read, "Based on various lines of business and circumstances, the issue of operation periods of joint ven-

Council will make specific regulations on what types of business shall specify in their contracts their operation periods.

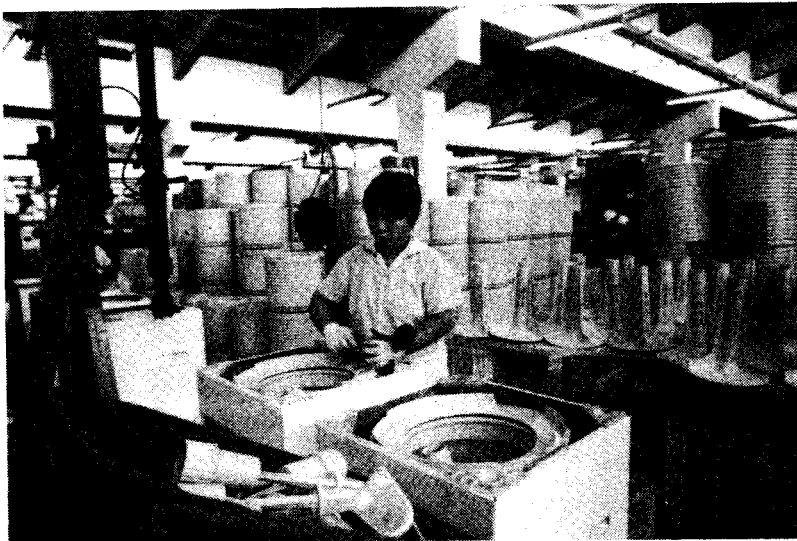
This amendment means that different lines of business and circumstances shall be handled differently, a principle embodying the state's industrial policies. It is conducive to state management, and is in conformity with international practice. This

eign exchange, but also a state administrative institution for control of foreign exchange. However, over the past ten years, the situation has changed greatly. First, due to the separation of administrative function from management function, the Bank of China has become a specialized bank which handles foreign exchange business, while the administration function is taken over by the State Administration of Foreign Exchange Control. Second, other specialized banks in China have also begun to offer foreign exchange services. In addition, Sino-foreign joint-venture banks and wholly-owned foreign banks have been set up in some cities in China.

Therefore, Article 8 has been amended to read, "A joint venture shall, on the strength of its business licence, open a foreign exchange account with a bank or any other financial institution which is permitted by the state agency for foreign exchange control to handle foreign exchange transactions."

During the opinion-soliciting period, the Amendment to the Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment (draft) received favorable comments from both Chinese and foreigners, especially from foreign businessmen.

The public believes the amendments to the joint venture law conform to international practice and will help dispel the misgivings of overseas investors. They show China's clear-cut determination to stick to its open policy and their publication and implementation is an important step in China's effort to improve the investment climate. The amendments will help attract more advanced foreign technology and managerial expertise, with which we can upgrade managerial level of the various enterprises and promote the development of the national economy. ■



Fully automatic washing machines made by the Tianjin Simpson Household Electrical Equipment Factory, a Sino-Australian joint venture, are well received.

SONG YOUJIN

tures may be handled differently. Joint ventures engaged in a certain line of business shall specify in the contracts their operation periods, while joint ventures engaged in another line of business may choose whether or not to specify their operation periods. In the case of a joint venture with its operation period specified, if the parties to the venture agree to extend the operation period, the venture may file an application to the authorities six months before the expiration of the operation period. The examining and approving authorities shall, within one month of receipt of the application, decide whether to approve or disapprove it." The State

amendment will help further improve China's investment climate and encourage overseas businessmen to be more concerned for long-term development, technical transformation and expansion of the international market. It will help increase overseas investment and avoid short-sighted measures.

Joint ventures' bank accounts in China. The original Article 8 of the law stipulated: "A joint venture shall open an account with the Bank of China or with a bank approved by the Bank of China."

When the joint venture law was published in 1979, the Bank of China was not only a business establishment handling for-

The Law of the People's Republic of China on Joint Ventures Using Chinese And Foreign Investment

(Adopted on July 1, 1979 at the Second Session of the Fifth National People's Congress. Amended in Accordance With the Decision Taken by the Third Session of the Seventh National People's Congress on April 4, 1990 on Revising the Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment)

Article 1 With a view to expanding international economic co-operation and technological exchange, the People's Republic of China permits foreign companies, enterprises, other economic entities or individuals (hereinafter referred to as "foreign participants") to incorporate themselves, within the territory of the People's Republic of China, into joint ventures with Chinese companies, enterprises or other economic entities (hereinafter referred to as "Chinese participants") on the principle of quality and mutual benefit and subject to authorization by the Chinese government.

Article 2 The Chinese government protects, by the legislation in force, the resources invested by a foreign participant in a joint venture and the profits due him pursuant to the agreements, contracts and articles of association authorized by the Chinese government as well as his other lawful rights and interests.

All the activities of a joint venture shall be governed by the laws, decrees and pertinent rules and regulations of the People's Republic of China.

The state shall not nationalize or requisition any joint venture. Under special circumstances, when public interest requires, joint ventures may be requisitioned in accordance with legal procedures and appropriate compensation shall be made.

Article 3 All parties of a joint venture shall submit their agreements and contracts, and articles of association to the state department concerned with foreign economic relations and trade (hereinafter referred to as examining and approving authorities). The examining and approving authorities shall decide whether to approve or disapprove the joint venture within three months. Once approved, the joint venture shall register with the concerned department of the General Administration for Industry and Commerce, and open business after receiving its business licence.

Article 4 A joint venture shall take the form of a limited liability company.

In the registered capital of a joint venture, the proportion of the investment contributed by the foreign participant(s) shall in general not be less than 25 percent.

The profits, risks and losses of a joint venture shall be shared by the parties to the venture in proportion to their contributions to the registered capital.

The transfer of one party's share in the registered capital shall be effected only with the consent of the other parties to the joint venture.

Article 5 Each party to a joint venture may contribute cash capital, goods, industrial property rights, etc., as its investment in the joint venture.

The technology or equipment contributed by any foreign participant as investment shall be truly advanced and appropriate to China's needs. In cases of losses caused by deception through the intentional provision of outdated equipment or technology, compensation shall be paid for the losses.

The investment contributed by a Chinese participant may include the right to the use of a site provided for the joint venture during the period of its operation. In case such a contribution does not constitute a part of the investment from the Chinese participant, the joint venture shall pay the Chinese government for its use.

The various contributions referred to in the present article shall be specified in the contracts concerning the joint venture or in its articles of association, and the value of each contribution (excluding that of the site) shall be ascertained by the parties to the joint venture through joint assessment.

Article 6 A joint venture shall have a board of directors, the size and composition of which shall be stipulated in the contract and articles of association after consultation between the parties to the venture; the directors shall be appointed and replaced by the relevant parties. The chairman and vice-chairman or vice-chairmen shall be chosen through consultation by the parties to the venture or elected by the board of directors. If the Chinese side or the foreign side assumes the office of the chairman, the other side shall assume the office(s) of the vice-chairman or vice-chairmen. The board of directors shall decide on important problems concerning the joint venture on the principle of equality and mutual benefit.

The board of directors is empowered to discuss and

take action on, pursuant to the provisions of the articles of association of the joint venture, all fundamental issues concerning the joint venture, namely, expansion projects, production and business programmes, the budget, distribution of profits, plans concerning manpower and pay scales, the termination of business, the appointment or hiring of the president, the vice-president(s), the chief engineer, the treasurer and the auditors as well as their functions and powers and their remuneration, etc.

The president and vice-president(s) (or the general manager and assistant general manager(s) in a factory) shall be chosen from the various parties to the joint venture.

Procedures covering the employment and discharge of the workers and staff members of a joint venture shall be stipulated according to law in the agreement or contract concluded between the parties to the joint venture.

Article 7 The net profit of a joint venture shall be distributed between the parties to the joint venture in proportion to their respective shares in the registered capital after the payment of a joint venture income tax on its gross profit pursuant to the tax laws of the People's Republic of China and after the deductions therefrom as stipulated in the articles of association of the joint venture for the reserve funds, the bonus and welfare funds for the workers and staff members and the expansion funds of the joint venture.

A joint venture may, in accordance with provisions of the relevant laws and administrative rules and regulations of the state on taxation, enjoy preferential treatment for reduction of, or exemption from, taxes.

A foreign participant who reinvests any part of his share of the net profit within Chinese territory may apply for the restitution of a part of the income taxes paid.

Article 8 A joint venture shall, on the strength of its business licence, open a foreign exchange account with a bank or any other financial institution which is permitted by the state agency for foreign exchange control to handle foreign exchange transactions.

A joint venture shall conduct its foreign exchange transactions in accordance with the Foreign Exchange Regulations of the People's Republic of China.

A joint venture may, in its business operations, obtain funds from foreign banks directly.

The insurance appropriate to a joint venture shall be furnished by Chinese insurance companies.

Article 9 The production and business programmes of a joint venture shall be filed with the authorities concerned and shall be implemented through business contracts.

In its purchase of required raw and semi-processed materials, fuels, auxiliary equipment, etc., a joint venture should give first priority to Chinese sources, but may also acquire them directly from the world market with its own foreign exchange funds.

A joint venture is encouraged to market its prod-

ucts outside China. It may distribute its export products on foreign markets through direct channels or its associated agencies or China's foreign trade establishments. Its products may also be distributed on the Chinese market.

Wherever necessary, joint ventures may set up affiliated agencies outside China.

Article 10 The net profit which a foreign participant receives as his share after executing his obligations under the pertinent laws, agreements and contracts, the funds he receives at the time when the joint venture terminates or winds up its operations, and his other funds may be remitted abroad in accordance with the foreign exchange regulations and in the currency or currencies specified in the contracts concerning the joint venture.

A foreign participant shall receive inducements for depositing in the Bank of China any part of foreign exchange which he is entitled to remit abroad.

Article 11 The wages and other legal income of the foreign employees of a joint venture shall be taxed according to the Law on Personal Income Tax of the People's Republic of China before they are remitted abroad according to the state regulations on foreign exchanges.

Article 12 Based on various lines of business and circumstances, the issue of operation periods of joint ventures may be handled differently. Joint ventures engaged in a certain line of business shall specify in the contracts their operation periods, while joint ventures engaged in another line of business may choose whether or not to specify their operation periods. In the case of a joint venture with its operation period specified, if the parties to the venture agree to extend the operation period, the venture may file an application to the examining and approving authorities six months before the expiration of the operation period. The examining and approving authorities shall, within one month of receipt of the application, decide whether to approve or disapprove it.

Article 13 If there occur heavy losses, failure of a party to perform its obligations under the contract and the articles of association or force majeure, etc., the joint venture may terminate the contract through consultation and agreement by the parties, and subject to approval by the examining and approving authorities and to registration with the concerned department of the General Administration for Industry and Commerce. In cases of losses caused by a breach of contract, the financial responsibility shall be borne by the party that has breached the contract.

Article 14 Disputes arising between the parties to a joint venture which the board of directors fails to settle through consultation may be settled through conciliation or arbitration by an arbitrating body of China or through arbitration by an arbitrating body agreed upon by the parties.

Article 15 The present law comes into force on the date of promulgation. The power of amendment is vested in the National People's Congress. ■

Jiang Zemin's View on Women

RENMIN RIBAO
(People's Daily)

The Chinese Communist Party follows the basic principles of Marxism in guiding the women's movement in China.

This comment was made on March 7 this year by Communist Party General Secretary Jiang Zemin at a meeting in Beijing to celebrate the 80th anniversary of International Working Women's Day.

According to Marxist theory, the oppression of women is a social phenomenon that occurred when human history developed to a certain stage. In ancient times, men and women were equal. But when private ownership and class conflict emerged in society, women were deprived of property rights, excluded from working outside the home and reduced to the level of household slaves and virtually an appendage of men. This phenomenon, the result of certain historical conditions, would inevitably change with new historical conditions focusing on the equality of men and women.

The degree of women's liberation is a natural yardstick to measure the degree of liberation of all people. In a society based on private ownership, woman are oppressed. Essentially, it is a special type of class oppression. In such a society this situation is not only determined by the socio-economic system and protected by the political system but also seeps into people's ideological concepts. Thereupon, women's liberation can surely be realized along with the social liberation of all exploited and oppressed people.

Joining the labour force is an important precondition of wom-

en's liberation. In the final analysis, a person's status in society and in the family is determined by their status in the workforce. This precondition can be fully realized only under the socialist system.

Women's liberation is a long-term historical process, influenced by society's system of production and its resulting level of cultural development. Overthrowing the social system of oppression and establishing a state in which people are the masters

guarantee the realization of equality of the sexes. In practice, however, it is still an arduous task to achieve actual equality between men and women.

Women play a great role in creating social culture and civilization and promoting social development. Both men and women promote the advance of human history and are the creators of a socialist material civilization and socialist culture and ethics. They must enjoy the same human dignity, rights and status. Women have a unique role due to their child-bearing capability. It is therefore important to respect and protect women.

(March 8, 1990)

Relying on the Working Class

QIUSHI
(Seeking Truth)

The working class is the foundation of the Chinese Communist Party, the leading class of the People's Republic of China and the main force behind socialist modernization. Therefore, the Party and government leaders at all levels must rely on the workers heart and soul.

The working class consists of all physical and mental workers who depend on a wage income for a living. Among the working class the most important are the industrial workers, who have close links with modernized mass production, are an advanced production force and have a high degree of organization and discipline.

Key to China's economy are the tens of thousands of enterprises, which employ the majority of the working class. To rely wholeheartedly on the working class, the enterprises' democratic system should be perfected so

that workers and staff can win the right to be the masters of the enterprises.

Socialist enterprises with public ownership of the means of production differ fundamentally from capitalist enterprises. The main difference is that workers and staff are not bossed about and exploited but are the masters of the socialist enterprises. Forgetting this basic point obscures the fundamental line between socialist enterprises and capitalist enterprises. In socialist enterprises there is also the difference between labourers and administrators. But this is a mere social division of labour.

Managers and administrators in socialist enterprises are entrusted by the state and workers to exercise their authority. Only by receiving a Marxist education and tempering themselves in practice can the working class change from a "class-in-itself" to a "class-for-itself" and shoulder the heavy task that has been entrusted to it by history.

(Issue No. 3 1990)

More Foreign Funds for Telecommunications

During the "Eighth Five-Year Plan" period (1991-95), China's Ministry of Post and Telecommunications will give funding and technological priority to the development of trans-province optical fibre trunk lines. The project will be equipped with programmed switchboards and contain several dozen thousand channels, making itself the most capable and sophisticated of its kind in the world, disclosed Chen Ende, head of the Planning Division of the Ministry of Post and Telecommunications.

During the period, Chen said, the ministry would continue to use foreign government loans and the World Bank's "soft" loans. The ministry is currently looking for partners.

He noted that feasibility studies would be conducted before foreign loans are introduced to ensure that the debt will be cleared unflinchingly in the future.

The "Sixth Five-Year Plan" period (1980-85) marked the first time foreign funds were used for China's post and telecommunications. Since 1984, the ministry has transformed and expanded the telecommunications networks in Tianjin, Shanghai and Guangzhou by using Japan's 35 billion yen. These networks, scheduled to be commissioned this year, will have 300,000 more channels and be hooked up together. During the "Seventh Five-Year Plan" period (1986-1990), the ministry installed telecommunications trunk lines with US\$495 million credit funds and donations from Japan, France, Belgium, Britain, Italy, Canada and other countries. Of these trunk lines, the 2,133-kilometre digital microwave cable and the

492.7-kilometre optical fibre cable have been completed and commissioned, while the 1,300-kilometre digital microwave cable from Beijing to Shanghai, the 800-kilometre optical fibre cable from Nanjing to Wuhan and the 1,000-kilometre microwave cable from Wuhan to Chongqing are being constructed.

Presently, a modernized international telecommunications network complete with programmed exchanges, comsats and such facilities as microwave and optical fibre cables is essentially in place. By the end of 1989, China had opened telecommunications services with more than 200 countries and regions, and 201 Chinese cities now have direct-dial telephone links with 182 foreign countries and regions the world over. Residents in Beijing, Shanghai, Guangzhou and other cities can now phone their relatives and friends abroad from street phones or from ships and cars equipped with telephones.

by Kou Zhengling

Foreigners Apply For Chinese Patents

According to the Director of the Patent Office of the People's Republic of China, Gao Lulin, 64 foreign countries have sent 25,783 applications for patents to his office, 20 percent of the total China has accepted. They do so in order to protect their property rights and compete more effectively in the Chinese market. The ten most frequent companies to win approval for their applications include Dupont, Philips, Westinghouse, Takara, Hitachi, Shell, Mitsui, Hoechst, General Electric and Dresser.

Since 1985, countries which have acquired more than 1,000 patents in China are the United States, Japan, the Federal Republic of Germany, France, the Netherlands and Britain.

Gao noted that China welcomes more countries and enterprises to apply for patents, and that China will provide them with a speedy review of their applications. ■

Petrochemical Firm Seeks Co-operation

Deputy Director of the Foreign Affairs Bureau of the China National Petrochemical Corp. Liu Xuemin disclosed at an annual symposium held in Shanghai in mid-April that China's petrochemical industry would attract more foreign investment and promote its economic and technical co-operation with other countries while developing its own technology.

Liu noted that China planned to establish some large petrochemical complexes in co-operation with economically and technically powerful transnationals and some small petrochemical projects together with foreign companies or compatriots from Hong Kong, Macao and Taiwan.

During the 1991-1995 "Eighth Five-Year Plan" period and longer China hopes to make much headway in oil refining, production of petrochemicals, synthetic fibre and fine petrochemicals. To meet this goal, it will import more foreign investment and expand its economic and technical co-operation with other countries through such channels as fund borrowing and granting, technology transfer, barter trade, joint research, overseas project con-

tracting, labour service export, bilateral trade, compensation trade, establishment of joint ventures, co-operative leasing, processing of supplied oil and materials for foreign businessmen. Foreign partners may be banks, financial organizations, insurance companies, trading companies, patent technology owners and engineering companies, manufacturers, consultancy companies and scientific research institutes.

The China National Petrochemical Corp., the largest of its kind in China, is a merger of 36 petrochemical giants specializing in oil refining, synthetic fibre and fertilizer production. Its sales amounted to 54.5 billion yuan and registered an import and export value of US\$1.5 billion in 1989. From 1973 to the end of 1989, the corporation and its subsidiaries spent US\$6 billion introducing 239 complete sets of high-tech equipment for the establishment of a group of joint ventures. The investment level bodes well for development and co-operation with other countries. ■

Otis Co. Profits Up in China

The Tianjin Otis Elevator Co., a Sino-US joint venture, plans to increase its annual output from the current 1,500 to between 2,000 and 3,000 pieces in the next five years.

US partner's investment in China, said the company's Deputy General Manager Wang Yunqi, has been quite successful. Over the last five years, the venture, the largest of its kind in Tianjin, turned out more than 6,000 elevators, earning 135 million yuan. Its products account for about 17 percent of the

domestic market. In addition, the company has established 16 branches and formed a service and sales network throughout China.

The Tianjin Otis Elevator Co. has combined Otis new engineering and quality control technology production. By late 1988, it had developed several new products manufactured with technology transferred by Otis, and at present, more than 90 percent of spare parts and components can be produced in China. ■

Joint Venture Uses Chinese Technology

The Beijing Natural Cosmetics Co., Ltd, recently began operation in Beijing. The company uses plant materials to produce an internationally popular liquid cosmetics series. At present, 70 percent of the company's products are sold overseas.

The joint venture uses Chinese technology and Japanese and Austrian capital totalling US\$200,000. General Manager Liu Ziping is the inventor of the patented technology. Her Natural-188 Hair Restorer (188-HR) was patented in 1987 and has proved to be effective on 98.5 percent of 500 patients after an eight-month treatment.

Li Xiaolian, chairman of the company's Board of Directors, said that his company planned to produce 540,000 bottles in 1990 including 188-HR, Natural-188 Hair Restorer Shampoo and Conditioner, Natural Skin Moisturizing Lotion, Natural Dee Dee Dew and Natural Bath Lotion (Nice & Cool). An American businessman has ordered 100,000 bottles to try them out on the American market.

by Han Guojian

News in Brief

● The Shanghai Ocean Shipping Co. (SOSC) opened a Japan-Thailand container route on February 7. The company's 32rd cargo ship will call at Bangkok, Mozi, Yokonama and Osaka. The first ship, *Shangcheng*, is capable of holding 724 international standard containers.

Thus goods delivered from the United States and Canada will be relayed to Southeast Asia at the calling port of Yokonama.

● The Yantai No.1 Dyeing and Weaving Mill in Shandong Province exported 5.47 million metres of cloth in 1989, 90 percent of its annual output.

Built 50 years ago, the mill has conducted export business for more than 20 years, mainly producing pure cotton corduroy, velveteen and 34 other products. They are sold in more than 30 countries and regions around the world and enjoy great prestige. The mill currently supplies many newly developed products for the international market.

● A special symposium sponsored by the Cologne International Trade Fairs of Federal Germany (CITF) was held respectively in Beijing, Shanghai and Guangzhou on March 27-31 to help Chinese enterprises get the best possible results from the international exhibitions and promote the development of bilateral trade between China and European countries.

● Lothar Kopp, CITF director and Friedrich W. Heierhoff, executive director of the CMS China-Service GmbH, Cologne each delivered a report on How to Achieve Best Possible Results From Participation in International Trade Fairs and the Europe's 92 Barriers or Opportunities for Chinese Exports? The meetings were attended by several hundred Chinese entrepreneurs and economists and sponsored by the China International Economic Consulting Corp. and the CMS China-Service GmbH, Cologne. ■

Busy Schedule For Silk Road's 2,100th Birthday



Tourists riding camels on the Silk Road.

XU XIANGJUN

From May until the end of October this year, the five provinces and autonomous regions of northwestern China—Shaanxi, Gansu, Ningxia, Qinghai and Xinjiang—will join hands to celebrate the 2,100th birthday of the Silk Road, making the northwest one of China's most attractive areas for tourism in 1990.

The Silk Road, the great, ancient trade route between Asia and Europe, begins at Xian on the Weishui River, continues through the Hexi Corridor in Gansu before dividing into two trails skirting the Tarim River in Xinjiang, threads across Central Asia, passes the Caspian Sea and on to the Mediterranean and Rome.

For more than 1,000 years beginning in the second century BC, large quantities of Chinese silk and silk products were exported to the West via this route,

promoting friendship and trade between China, Europe and West Asia.

The Silk Road covers more than 4,000 kilometres in Chinese territory along a route studded with natural wonders, cultural relics and historical sites. The Gobi Desert, oases, ancient fortresses, the Great Wall, the Qin Dynasty Terracotta warriors and horses in Xian, the Buddhist grottoes at Dunhuang and the ancient city of Loulan in Xinjiang, as well as minority cultures and customs, attract scholars, explorers, tourists and businessmen.

This year's activities follow the principles of friendship, communication and development.

Joint projects undertaken by the five provinces and autonomous regions include:

1) Production of a tourism film

about the Silk Road.

2) Song and dance performances by the local minorities.

3) Playing host to delegations of journalists from Federal Germany, United States and France.

4) Participation in an international tourism exhibition about the Silk Road sponsored in Singapore by the State General Administration of China for Travel and Tourism.

Each is also planning specific activities:

Shaanxi Province

1) International Fireworks Festival in Xian in late October.

2) Exhibition of local customs and folk arts in Xian in July.

3) Silk Road Cultural Relics Exhibition, including more than 500 items from all five regions, in Xian in June.

4) Academic seminar on the Silk

Road in Xian in October.
5) Special stamps marking the 2,100th birthday of the Silk Road to be issued by the Xian City Stamp Company.

Gansu Province

- 1) Melon Festival and International Gliding Festival in Jiayuguan at the western end of the Great Wall in August.
- 2) The fifth annual Dunhuang Summer in August.
- 3) Silk Road Local Culture and Folk Arts Exhibition in Lanzhou in August.
- 4) Song and dance performances.
- 5) Second International Dunhuang Academic Seminar in October.
- 6) Exhibition of cultural relics from Gansu to be held in Japan from April to October.

Qinghai Province

- 1) A grand religious ceremony called Shaidafo (Sun-drying the Buddha), which consists of holding various outdoor religious activities in front of a portrait of the Buddha, at Ta'er Monastery, one of Lamaism's holiest sites, on May 9.

- 2) Special sightseeing tour to Qinghai Lake in late June.
- 3) Folk song competition in Xining in July.
- 4) Performances of songs and dances by the minority nationalities of Qinghai.
- 5) Exhibition of Tibetan Buddhist relics in Xining in July.

Ningxia Hui Autonomous Region

- 1) Tourism Week at the imperial mausoleums of the Western Xia Dynasty in August. The Western Xia Dynasty was founded by the Dongxiang nationality in the 11th century. Nine emperors are buried in the mausoleums.
- 2) Seminar in August on the architectural style of the Western Xia Dynasty mausoleums.
- 3) Exhibition of folk arts in Yinchuan in August.



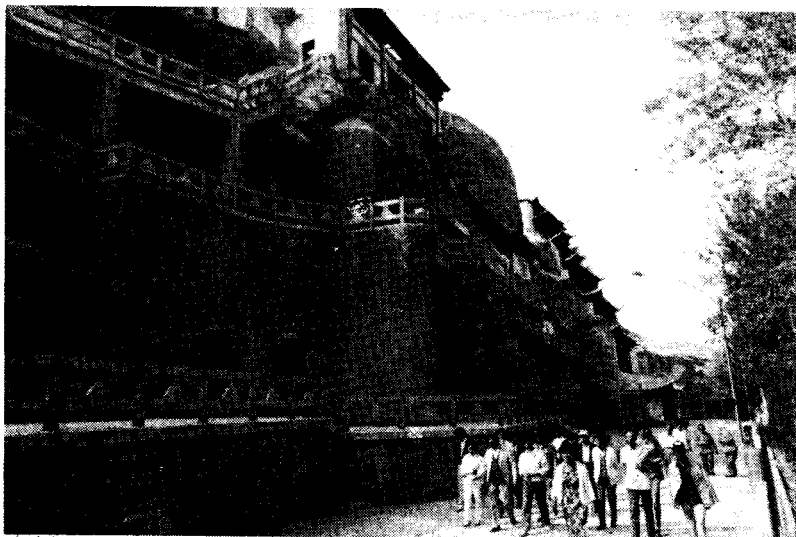
This clay statue of Fu Xi, a legendary ancestor of the Chinese nation, is in the Fu Xi Temple in Tianshui, Gansu Province.

ZHANG SHAN

- 4) Hui nationality song and dance performances. Ningxia has the largest Hui population (1.41 million) in China.
- 5) Exhibition of rock painting prints from the Helanshan Mountain in Yinchuan in August.

An exterior view of the Mogao Grottoes at Dunhuang.

XU XIANGJUN



Xinjiang Uygur Autonomous Region

- 1) Turfan Grape Festival in early September.
- 2) Northwest Music Week in Urumqi in mid-August.
- 3) Exhibition of ancient mummies in Urumqi in August. Because of the dry climate, many bodies buried in the desert are still in good condition.
- 4) Xinjiang Local Habits and Customs Exhibition in Urumqi in August.
- 5) Photography exhibition in Urumqi in August about Xinjiang since its opening to the outside world.

by Wei Liming

TV Films Laud Everyday Heroes

This is a true story: a 32-year-old policeman is walking with difficulty towards the sentry box from which he has directed traffic for more than ten years. All vehicles are stopped and their occupants, men and women, young and old, are staring at him.

With a slow but deliberate gesture, the policeman gets the traffic moving. Cars pass blowing their horns in salute; cyclists push their bikes up to him to pay their respects; a group of Young Pioneers, in their clear and melodious voices, say, "Good morning, uncle!"

This scene, an accurate account of Guo Heping's last day on the job, is the climax of the TV film *There Is Such A Policeman*. Based on Guo's deeds, the film received a positive response after its recent showing.

It presents life of an ordinary policeman in Datong, Shanxi Province. Guo restores a lost child to his parents; he repairs and returns a bicycle he confiscated from a young woman who violated traffic regulations and cursed him; he helps a blind couple cross the street everyday. In short, he devotes himself wholeheartedly to his job.

Several recent programmes on Chinese television have, like *There Is Such A Policeman*, lauded the devotion of common workers. The heroes and heroines are miners, farmers, street cleaners, drivers, bus conductors, members of the team that floated down the Changjiang, Antarctic explorers, scientists and technicians. Because these are real people, viewers are inspired to emulate them.

Among all the programmes in this category, the best known is

the eight-part series *Iron Man*, produced and presented by CCTV, China's national television network. The title character is "Iron Man" Wang Jinxi, a hero known to every Chinese citizen in the early 1960s.

Wang, a worker in the Daqing Oilfield in northeastern China, displayed his heroic spirit and patriotism in the face of great difficulties in order to inspire his fellow workers as well as the Daqing people to build the motherland.

With stern realism, the TV series re-creates the arduous efforts oil workers made to recover Daqing's oil and make China self-sufficient in petroleum. It shows Wang leading his fellow workers into the drilling mud, stirring it with their own bodies because mixing machines are not available. Wang risks his life dashing into a fire to prevent a blowout.

Su Jian, an oilfield engineer, keeps working at the site despite the pain of losing his lover. The cook, Niu Jincui, improves the workers' meals by using his own meagre income. Wang's saying, "When the conditions exist, go ahead; when they don't exist, then create them and go ahead," accurately reflects the workers' outlook and values.

Compared with earlier artistic works that lauded working people, these telefilms have two salient features. First, much attention has been paid to the characters' social and historical background.

In *Iron Man*, for instance, the drilling team is not a group isolated from the world. The drillers are closely connected to society; their ideas and actions are tested constantly by the conflicts and contradictions that exist in

society. In the words of an associate research fellow of the Chinese Art Institute:

"The significance of the unselfish devotion and sacrifice of the 'iron men' does not simply belong to a narrow-minded offer or naive love or just good deeds, because they melt their life into the nation's struggle for existence and development. They function as a transitional bridge in Chinese history. Without them, their descendants could never possibly reach the shores of freedom. They are the real representatives of contemporary ideology."

The second feature is the emphasis on displaying the heroes' rich characters as well as the depths of their souls. The figures in these telefilms are not used as "tools" to moralize. They are real human beings, with their own happiness and sadness, pursuits and worries, hatreds and loves.

For example, Wang, the Iron Man, is shown using all of his ingenuity to find a country girl for Su Jian, who has been disabled in an accident. Owing to the discrepancies in their characters, however, the couple is not a happy one. In one scene, the young woman even burns her husband's most valuable materials for scientific research. In the face of this reality, Wang recognizes the vestiges of feudalism in his own ideas about marriage.

The surge in works describing common people is closely connected to the creators' efforts to immerse themselves in the lives of the people. The cast and crew of *There Is Such A Policeman* lived for a time with the local traffic police. In order to give a lively presentation of the achievements of the Antarctic explorers, part of the cast and crew of *The Great Wall Stretches Southward* went to the South Pole with the exploration team. One of them, Jin Nan, lost his life on the journey. ■



An Ancient City Gate.



A Glimpse of the Mountain Landscape.

Sketches by Miao Xinsheng

Born in Yixian County, Liaoning Province in 1947, Miao Xinsheng now works in the Yixian Cultural Centre. These sketches are representative of some of his works.

ART PAGE



Families at the Mountains.



The Seaside.



Yingkou I800 AWD Offset Printing Machine

Yingkou Copy Machine Complex, a factory designated by the Ministry of Machine-Building and Electronics Industry, specializes in producing compact offset printing machines. Yingkou has for a long time used modern technology and equipment to produce compact offset printing machines, the quantity, quality and sales of which are among the nation's best. The factory's annual output of nearly 1,000 light printing machines is both for domestic and foreign sales.

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