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**China Continues
To Send Students
Abroad**



**TWENTY KEY
PROJECTS
UNDER
CONSTRUCTION**





Farmers, no longer worried about food and clothing, enjoy recreational activities.

Photo by Zhang Ruizeng



20 Key Projects Under Construction

□ During the current economic retrenchment, the Chinese government adopted a variety of measures to scale down excessive capital construction. The key projects, however, are receiving more state support as their completion will further bolster China's national strength, benefit stabilization in society and improve standards of living (p. 14).

More 'June 4th Incident' Involvers Released

□ Another 97 lawbreakers involved in last year's turmoil and counter-revolutionary rebellion have been released. A spokesman for the Ministry of Public Security said the ministry has combined punishment with leniency in dealing with such people (p. 5).

Overseas Study Policy Unchanged

□ Sending students and scholars, including self-sponsored students, for overseas study is an important aspect of China's policy of reform and opening to the outside world that will not change. In 1989, about 7,400 self-sponsored Chinese students were studying in the United States (p. 5).

US-Soviet Summit a Success Despite Problems

□ The Washington summit between US President George Bush and Soviet President Mikhail Gorbachev produced a series of bilateral agreements but did little to resolve their differences (p. 9).

Inflation Under Control in China

□ Surveys by the State Statistics Bureau show that the inflation rate in China has dropped to the lowest point in five years, due to the government's efforts to stabilize the economy (p. 20).

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COVER: The national synchronous radiation experimental laboratory in Hefei, Anhui Province, is scheduled to be completed by the end of this year. A high-tech project of advanced international level, it fills a gap in the country's scientific capability. Now China's scientists will be able to carry out scientific research experiments using synchronous radiation technology. *Top:* Workers at the central control room of the electronics storage circuit unit. *Bottom:* These are electronics storage circuit units with an electronics capacity of 800-million-volts and their synchronous radiation laboratory area.

Photos by Fu Zhenxin

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Party Chief Stands for One China and Two-Party Negotiation

Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, said that all problems can be put on the table for deliberation and discussion so long as both sides of the Taiwan Straits are willing to sit down in search of the ways and means for reunifying the country by adhering to the "one China" principle in the true sense of the term that brooks no such things as "two Chinas," "one China, one Taiwan" and "one country, two governments."

Speaking at the opening ceremony of a national conference on united front work on June 11 in Beijing's Great Hall of the People, Jiang pointed out that in line with international conventions, a country could only have one legal government to represent it, and that two governments could not exist on a reciprocal basis in a country. He said that the so-called "one China, two governments" policy is in essence a variant of the time-worn idea for "two Chinas" and "one China, one Taiwan," which will lead to division, not reunification, of the country.

Jiang said: "We stand for talks on a reciprocal basis between the Chinese Communist Party and the Kuomintang. This stand proceeds from the status quo and roles of the two parties and bypasses the issues the Taiwan side finds inconvenient to dwell on.

"Meanwhile, we also attach importance to the role of other parties, social groups and individuals from all walks of

life in realizing the great cause of reunification."

Before the negotiations between the Communist Party and the Kuomintang come under way, Jiang said, all political parties and people's organizations will be consulted about the motions and related major state affairs. During the negotiations, they will be well-informed and their opinions will be solicited. Representatives from these parties and people's organizations may also be invited to attend the negotiations.

Jiang called attention to Lee Teng-hui's recent remarks about the relations between the two sides. The Kuomintang leader said that Taiwan and the mainland are China's inalienable territory, that all Chinese people are compatriots of the same blood, and that China's reunification and prosperity are desired by all Chinese people. Lee also suggested "setting up an exchange channel for the two sides" and "discussing the country's reunification."

"We appreciate his comments," Jiang said.

However, he pointed out, some of Lee's remarks in his inaugural speech on May 20 as "president" of Taiwan were quite improper and lacked sincerity. "Nevertheless, it's better than the policy of 'no contact, no negotiations and no compromise' with the mainland," Jiang added.

"As is known to all, realizing the country's reunification through peaceful negotiations has been our Party's consistent stand over the years,"

Jiang said.

Early in the 1950s, leaders of the Communist Party Mao Zedong and Zhou Enlai put forward the proposal of peaceful negotiation and the idea that "all patriots belong to one big family."

Deng Xiaoping's concept of "one country, two systems" set forth in the early 1980s provides the most practical and best way to achieve reunification. By taking into consideration the interests of both sides, it calls for practising different political, economic and social systems in a country where both sides respect each other and seek common prosperity instead of trying to outdo each other, Jiang said.

He stressed that to reunify the motherland is the sacred responsibility of all Chinese on both sides of the Taiwan Straits, and that it is the common desire of all people of Chinese descent the world over.

Jiang said that the exchange of mail, trade, and air and shipping services should be realized prior to formal negotiations. The specific problems that emerge in the exchanges may be dealt with through consultations between appropriate authorities.

"We hope that Mr Lee Teng-hui will set the interests of the country and the nation above everything else, consider the realities, act on the will of the people, accept the historical responsibility and make contributions to the reunification of the motherland and the revitalization of the Chinese nation," he said. ■

China to Send More Students Abroad

The Chinese government's policy of sending students and scholars for overseas study "will not change," the Chinese Embassy reaffirmed in Washington on May 28.

China's policy on sending students and scholars, including self-sponsored students for overseas study, is "an important aspect" of China's policy of reform and opening to the outside world, and "will not change," an embassy spokesman said.

About 4,800 Chinese students found their own way to study in the United States in 1988, he said. The number increased to about 7,400 in 1989, including 5,000 who arrived in the United States after the anti-government rebellion in Beijing was put down on June 4.

The spokesman also reiterated that none of the overseas students will be held accountable for participating in demonstrations in the United States last year.

"They are not being held responsible now, and they will never be," the spokesman stressed at a news briefing.

"As to the so-called blacklist, it is a rumour made by those who have ulterior motives to drive a wedge between the Chinese government and the students and scholars pursuing their studies away from China," he said.

The Chinese government's attitude towards Chinese students studying overseas "is to care for them and unite with them."

"All those who want to return are welcome," he said,

adding that it is "understandable" that some of them may wish to stay longer for various reasons, and there is "no discrimination against them."

However, the spokesman noted that a few individuals were receiving money from Taiwan and anti-China forces and turned "traitors for personal gains."

"They are really not studying here" in the United States, he said. "What they attempt to do is to subvert the Chinese government and undermine government-to-government relations between China and the United States and the friendly relations between our two peoples. We still hope these few individuals will mend their ways before going too far in the wrong direction."

Responding to the allegation that officials in the educational offices of the Chinese Embassy and consulates-general were harassing and intimidating Chinese students and scholars, the spokesman called it "totally groundless."

Explaining his government's new regulations on issuing permits for self-sponsored students to study abroad, the spokesman said both China's undergraduate and graduate education are public-funded, with the government paying all expenses, including tuition, accommodation and medical care.

Students are enrolled in the government professional training programme when they enter college.

Therefore, he said, it is "both necessary and reasonable" for students, upon graduation, to serve the country for some time to meet the public need for trained profes-

sionals. Currently it's five years.

He said those who fail to meet the post-graduation work requirements before going abroad to study must pay the government a training fee to cover their education expenses.

Despite these regulations, those holding a senior middle school diploma and those who have paid their way into Chinese colleges will not be affected when applying for self-sponsored overseas studies, he added.

The regulations, he explained, were adopted in light of China's specific conditions, and on the basis of established practices of many other countries.

"It has nothing to do with either the so-called human rights issue or with China-US relations," he stressed. ■

.... More Students Come China's Way

China is ready to train more students who come for advanced studies from other countries, especially third world nations, according to the State Education Commission.

Every year, 10,000 foreign students study in more than 120 universities and colleges in 30 major cities across China, and special courses catered to foreign students have gone beyond just the Chinese language to embrace 300 disciplines of learning in science, technology, agriculture and medicine.

This autumn, 2,000 foreign students will be studying in more than 120 universities and colleges in 30 major cities

across China.

China's 12 universities, including the prestigious Qinghua and Beijing universities, will for the first time this year offer 13 masters programmes and advanced training courses to graduate students or advanced trainees from the third world.

These classes and programmes will help train foreign students in electronics, computer sciences, textile engineering, physics, international relations, pediatrics, acupuncture and hydraulic engineering. Most classes will be taught in English to keep abreast of the latest developments.

In consideration of the specific conditions of some African countries, China will also open graduate or advanced training programmes in French.

Foreign students, while taking necessary Chinese language courses to make their lives in China easier, will save a lot of time by being instructed in their own language. This replaces the former practice of students spending at least one year mastering Chinese before tackling their major academic work.

While continuing to accept and train foreign students for other programmes as an integral part of the government's open policy, China is making some adjustments this year in its enrolment procedures with the aim of providing foreign students with more efficient training to satisfy the needs of the sponsoring countries.

The main change will be to ensure the quality of those enrolled and to raise the instruction level with a gradual shift

in emphasis towards advanced training or graduate degrees. ■

Li's Message to Students Overseas

Chinese Premier Li Peng said that his government and the Chinese Communist Party will adopt more lenient policies towards those involved in the June 4 turmoil last year.

Li made the comment June 7 during a meeting in Beijing with Ikeura Kisaburo, president of the Japan-China Investment Promotion Organization.

He told his Japanese visitors that some Chinese students abroad made improper speeches or indulged in foolhardy actions immediately after the turmoil, due to the influence of biased Chinese coverage by the Western news media.

As a result, these students were afraid they might be dealt with severely if they returned to China, the premier said.

"But with the political and economic situation becoming more stable in China, the Party and the government will adopt more lenient policies towards these people, according to the nature of the cases," Li stated.

"We will not only forgive them for their past misdeeds, but also warmly welcome them back to China to work, study or visit their relatives," he said.

This policy, he explained, was aimed at uniting as many people as possible in order to advance China's modernization drive.

Li also told his Japanese

guests that inflation in China was now under control and industrial production continued to grow.

Kisaburo, who is also a noted banker in Japan, told Li that he was impressed by the Chinese government's efforts to stabilize the political and economic situation.

Premier Li met Kisaburo and his party to extend his congratulations on the founding of the Japan-China Investment Promotion Organization and its Chinese counterpart — the China-Japan Investment Promotion Committee. ■

Beijing Releases More Offenders

Another 97 lawbreakers involved in last year's turmoil and counter-revolutionary rebellion have been given lenient treatment and released, a Ministry of Public Security spokesman announced in Beijing on June 6.

Those released had pleaded guilty, voluntarily confessed their wrongdoings and expressed a willingness to repent, the spokesman said. Some had surrendered voluntarily to police.

Of the 97, a total of 76, including Xiong Wei, Zhou Fengsuo and 19 other college students, were released in Beijing.

The other 21, including Chen Qiwei, Yao Yongzhan and Yang Lujun, were released in Shanghai.

In January and May this year, public security departments released a total of 784 people upon completion of investigations.

The ministry, the spokes-

man said, has combined punishment with leniency in dealing with people involved in last spring's turmoil and rebellion, and has made every effort to educate those who can be educated.

But those who obstinately stick to the incorrect course and refuse to repent will be punished strictly in accordance with the law, the spokesman said. ■

Inflation Hits the Bottom in 5 Years

China's high inflation has been successfully controlled and now is at its lowest level in five years, according to the State Statistics Bureau.

Inflation in the first two months was held at 4.1 percent, dropping to 3.3 percent in March and 3.1 percent in April, a bureau spokesman said.

Nationwide surveys conducted on prices of 402 commodities and 29 services in 226 cities and counties show that the retail price index climbed 3.1 percent in April.

Prices in urban areas rose by only 1 percent while those in rural areas increased 4.2 percent.

The spokesman attributed this success to government measures to curb price hikes adopted since the beginning of the year, as well as to the strengthened macroeconomic management and improved market order.

Zhang Pan, a noted economist with the Development Research Centre under the State Council, considered the decrease in the issuance of banknotes as one of the major

reasons for the drop in the inflation rate.

China issued 21 billion yuan in banknotes in 1989 compared with almost 70 billion yuan in 1988. The first four months of this year saw a net withdrawal of cash from circulation, Zhang said.

In April, food prices were up 1.6 percent. Grain prices dropped 2.6 percent, while nonstaple food prices increased 3.2 percent and those of cigarettes, wine and tea increased 1.3 percent.

Improved sales of clothes, especially those for summer wear, pushed clothing prices up 7.7 percent for the month.

Analysts said that although prices for services have been brought down this year in some regions, price increases in violation of government restrictions have continued, leading to sharp price increases for services, which rose 12.1 percent in April compared with the same month last year.

However, the analysts see optimistic prospects for the government's targets to curb inflation and retail price rise.

They predict price increases can be kept within 10 percent or even as low as 5 percent in the first half of this year if the government does not release major price increase plans in the present market situation.

The predictions are said to be based on the following factors:

—Grain prices on rural markets will continue to drop because of increasing supplies, decreasing demand and a large supply of surplus grain held by the farmers.

—Meat, poultry and egg prices will remain relatively stable with sufficient supplies in the first half of this year.

—Prices for consumer goods will not rise drastically either, because the sluggish market is not expected to pick up soon and local governments have tightened controls over market prices. ■

General's 90th Birthday Celebrated

More than 1,200 people attended a gathering June 6 in northeast China to celebrate the 90th birthday of General Chang Hsueh-liang, one of the two Kuomintang generals who masterminded the "Xian Incident" of 1936.

Those attending the celebration in Shenyang, capital of Liaoning Province, included relatives, friends and former army colleagues, subordinates and alumni of Northeast University.

Some of Chang's relatives and friends made a special trip from Hong Kong, Taiwan and the United States for the occasion.

The epoch-making "Xian Incident" occurred on December 12, 1936, at a time when the nation was facing the imminent danger of being subjugated by the Japanese invaders. Working in league with Northwest Army commander Yang Hu-cheng (1893-1949), Chang, then commander of the Kuomintang Northeast Army, arrested Chiang Kai-shek, head of the KMT government, who had just arrived in Xian, Shaanxi Province, to take personal charge of a campaign against the Communist-led army. The "generalissimo" was later released only when he agreed to form a united front with the Chinese Com-

munists against the Japanese.

The incident brought about the second round of cooperation between the Communist Party and the Kuomintang and the declaration of national resistance against Japanese aggression.

Accompanying Chiang Kai-shek back to Nanjing on December 25, 1936, Chang was placed immediately under house arrest. General Yang was arrested almost one year later and eventually murdered in Chongqing in Sichuan Province on the eve of the liberation of the city.

When Chiang fled to Taiwan in 1948, Chang was taken there and kept under house arrest. Although the Taiwan authorities reportedly lifted house arrest in 1961, Chang remained at his home near Taipei.

In his opening speech, Guo Weicheng, honorary president of the Chang Hsueh-liang and Northeast Army History Research Society, praised Chang's devotion to his motherland.

Quan Shuren, secretary of the Chinese Communist Party's Liaoning Provincial Committee, extended birthday greetings to the general on behalf of the local Party committee, government and people.

He also hoped that Chang would be able to revisit his home town at some point. General Chang was born in Taian County in Liaoning Province.

The celebration ended with the sending of a birthday telegram to Chang in Taipei.

Deng Yinchao, widow of the late Premier Zhou Enlai, also sent a telegram to General Chang. She said that Chang

had long been treated unfairly in Taiwan and that he had won respect for taking China to his heart rather than seeking fame and wealth.

Deng also said her husband had always spoken about Chang as a hero in Chinese history. She quoted him as saying that Chang's special contribution to modern China would always be remembered by the Chinese people.

In 1936, Zhou Enlai led a delegation of the Chinese Communist Party to Xian after the "Xian Incident" and helped bring about a peaceful settlement of the incident. ■

News in Brief

China, India Strengthen Party Ties

A delegation from India's Janata Dal (the ruling People's Party) led by Vice-President Ramakrishna Hegde arrived in Beijing on June 2 at the invitation of the Communist Party of China. The visit marked the establishment of friendly relations between the ruling parties of India and China.

CPC General Secretary Jiang Zemin met with the delegation on June 7 and said China was happy to see the two nations, which have a tradition of friendship, improve and develop cooperation in every field. He added that he appreciated the Indian government's positive attitude towards further improvement of Sino-Indian relations.

Foreign Reporters Given Warning

The Information Department of China's Foreign Min-

istry issued a warning June 5 to certain foreign correspondents concerning recent illegal activities in Beijing.

According to the department, their activities violated the State Council's regulations on the supervision of foreign journalists and resident foreign news agencies and the local rules for the implementation of the regulations issued by the Beijing municipal government.

The department noted that some resident foreign reporters had also contacted some Chinese who were behind illegal activities and even colluded with them.

Beijing-Tianjin Expressway to Open

A 71.7 kilometre section of the world-class Beijing-Tianjin expressway, built with foreign investment, is expected to be in operation before September.

The entire expressway is 142.69 kilometres long. Motor vehicles will be able to travel at speeds of up to 120 kilometres an hour.

Construction of the highway began in December 1987 and the whole road is expected to open for traffic in 1992.

China to Host Women's Soccer World Cup

Women will have their own world cup soccer championship next year when China organizes the 12-nation inaugural event in November.

A new Swiss-made World Cup trophy will be at stake.

Five teams from Europe, three from Asia and one each from Africa, South America, Oceania, North and Central America, will comprise the three first-round groups. ■

US-Soviet 'Partnership' in the Making

by Duan Xin

US President George Bush and Soviet President Mikhail Gorbachev found themselves in agreement on an array of issues during their second summit meeting but disagreed on issues involving Germany and Lithuania.

The Bush-Gorbachev summit from May 31 to June 3 in Washington resulted in 11 agreements on chemical weapons reduction, bilateral trade, cultural exchanges, environmental protection, transportation and scientific research. Four joint statements, including two on cutting strategic arms and conventional forces in Europe, were also issued.

Both presidents pronounced their summit a success and agreed to meet regularly.

"We made great progress in our mutual effort towards building a more peaceful and stable world," said Bush at a joint news conference with Gorbachev at the end of their four-day summit.

"The atmosphere and the results of this meeting make it possible for us to speak really of a new phase of co-operation," agreed Gorbachev.

The Washington summit was different from previous ones in that arms control and regional conflicts were moved to the back burner. Instead, the two super-power leaders discussed such issues as German unification, the political and economic situation in the Soviet Union, the independence movement in the Soviet Baltic republics, the US offer of most-favoured-nation status to Moscow and the Soviet



Towards building a partnership: US President George Bush and Soviet leader Mikhail Gorbachev sign accords in Washington reached on June 1. HANJUICE

Jews' settlement in Israel.

Most noteworthy of the summit was the signing of a trade agreement between the two countries. The agreement, which contains a clause on granting the Soviet Union the most-favoured-nation status, will, if approved by the US Congress, eventually pave the way for normalized US-Soviet trade relations — a goal Gorbachev has long sought to bolster his faltering economy.

However, Bush reiterated his premise for offering the most-favoured-nation status to Moscow — the codification by the Soviets of an emigration law. The Soviet treatment of the secessionist republic of Lithuania would also affect the issue, Bush added.

The United States has all along supported the "self-determination" of the three Baltic republics of Lithuania, Eston-

ia and Latvia, while the Soviet Union has always maintained that this is its internal affair and "must be addressed within the framework of the constitutional process."

Whether a unified Germany should be a member of the North Atlantic Treaty Organization (NATO) was another major difference. Washington insists on keeping a unified Germany in NATO, which is strongly opposed by Moscow.

"A unified Germany should be a full member of NATO," said Bush at the news conference, adding, "President Gorbachev, frankly, does not hold that view."

Gorbachev stressed the importance of preserving the balance in Europe and that a final solution must ensure Soviet security. "I cannot say that we have reached agreement," he

said.

"If decisions are made that will cause concern to the Soviet Union, that will not be beneficial to the Soviet Union, that will not be beneficial to others," Gorbachev explained. In that case, he added, Moscow would have to reconsider its planned troop cuts as well as its stance in Vienna negotiations on reducing conventional forces in Europe.

Despite their differences, the two leaders said they now had a better understanding of each other's position on the German issue.

"I have no suspicion about his position and I hope he has no suspicion about mine," Bush said.

The failure to reach a compromise, according to a senior US official, was no surprise because the question was in essence one of how to "redraw the political map of Europe," a matter of strategic concern to both countries.

The fact that this summit was Gorbachev's seventh with a US president and Bush's second with Gorbachev — a regular working relationship between the superpowers — seems more important than the summit itself. As Gorbachev told his people in an interview with Soviet TV reporters, US-Soviet relations have moved from confrontation to competition and are moving towards partnership. It won't be long before the friendship and co-operation between the American and Soviet people will be talked about, the Soviet president said.

Gorbachev may have many reasons to be optimistic. However, as the *Washington Post* aptly points out, "As talks conclude, problems remain despite rapport." And these remaining problems, many of which are vital to the two superpowers' strategic interests and hard to tackle, will surely affect US-Soviet relations. ■

Dealing With Threats to Arab Nations

by Lü Zhixing

Any attack on an Arab country is a threat to the security of all Arab nations. Such was the consensus of an emergency Arab summit held in Baghdad between May 28 and 30. The summit, called by Yasser Arafat, chairman of the Palestine Liberation Organization (PLO), drew the leaders or representatives of 19 Arab countries who discussed recent threats to Arab national security and possible countermeasures.

A statement issued at the end of the summit condemned American sanctions on Iraq, expressed support for Libya and stressed Jordan's role as an Arab outpost against Israel. The Arab leaders decided to set up a fund to support Jordan, adding that money would also go towards the Palestinian struggle in the occupied territories.

The summit also discussed the problem created by the immigration of tens of thousands of Soviet Jews to Israel since January. The Arab leaders agreed that the Soviet Jews' settlement in the occupied Arab land and the Israelis' plan to create a "greater Israel" at the expense of the Palestinians have constituted a heavy threat to the security and stability of the Arab world.

The changing East European situation has seen Poland, Hungary and Czechoslovakia establish diplomatic relations with Israel. Meanwhile, the PLO has shown great sincerity in planning a peaceful resolution to the Palestinian problem and has won appreciation and support from

most countries in the world. But the Israeli government under Yitzhak Shamir has continued to cling stubbornly to its aggressive and expansionist policy, cruelly suppressing the Palestinian people. This has led to the failure of a peaceful resolution to the Middle East problem. The situation, therefore, remains turbulent.

The United States and Britain were responsible for starting an anti-Iraq campaign earlier this year on the pretext of the seizure of electronic devices imported by Iraq, allegedly for nuclear bomb detonators. Israel echoed these countries' allegations and plotted to attack Iraq and Jordan, thus aggravating tensions in the Middle East.

Such grim circumstances led Arafat to call the emergency Arab summit. During the meeting, Arab leaders decided that a united Arab front was needed to deal with the situation. In the statement, the Arab leaders called on countries directly concerned with Jewish immigration and on the international community to act immediately to end the emigration of Soviet Jews and their possible settlement in the occupied territories.

The statement pledged to extend all forms of material and political support for the Palestinian uprising. It stressed that this support "on both official and popular levels" would guarantee the continuation of the Palestinian people's just struggle until they attain their "lofty goal of liberation, independence and sovereignty." The statement un-



Iraqi President Saddam Hussein (right) and Arab League Secretary General Chedli Klibi attend the opening session of the emergency Arab summit.

derscored the necessity of calling an international conference on peace in the Middle East through the participation of the permanent member states of the United Nations Security Council and the parties concerned, including the PLO.

Regarding the West's anti-Iraq campaign, the statement expressed support for Iraq in exercising its right to self-defence and to possess science and tech-

nology for its own development.

The statement also strongly criticized US support of Israel in political, economic and strategic areas. It declared invalid resolutions by the US Congress calling Jerusalem the capital of Israel.

The problem in Lebanon was also discussed at the summit despite no representative from that country attending. Arab leaders urged the Arab Tripartite Committee to continue its efforts to

resolve the crisis in Lebanon, and regarded the Taif agreement as the correct means of achieving that end.

Several important resolutions were also passed at the summit. Egyptian President Hosni Mubarak was entrusted to mediate the relationship between Syrian President Hafez Assad and Iraqi President Saddam Hussein. Arafat was entrusted to mediate relations between Iran and Iraq. It was decided that the next Arab summit would be held in November in Cairo; that US\$600 million would be given to Jordan immediately; that US\$42 million would be put towards the Palestinian struggle each month, and that joint Arab committees would be set up to deal with the political, economic and military aspects of the changing international situation.

The statement and resolutions were an indication of the Arab nations' desire to eliminate differences, unify their positions and jointly deal with the threats they face. At the same time, a foundation was laid to strengthen Arab solidarity in the future. ■

Albania Embraces Changes

by Hong Qi

Tirana became the focus of worldwide attention in May when the United Nations Secretary-General Javier Perez de Cuellar travelled to the Albanian capital on the first official visit by a UN chief.

For the first time, reporters from more than a dozen countries, including the United States, the Soviet Union, Britain, Italy, France, Greece, Ja-

pan, Yugoslavia and Portugal were invited to cover the May 11 to 13 visit. With curiosity and excitement, thousands of Tirana citizens took to the streets, a rare occasion in 20 years.

Perez de Cuellar's historic visit was seen as further evidence of Albania's policy of opening to the outside world and expanding international exchanges.

Economic Reform

On May 7 and 8, the Albanian People's Assembly adopted seven draft laws aimed at a comprehensive, over-all and fundamental reform to its current economic system and policy.

Under the seven new laws concerning enterprises, budgeting and banking, grassroots units will have more power over economic and financial planning and will have more freedom to make use of funds and investments. They will also be able to make their own budgets. More effective labour organization forms will be practised. Small en-

terprises, farm co-operatives and their subordinate units will be further divided. The responsibility system, contracted quotas and piece rate wage will be adopted in the course of production and the role of economic leverages will be expanded. The ratio between fixed wages and extra wages will be adjusted by increasing the proportion of the latter. The purchasing price of agricultural products will be raised and retail prices of some merchandise will be adjusted. Self-financed house-building is being encouraged and old houses in suburban areas can be sold to households. To meet the demand in the rural area, small herds and vegetable gardens will be permitted. Foreign investment will also be encouraged.

The Albanian parliament also adopted measures to improve the legal system and to amend its criminal law. The country will re-establish its ministry of justice. Criminal acts punished by the death penalty have been reduced to 11 from 34. All women and juveniles under the age of 18 will be free from the death penalty. And for the first time, Albanians have been granted religious freedom and the right to own a passport.

In the field of foreign relations, Albania has reiterated its willingness to resume diplomatic relations with the United States, the Soviet Union and Britain. It also said that it would recognize the European Community and establish diplomatic relations with it and that it would attend the Conference on Security and Co-operation in Europe scheduled to be held this autumn. These changes have not only caught the world's attention but they created a good atmosphere for the UN secretary-general's visit.

On September 25 and 26 last year, the Albanian Labour Party held its Eighth Plenary Session

of the Ninth Central Committee with the aim of strengthening party leadership and construction and deepening socialist democracy. Albanian leader Ramiz Alia put forward several new principles and tasks.

He proposed that no concessions be made to capitalist ideology, religious thoughts or false manifestations.

Alia said that any attempts to weaken the socialist public ownership would not be allowed and that Albania would never pave the way for private ownership or capitalist exploitation.

Albania, he stressed, would neither let its proletarian dictatorship be weakened nor abandon the leadership of the Albanian Labour Party. So-called pluralism, he added, would never be practised in his country and any attempts to damage the state's independence and sovereignty were forbidden.

Alia spoke of five tasks to be completed, that is, to maintain a high-degree of vigilance, raise the ideological level of Party members and the people, accelerate economic development, strengthen defence and launch flexible diplomacy to consolidate Albania's status in the international arena.

On January 22 and 23, the Ninth Plenary Session of the Albanian Labour Party's Ninth Central Committee was held and an important decision was adopted aimed at promoting socialist democracy, improving the socialist legal system and economic relations and strengthening foreign relations.

The decision observed that the Albanian Labour Party was the leading force of the state and the fundamental precondition for Albania to carry out socialist construction. However, the non-existence of a multi-party system does not mean there is no democracy.

The Albanian Labour Party has made the following decisions on political reform: meetings of the Party's grassroots organizations will be held openly and can be attended by non-party persons; the principle of election will be followed in the nomination of leaders of factories, government organizations and schools; Labour collectives that enjoys the right of election also have the right to recall their leaders; the election procedures of power organizations will be improved, secret voting will be practised and within the Party, balanced elections will be followed; supervision by workers and the struggle against bureaucracy will be strengthened.

Co-operation With the UN

Perez de Cuellar received a warm welcome as he began his three-day visit to the small Balkan country. The Albanian government briefed the UN secretary-general on its reform measures and its views on international problems, the European situation in particular. The UN secretary-general said that he was glad that Albania was following an independent policy in marching towards its fixed aims. He said that he appreciated the positive changes currently taking place in Albania's foreign policy and that he hoped Albania would further strengthen its co-operation with the United Nations. Albania spoke highly of the role of the United Nations and the secretary-general in world affairs. Albanian leaders also pledged to further carry out reforms and deepen democracy.

Alia did not rule out the possibility of his attending the UN General Assembly in September and making a speech. That would be another surprise. ■

Tokyo Seeks More Political Clout

by Chu Qimen

Japanese Prime Minister Toshiki Kaifu's recent trip to five Asian nations indicates a shift in Japan's diplomatic role to one of "big country diplomacy." Seeking to play a global role, Japan can be expected to take part in resolving regional issues and increase its economic assistance.

Between April 28 and May 6, Kaifu visited India, Bangladesh, Pakistan, Sri Lanka and Indonesia. It was his first tour of Asian countries since he came to power in August 1989.

Japanese officials described Kaifu's visit as an effort to "enlarge the diplomatic vision in Asia and to increase the depth and scope of diplomacy."

It was also designed to show Asian countries that despite the new international situation, Japan "still values its Asian diplomacy."

As international tensions eased, the United States and the Soviet Union, once having a powerful influence over South Asia, turned their attention to politically turbulent Europe. The South Asian nations, affected by both the dramatic changes in Europe and the rapid economic development in Southeast Asia, have been reconsidering their development and readjusting their relations with countries outside the region.

South Asian nations, with a population of a billion, are economically underdeveloped. Therefore, each country eagerly wants to revitalize its national economy with aid from Japan. This situation gives Japan the opportunity to expand its influence in the region by launching a political and economic offensive.

In his talks with leaders of the five South Asian nations, Kaifu expressed his concern over existing political problems and explained the Japanese government's position. He suggested these countries create a climate of trust and peace, reduce arms burdens and concentrate on developing their economies.

He urged India and Pakistan to settle their dispute over Kashmir through peaceful dialogue. He also expressed worry over the continuing escalation of the arms race in the South Asian subcontinent, urging India and Pakistan to sign the treaty prohibiting nuclear proliferation in a bid to ensure peace and stability in the region.

In his talks with Pakistani leaders, Kaifu referred to the situation in Afghanistan and expressed sympathy for the 3.3 million Afghan refugees staying in Pakistan and the subsequent difficulties brought to Pakistan. He agreed to provide assistance.

Although responses to Kaifu's proposals varied, Japan's concern in these issues left a deep impression.

Another important aim of Kaifu's visit was to develop economic relations with South Asian countries. To clear up doubts and worries in these countries over whether Japan would decrease its economic assistance to

the region, Kaifu formally stated that Japan would continue to offer economic and technological aid to South Asia. This year, Japan will provide loans totalling 191.2 billion yen to India, Pakistan and Bangladesh.

It is worth noting that when Japan agrees to provide assistance it demands more say over the economic policies of these countries, requiring them to relax government control on their economies, promote privatization of state-run enterprises and improve the investment climate.

After his trip to the South Asian countries, Kaifu visited Indonesia, where he promised US\$1.81 billion annually in economic assistance. He also exchanged ideas with Indonesian leader Suharto on the Association of Southeast Asian Nations and the Kampuchean issue. Kaifu tried to play a role in the political settlement of the Kampuchean issue by arranging talks between Prince Norodom Sihanouk and Hun Sen in Tokyo.

Kaifu's five-nation visit took place at a time when worldwide military hostility has weakened and science and technology have become more important. In his speech to India's parliament, Kaifu urged a new international order be established through dialogue and co-operation. He stated that Japan could and must play a more positive role in helping to build a new world by using its economic and technological power. As well, he said Japan would participate in solving such global problems as third world debt, environmental pollution, drug smuggling, terrorism and population control.

Analysts believe Kaifu's visit was aimed at strengthening Japan's diplomatic position in Asia. By using its economic power, Japan seeks to become a political power. ■

Introduction to 20 Key Projects Under Construction

by Our Staff Reporter Han Baocheng

The 20 key projects now under construction in China, which involve all major sectors of the national economy, highlight the progress achieved by socialist China in its economic construction.—Ed.

In the course of improving the economic environment and rectifying the economic order, the Chinese government adopted a variety of measures to scale down excessive capital construction. These measures, however, do not affect the construction of key projects on which the national economy and people's livelihood depend. On the contrary, such projects have received more state support.

There are currently several hundred key projects under construction. The following 20 projects are representative of agriculture, energy, transport and communications, raw material and other basic industries closely

related to the livelihood of Chinese citizens. Their completion will further China's national strength, benefit the development and stabilization of society and improve the standard of living.

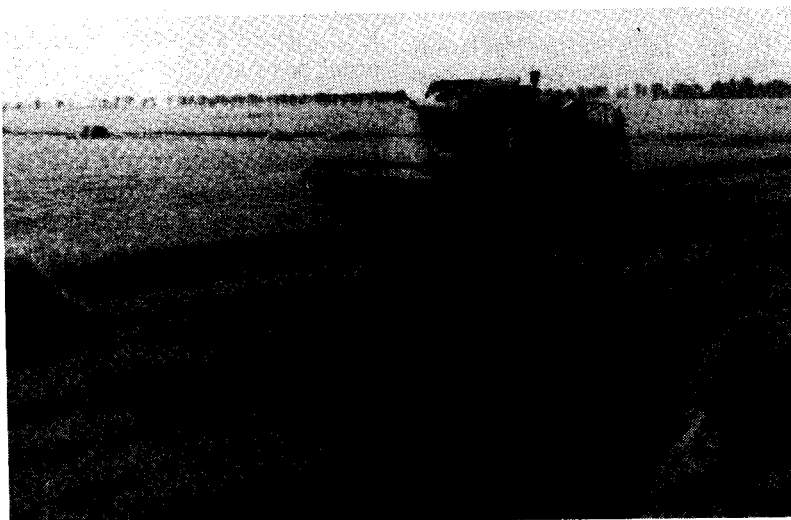
1. Large Grain Production Centres

With the growth of its population and the development of its economy, China is faced with an increasing demand for grain. At present, the nation's annual grain consumption amounts to 415 million tons while its total production capacity is only 400 million tons. This insufficient supply of grain has already adversely affected the

national economy and the standard of living. To increase grain production, besides a large number of county-level grain production bases, China has started the construction of two large grain production centres. One, the Huanghe-Huaihe-Haihe Plain comprehensive development project, was begun in 1988. The project involves 3.4 billion yuan of investment contributed jointly by the state and relevant localities and is expected to treat 1.6 million hectares of low- and medium-yielding farmland, reclaim 90,000 hectares of wasteland and increase grain output by 5.5 billion kg. The other is the Huanghe (Yellow) River delta grain and cotton production centre. The project, started in 1989, involves 60 million yuan of investment by the state and localities. Upon completion, the project will divert some 130 million cubic metres of water from the Huanghe River, store 30 million cubic metres of water, increase grain output by 300 million kg and cotton output by 10,000 tons, and create conditions for the future large-scale, comprehensive agricultural development of the whole area.

2. The Second Phase of the "Sanbei" Shelter Belt Project

In 1978, the State Council approved the building of a shelter



FU ZHENXIN

Workers of a farm on the Huanghe-Huaihe-Haihe Plain harvesting wheat.

belt that runs through northwest China, north China and the western part of northeast China where soil erosion is serious because of wind and sand storms. The project, a huge undertaking named "Sanbei" (three north's), is designed to protect the land, raise soil fertility, ensure agricultural protection and improve the ecological environment for half of China's land mass. It directly affects the crop production and therefore the lives of 133 million people of 33 nationalities. An important policy decision, it will fundamentally increase agricultural potential and forest resources and promote the economic development of remote areas inhabited by minority nationalities.

The first phase of the project was completed in 1985. The second phase, which began in 1986, is expected to be completed in 1995. With a total investment of 2.4 billion yuan, it will encompass 6.4 million hectares of newly established forests, 170,000 hectares of forests sown by air and 1.54 million hectares of forests established by halting the increasing drift of sand and closing the hillsides off from livestock grazing and wood harvesting. In the past four years, 700 million yuan of

investment has been used.

The "Sanbei" shelter belt has already taken initial shape and begun to yield economic returns. The rate of land covered by forests in this region has risen from 5.05 percent in 1978 to 7.09 percent; the damage caused by wind and sand storms in some areas has been alleviated and soil erosion controlled to varying degrees depending on specific areas; 11 million hectares of farmland, now protected by windbreaking forests, have a 10-30 percent increase in grain output; and 9 million hectares of pasture land is either now under protection or put back into production with output up by 20 percent. These achievements, widely acknowledged both at home and abroad, has earned the project the appellation of China's "Green Great Wall."

3. Flood Control Works on the Lower Reaches of Huanghe

The Huanghe River is known worldwide for its fierceness. Since the founding of New China in 1949, the government has made efforts to harness the river by strengthening the water and soil conservation on the upper and



WANG HOULIN

The 5,200 stone abutments on the bank of the Huanghe River ensure the safety of the long embankment.

middle reaches, building the Sanmen Gorge and other reservoirs on the river's upper and middle reaches, raising and reinforcing dykes on the lower reaches, dredging the river course and building detention basins. Thanks to these endeavours, none of the river's dykes have been breached in the past four decades, thus ensuring the safety of Zhengzhou, Kaifeng, Jinan and other important cities on the Huanghe-Huaihe-Haihe Plain. Nevertheless, since the Huanghe River water has a high sand content and the sediment causes the river bed to rise every year, the work done to date is not a permanent solution and so more needs to be done.

The flood control works now under construction on the lower reaches of Huanghe are centered on two projects. One, the Guxian Reservoir on Luohe, a tributary of Huanghe, has a storage capacity of 1.15 billion cubic metres and will be able to cut the flow during



Afforestation has greened the Zhangye area in Gansu Province.

CHEN ZONGLIE

the peak flood time at Huayuankou near Zhengzhou by 5,500 cubic metres per second to prevent a catastrophic flood. Involving a total investment of 600 million yuan, the project is expected to be completed by 1992. The second project involves raising and reinforcing the dyke on the lower reaches of Huanghe in order to ensure the safety of the surrounding areas and maintain the river's present tranquil state.

4. Large Coal Production Bases

To meet the needs of industrial and agricultural production and of the people's everyday life, China is stepping up the construction of a large number of coal mines and huge mine production centres. The following are three key projects under construction.

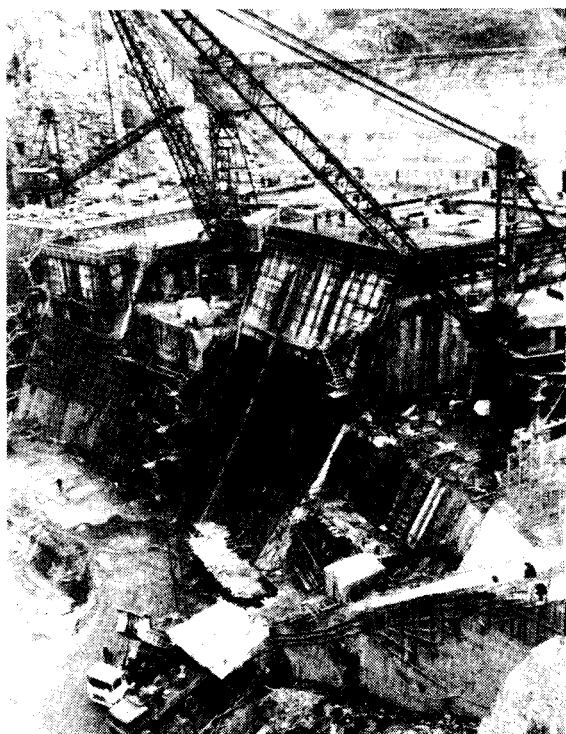
(1) The Datong Mining Area in Shanxi Province

The largest coal production base in China, the Datong mining

area produces 30 million tons of raw coal a year. The high-quality, low-sulphur and low-ash coal is ideal fuel for steam locomotives, power plants, gas furnace and the production of glass and ceramics. The coal pits under construction will have an annual capacity of 8.45 million tons. When completed, the mining area will play an important role in maintaining the sustained development of China's coal industry.

(2) The Gujiao Mining Area in Shanxi Province

Construction of this mining area, China's largest coking coal production centre in China, began in 1979. The project, with a designed annual production capacity of 16.5 million tons of raw coal and involving a total



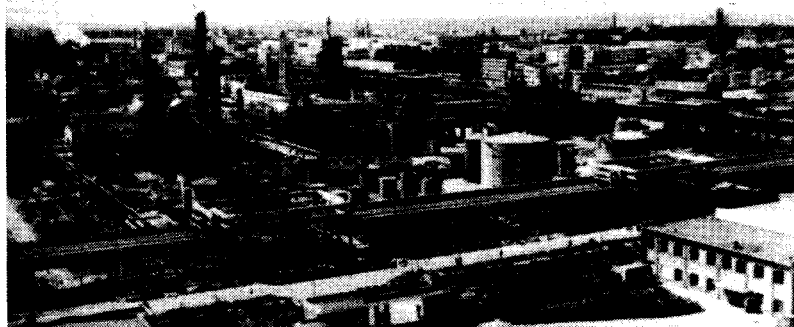
HUA AI

The big dam of the Geheyan Water Control Project now under construction.

investment of 3.5 billion yuan, covers five pairs of shafts in Xiqu, Zhenchengdi, Malan, Donggu and Tunlan. Except for the Tunlan mine, work on the other four pairs of shafts will be completely funded by energy loans from the Japanese government. As of now, the Xiqu and Zhenchengdi mines are already in production. The Dongqu and Malan mines, still under construction, are extremely large mines with an annual capacity exceeding 4 million tons. They are scheduled to go into operation this year. Upon completion, the developed mining area will greatly ease the shortage of coking coal for the iron and steel and chemical industries.

(3) The Jungar Coalfield in Inner Mongolia

Located in the eastern part of Jungar Banner in Ih Ju League, Inner Mongolia, the coalfield has an exploration area of 1,365 square km and total verified geological reserves of 26.8 billion tons. The reserves' thick layered,



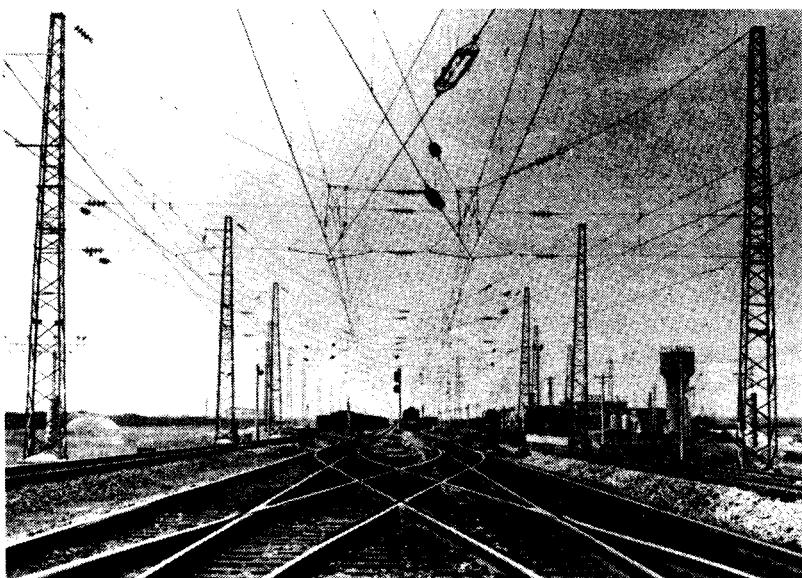
XINHUA

Oil workers gather at Daqing in 1960 to develop the oilfield (below). A panoramic view of the Daqing petrochemical town (above).

shallow buried coal makes it well suited for open-cut mining. Moreover, the coal is of excellent quality, ideal for power generating and, because of its low sulphur and medium ash content, it fires with a high flame. The first phase of the project involves the comprehensive development of coal, electricity and transport and includes the construction of a coal mine with an annual capacity of 15 million tons, a 215-km railway from Fengzhen to Jungar with an annual transport volume of 15 million tons, and a coal pit mouth power station with an installed capacity of 200,000 kw. The Jungar Coal Industrial Co. takes full responsibility for the coalfield's development, administration and management. This unified management system is an outgrowth of the reform within the coal mine capital construction. The first stage involves 3.36 billion yuan in investment, including an energy loan of US\$800 million provided by the Japanese government. The project, begun in 1989, is expected to be completed and put into production during the Eighth Five-Year Plan period (1991-95). The construction of the Jungar Coalfield will expedite development of China's open-cut mines, improve the distribution of the country's coal industry, and boost the economy not only in Inner Mongolia but throughout China.

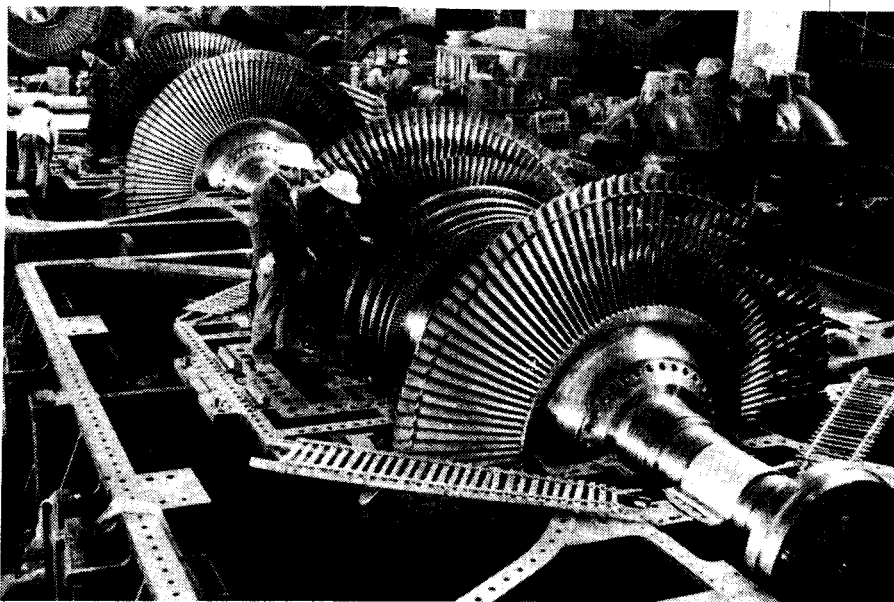
5. The Comprehensive Development of Daqing Oilfield

Since the Daqing Oilfield, the largest of its kind in China, started operation 30 years ago, it has produced more than 1 billion tons of crude oil. Its output has remained steady after output reached 50 million tons in 1976. With the oilfield's development, Daqing has been transformed into a large petrochemical concern supported by the oil refinery (with an annual capacity of 5.5



The electrified Datong-Qinhuangdao Railway.

CHEN ZONGLIE



A 300,000-kw turbogenerator being installed at the Qinshan Nuclear Power Station.

LU MING

million tons) and the chemical industry (with an annual capacity of 300,000 tons of ethylene and 450,000 tons of chemical fertilizer). The oilfield has made a great contribution to China's socialist modernization drive.

As the oilfield enters the stage where the content of water increases, the oil production will de-

crease several million tons annually. To ensure a steady, high output from the oilfield, the government has invested heavily during the current Seventh Five-Year Plan period (1986-90) in prospecting and development work. By the end of 1990, the number of producing oil wells is expected to be 120 percent more than that of the

late 1980s.

The additional crude oil annual exploitation capacity will amount to 19 million tons, helping to keep the oilfield's annual output at more than 55 million tons.

6. Large Power Stations

Despite insufficient funds, the government has since 1985 done its best to invest in the power industry. At the same time, various localities have been mobilized to generate funds for expediting the development of the industry.

Currently, construction of the Yantan Hydroelectric Power Station in Guangxi and five other large power stations is under way. Their completion will ease the strain on the nation's power supply and raise the industry's economic returns.

(1) The Yantan Hydroelectric Power Station

One of the large power stations of the Hongshui River power production centre in the Guangxi Zhuang Autonomous Region, the Yantan hydroelectric power station is designed to generate electricity and facilitate navigation. Total investment of 1.6 billion yuan is provided by both the central and local governments. Construction of the project, with a

combined installed capacity of 1.21 million kw and an annual output of 5.37 billion kwh of electricity, began in 1984. The first generating set is planned to begin operation in 1993 and the remaining three by 1995. When fully operational, the project will become the first 1 million-kw power station in the Guangxi power grid; it will be incorporated into the south China electricity network and serve both the Guangxi Zhuang Autonomous Region and Guangdong Province.

(2) The Geheyan Hydroelectric Power Station in Hubei

This project is the first terraced hydropower station on the Qingjiang River, the second largest tributary on the lower middle reaches of Changjiang (Yangtze) River. It is funded jointly by the state and the locality with a total investment of 1.6 billion yuan. The designed capacity of the reservoir is 3.4 billion cubic metres; the station's installed capacity will be 1.2 million kw and its annual output 3.04 billion kwh. The project, begun in 1987, is designed and being built with solely domestic resources.

The first generating set is expected to start operation in 1993; the project is scheduled to be completed by 1995. Apart from easing

the strain on the power supply in Hubei Province and the rest of central China, the project will serve as an important power load and frequency regulation station, helping to improve the quality of power supplied by the central China network and increasing the safety and economic returns of the power grid.

(3) The Second Stage of the Harbin No. 3 Power Plant

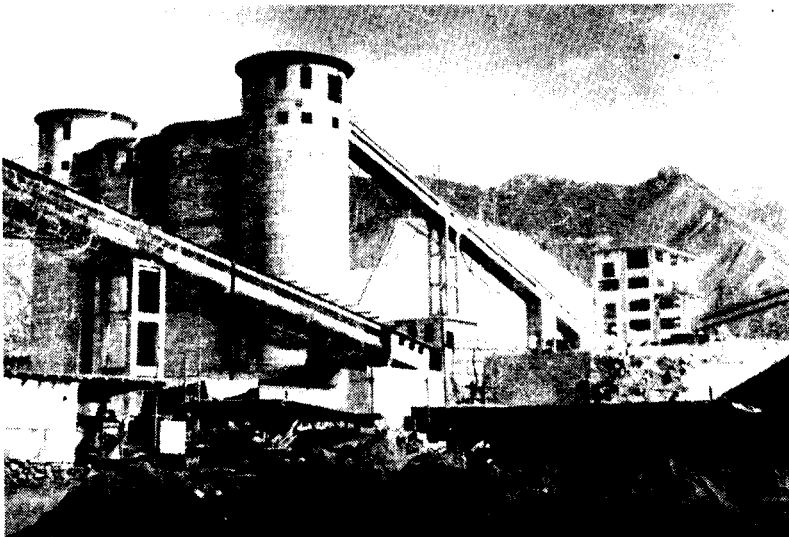
The project is funded jointly by the central and local governments with a combined investment of 1.6 billion yuan. With an installed capacity of 1.2 million kw, it is equipped with two 600,000-kw generators manufactured by local state-owned enterprises using advanced imported technology. Construction of the project began in 1989 and is expected to begin generating electricity in 1993. By then, it will be able to supply sufficient electricity to the Daqing Oilfield and Heilongjiang Province and ease the power shortage in the network of northeast China.

(4) The Shentou No. 2 Power Plant in Shanxi

The project, a power station at a large coal mine, is 25 km away from the Pingshuo open-cut mine. It is completely funded by the state with an investment of 1.5 billion yuan and is equipped with two imported 500,000-kw generators. The project began in 1986 and is planned for completion and operation by 1992. With an annual generating capacity of 6 billion kwh, it will promote the development of the Shanxi energy base and ease the strain on the power supply of the north China network.

(5) The Daba Power Plant in Ningxia

The project, started in 1987, has a total investment of 700 million yuan contributed jointly by central and local governments and an installed capacity of 600,000 kw. It is scheduled to be completed by 1991. It will help raise the installed capacity of the Ningxia power grid from the present 930,000 kw



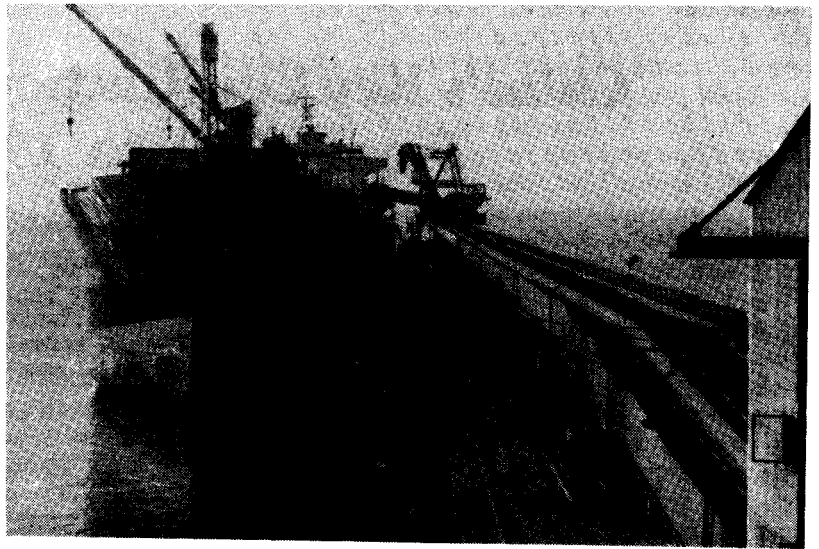
A coal-dressing mill at the Gujiao Coal Mine in Shanxi Province.

CHEN ZONGLIE

to 1.53 million kw and be an additional source of power for the northwest China power network.

(6) The Changshu Power Plant in Jiangsu

Located in the economically developed Jiangsu Province, the project is funded jointly by the state and the local government with a total investment of 1.3 billion yuan. Equipped with four 300,000-kw domestically produced generators, the project began in 1989. It is expected to begin generating electricity in 1993 and be completed by 1995. It will increase the power supply in southern Jiangsu Province and ease the power shortage in east China, particularly in the Changjiang River delta.



The coal wharf at Qinhuangdao Harbour operating with modern loading equipment.

BEN LANWU

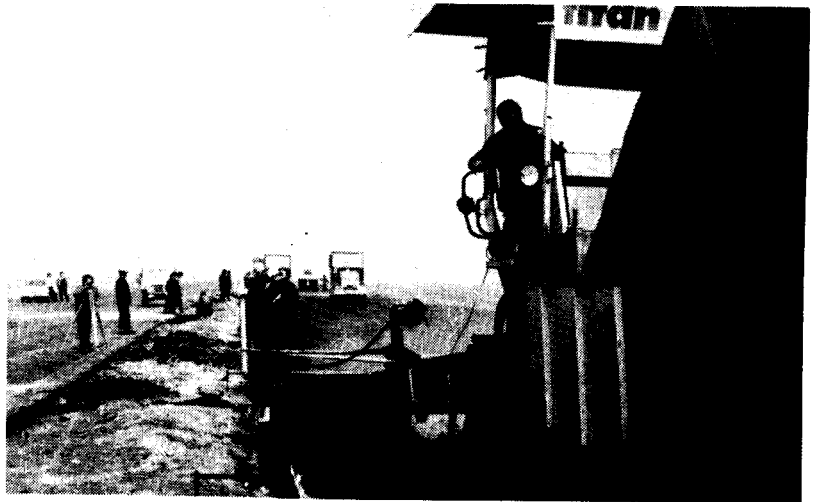
7. The Qinshan Nuclear Power Station

Located at the northern foot of the Qinshan Mountain in Haiyan County, Zhejiang Province, this is the first 300,000-kw pressure water reactor nuclear power station designed and constructed by China. The project represents an important breakthrough in the country's peaceful use of nuclear energy.

The design of the station is based on both China's national conditions and overseas standards. The project began in March 1985 with a total investment of 1.2 billion yuan and is expected to be completed by the end of this year. During project construction, a technical contingent has been brought to the fore which is capable to design, build and manufacture equipment for China's nuclear power industry. The project has laid a foundation for similar projects.

8. Datong-Qinhuangdao Railway

The 652-Kilometre-long railway, from Shanxi Province's Datong to Hebei Province's Qinhuangdao Harbour, is China's



The Beijing-Tianjin-Tanggu Expressway now under construction.

BAI LIANSUO

first heavy-load special coal transport line. The project involves 6 billion yuan in investment. Construction was begun in the latter stage of the Sixth Five-Year Plan (1981-85). The first stage, a 410-km double-tracked electrified line from Datong to Beijing, was completed and started operation at the end of 1988; it transported 20.15 million tons of coal in 1989. The second stage, with a length of 242 km from Dashizhuang to Qinhuangdao, is expected to be completed by 1992.

The Datong-Qinhuangdao Railway is an electrified line of the highest construction standard (having the smallest radius of 400 metres), the best equipment (optical fibre cables are used for the telecommunications network), and the largest handling capacity (100 million tons annually). The railway will greatly ease the strain on the transport of coal from Shanxi, Inner Mongolia and Shaanxi, and the energy shortage in northeast and north China. (To be continued.) ■

China's Key Construction Projects From 1982 to 1989

Every year beginning from 1982, China's plan of capital construction included a batch of key construction projects badly needed by the national economy. They cover energy, transportation, raw materials and machinery and electronics, light industries and textiles, science, education, culture and public health. The number of projects increased gradually, the aggregate total reaching 319 in eight years (including projects already completed and put into operation, and being built), with a total completed investment of 249.05 billion yuan, accounting for 29 percent of the nation's capital construction investment in the same period. The proportion of annual investment completed to the nation's yearly capital construction investment is shown in Table 1.

By the end of 1989, 124 of the 319 projects had been completed and put into production, 68 had been put into production partially, 70 had entered a phase of equipment installation and debugging, and 57 were being built.

The main characteristics of these key construction projects are as follows:

Large in Scale. The planned total investment is 311.7 billion yuan for 319 key projects, an average of 0.98 billion yuan for each project, representing a figure two times that for an ordinary large or medium-sized project. The projects, classified according to scale of investment, are shown in Table 2.

When completed and put into production, these projects will increase the production capacity

of various industrial sectors, as shown in Table 3.

Priority Given to Basic Industries. These key projects focus mainly on energy, raw materials industry and communications and transportation industry as well as some other basic industries, and include 251 items in all. Planned investment totals 283.85 billion yuan, representing 91.1 percent of all the key construction projects. Some 119 of the 251 projects are connected with the energy resources industry, and involve a total investment of 140.84 billion yuan, accounting for 45.2 percent; the raw materials industry has 66 projects, with a total investment of 87.73 billion yuan, accounting for 28.2 percent; transport and post and telecommunication, 66

projects, with a total investment of 55.28 billion yuan, accounting for 17.7 percent. There are 22 projects in machinery and electronics, and light and textile industries, with a total investment of 18.29 billion yuan, accounting for 5.8 percent; 46 in science, education, culture and public health, and water conservancy and meteorology, broadcasting and other public undertakings, with a total investment of 9.58 billion yuan, accounting for 3.1 percent.

Advanced Technology. These key projects have advanced technology, low energy consumption, a high level of automation, good environmental protection standards and other advantages. About 40 items are imported in complete sets, such as Shanghai's

Table 1
Year

| Year | Number of projects | Annual investment completed (billion yuan) | Proportion to capital construction investment (%) |
|------|--------------------|--|---|
| 1982 | 50 | 8.13 | 14.6 |
| 1983 | 70 | 9.7 | 16.3 |
| 1984 | 123 | 17.6 | 23.7 |
| 1985 | 169 | 22.7 | 21.1 |
| 1986 | 190 | 27.9 | 23.7 |
| 1987 | 206 | 36.2 | 27.0 |
| 1988 | 203 | 42.1 | 27.6 |
| 1989 | 204 | 40.8 | 26.5 |

Table 2

| | Number of projects | Total investment planned (billion yuan) | Proportion (%) |
|--------------------------------------|--------------------|---|----------------|
| Below 100 million yuan | 25 | 1.8 | 0.6 |
| From 100 million to 500 million yuan | 123 | 36.6 | 11.7 |
| From 500 million to 1 billion yuan | 71 | 49.4 | 15.9 |
| From 1 billion to 2.5 billion yuan | 81 | 124.9 | 40.1 |
| From 2.5 billion to 5 billion yuan | 14 | 50.3 | 16.1 |
| Above 5 billion yuan | 5 | 48.7 | 15.6 |

Table 3

| Type of production | Scale of construction (million) | Expansion over end-of-capacity 1982 capacity (%) |
|-----------------------------------|---------------------------------|--|
| Coal mining | 140.49 tons | 20.6 |
| Installed capacity of electricity | 56.21 kw | 77.7 |
| Petroleum extraction | 119.17 tons | 121.6 |
| Steel making | 8.55 tons | 21.3 |
| Iron-smelting | 8.975 tons | 22.6 |
| Aluminium oxide | 1.65 tons | all newly added |
| Aluminium electrolysis | 0.33 tons | 59.9 |
| Synthetic ammonia | 1.50 tons | 8.5 |
| Soda ash | 1.95 tons | 85.6 |
| Ethylene | 1.20 tons | all newly added |
| Ammonia | 0.60 tons | all newly added |
| Cement | 9.71 tons | 9.4 |
| Plate glass | 13.2 crates | 34.4 |
| Motor vehicles | 0.36 | 136.4 |
| Chemical fibre | 0.10 tons | 14.7 |
| Synthetic leather | 3.00 sq. m | all newly added |
| Compressor | 2.00 | all newly added |
| Colour kinescopes | 1.60 | all newly added |
| Harbour handling capacity | 195.53 tons | 82.3 |
| Programme-controlled telephones | 0.5145 Unit (1) | all newly added |
| New railway lines | 2,511 km | 5.0 |
| New double-track railway lines | 3,996 km | 46.3 |
| Electrified railway | 6,313 km | 353.4 |
| Airport runway | 12,050 metres | newly added |

Baoshan Iron and Steel Complex, with an annual capacity of 6 million tons. It is the biggest and most highly modernized joint iron and steel enterprise in China; the Guixi Smeltery is China's first large, modernized

copper smeltery with an annual capacity of 200,000 tons. Of China's ethylene projects, those currently with the largest equipment are the Daqing in Heilongjiang Province, the Yangzi in Jiangsu Province and the Qilu in Shan-

dong Province, each with an annual production capacity of 300,000 tons. The Shanxi Chemical Fertilizer Factory, the Zhejiang General Petrochemical Company, the Ningxia Chemical Plant and the Urumqi General Petrochemical Company in Xinjiang, each with an annual capacity of 300,000 tons, are four modernized large nitrogen-phosphorus fertilizer production centres in China.

The Yantai Synthetic Leather Plant in Shandong Province is China's first modernized, large enterprise producing synthetic leather. The Shannxi Colour Kinescope Factory produces the "Caihong" brand high-quality colour kinescope using advanced techniques. It has reached the international level of this type of product. The Pingdingshan Curtain Cloth Mill in Henan Province is China's first modernized large enterprise producing curtain cloth with polyamide fibre. The product is a new type of material popular internationally and has filled the gap in this field for China. The Yizheng Chemical Fibre Company of Jiangsu Province mainly produces staple (short) dacron fibre



The newly built Xuzhou Marshalling Station.

GAO MEIJI



A view of the Ningguo Cement Works in Anhui Province.

ZHU YUNFENG

and polyester flake. Its production techniques are on a world level, and it produces 100 tons daily, which is rare in the world. The Ningguo Cement Works of Anhui Province uses a dry method production line, a new technique which emerged internationally at the end of the 1970s.

The already completed key projects have played a positive role in promoting the development of China's national economy, improving the industrial structure, easing the strain on

the supply of energy and raw and semi-finished materials, and transport services, thus adding a new material base for the economic development of the 1990s.

Although tangible results have been achieved in the construction of the key projects over the past eight years, many problems have emerged. They are as follows:

Construction time was long drawn out. According to plan, the 195 projects being built should take an average of six

years. By the end of 1989, an average of six years and two months had been used. Calculated according to the actual investment annually, more than two years are still needed to finish them.

Actual investments surpassed the budgetary estimates. According to an analysis of the 40 key projects that have been completed and put into operation, the estimated budgetary investment is 11.85 billion yuan, but the actual investment exceeded this by 4.4 billion yuan, or 37.1 percent over spending. If the 319 key projects are calculated according to this rate, the cost of the total construction would exceed the total estimated budgetary investment by 115.6 billion yuan. This is equivalent to 75.2 percent of the national capital construction investment in 1989. In addition, the construction of an auxiliary project and the principle part of a project was not carried out simultaneously. This adversely affected the efficiency of the project after it was put into operation. ■

Beijing Chemical Industry Import & Export Corp.

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Our corporation deals in the import and export of industri-

al chemicals, plastics, resins, dyestuffs and auxiliaries, pigment and intermediates, paints, printing ink, agricultural chemicals, rubber products and chemical reagents.

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Wan Runnan—'Entrepreneur' Bent On Subverting the Government

The non-governmental Stone Group Company, which engages in high-tech development, enjoyed considerable note in China for its successful management. However, the former president of the company, Wan Runnan, became well-known nationwide for his involvement in the turmoil in the late spring and early summer of last year and for being listed as wanted by the public security department. After the quelling of the anti-government rebellion in Beijing, Wan Runnan escaped abroad in early last June. He right away joined up reactionary forces, political "elitists" who had recently fled abroad or who had lived abroad for a long time, and together, for all to see, they hoisted their flag of opposing the Communist Party and the socialist system.

Last July, taking advantage of the 200th anniversary of the French Revolution, Wan Runnan, Wuer Kaixi and Yan Jiaqi came together in Paris and planned to set up the Front for Democracy in China (FDC). Wan Runnan was elected secretary-general of the new reactionary organization. In September, at the inaugural meeting, Wan was appointed general secretary. While seeking support in London for the FDC, Wan stated, "We are organizing the democratic forces of the overseas Chinese all over the world to form a united organization to challenge the power of the Party. We expect that activities will be launched within China soon." And he said as the main admin-

***E*ntrepreneurs in any country or region all keep a careful distance from politics, Wan Runnan said, but during last year's student demonstrations in Beijing, "we got involved, and rather deeply."**

istrator of the FDC his interest in business would not affect his decision-making process.

Wan went around to set up branches of the FDC and drum up support for his organization from all sides. He organized a delegation at the end of last year and visited Taiwan and set up a branch of FDC there.

Inciting Student Unrest

Referring to his own action during last year's disturbance at a rally held in Chicago, USA on July 28 last year, Wan Runnan admitted that entrepreneurs in any country or region all keep a careful distance from politics, but that during last year's student demonstrations at home, "we got involved, and rather deeply."

The collectively run Stone Company always regarded high-

tech development as its pursuit. The government's reform and opening up policy made Stone a nationally known company with assets of 87 million yuan from its initial fund of 20,000 yuan. However, during last year's turmoil, Wan Runnan and some other company personnel deviated from its scope of operation and took part in the disturbance.

Cui Mingshan, former vice-president of the Stone Company and Wan Runnan's right-hand man, said to student leaders, "From the day you walked in to Tiananmen Square, we have been watching the reactions from all social strata and monitoring responses from all over the world every minute, every second." Zhou Duo, former head of the Overall Planning Department and deputy director of the Public Relations Department of the company did not go to work at all but stayed with student rioters. He was quite active during the turmoil. He participated in plotting the first demonstration of press circles, attended many times "Joint Conference of Various Patriotic Circles for Safeguarding the Constitution" and twice drafted for the conference a "Message to the People" intended to incite turmoil. He brought overseas guests to the Stone Co. to buy communications equipment to support the demonstrators. When the company's staff inquired about Zhou's action, Wan Runnan told them that Zhou acted by his order.

Well, and what did they do during that period?

On June 28 last year, a special news report in Hong Kong's *Ming Po* said that the Stone Company had become one of the channels linking the mainland and overseas students when the demonstrations swept the country in late April last year. This channel played a virtually unique role.

On April 22 last year, the New York-based reactionary China Democratic League publicized An Open Letter to Chinese University Students with the signatures of ten persons, masterminding the scheme for students to oppose the government. Four days later, on the early morning of the 26th, the letter appeared on the campus of Beijing University. This letter from reactionary forces abroad was first faxed from the United States to the Stone Company, and sent out from the company. And the messenger was Zhou Duo, who was designated by Wan Runnan to take part in the student demonstrations. Soon after this, Liu Xiaobo, who did the actual writing of the open letter, was sent back to Beijing by the China Democratic League to participate in the turmoil directly. After his arrival he visited Wan Runnan many times for secret talks.

At the end of last July in the United States, Wan Runnan made the remark that striving for democracy was very expensive. At least 40,000 yuan was needed in Tiananmen Square every day. Many donations were collected from abroad but most of them failed to reach the mainland, he said.

Where then did the expenses for the student demonstrations come from? Wan admitted that the students in the Square mainly depended on the support from non-governmental economies like Stone.

A vice-president of the Stone Company revealed that Stone

supported the students with more than 200,000 yuan. In addition to large amounts of food, drinks and medicine sent directly to the illegal organizations such as the Beijing Universities Autonomous Student Union, the company also provided them with various communications apparatus such as wireless telephones, tweeters and electric loudspeaker equipment. The high-efficiency broadcasting equipment of the Tiananmen Square General Command of the Beijing Universities Autonomous Student Union was provided by the Stone Company. The Huacheng Delivery Service Company attached to Stone gave the students 18,000 yuan, a wireless telephone and a truck, and promised to print leaflets for them under one condition: to topple Li Peng and to protect Zhao Ziyang. The head of the company openly said, "I want to use my own opinions to influence the students."

Apart from this, funds and equipment from overseas sources flowed to Tiananmen Square through Stone, including mimeographing equipment, typewriters, duplicators, mini-recorders and fax facilities, all presented to the illegal student organizations free of charge.

The members of the Beijing Universities Autonomous Student Union often reported to their overseas "supporters" on the situation of the demonstrations and their next step, and received orders through the communications facilities of Stone. For instance, in early May last year, when the students began to resume classes and the student demonstrations were at a low ebb, a behind-the-scenes supporter in the United States indicated in a telephone call to Stone that the students should persist in their demand for the legal status of their organizations.

Participating in the Turmoil

The situation became worse on May 20. Many places had been thrown into chaos and the State Council resolutely decided to enforce martial law in parts of Beijing.

The next day, on May 21, Wan Runnan convened a meeting of all staff members of the Stone Company, at which he declared that he himself would take part in the student demonstrations, and he cautioned them that his participation meant the participation of the Stone Company. The workers and staff were puzzled but he said that he had the support of leaders above. Moreover, he said demagogically, "The government has stood on the opposite side of the people and is therefore no longer their government. People from all walks of life should be mobilized to break up the martial law enforcement and overthrow the government."

On May 22, Wan called in about 100 Tiananmen Square student leaders of nearly 80 institutes of higher learning of Beijing and other places to a meeting at the International Hotel. He told the students, "You should immediately evacuate the Square and go back to the campus on your own initiative to persist in the struggle there. For this you will be commended by the whole society and this will help in your next struggle." What was to be their next step? Wan said, "To evacuate Tiananmen Square, we have conditions and demands. First, you will go back after the troops go back; second, all will be back to normal after cancellation of the martial law enforcement; third, Li Peng must resign, the old people Deng Xiaoping and Yang Shangkun should retire honourably according to proper procedures; fourth, support Zhao Ziyang." And he particularly stressed the import-

ance of the last condition.

On May 23, Wan Runnan again sent cars for students at Tiananmen to attend more meetings and to discuss the evacuation proposal drafted by Cao Wuqi, vice-president of Stone. Meanwhile he tried to build up public opinion pressure through about 20 Beijing journalists whom he invited to the company, hoping to force the government to submit.

To overthrow the legal government, Wan Runnan, in another scheme, took action to compel the National People's Congress Standing Committee to hold an emergency meeting and, in addition, an NPC special meeting, to cancel the martial law enforcement and recall the premier. After martial law went into effect, Yan Jiaqi and others first sent a telegram to the NPC leaders, asserting that the enforcement of martial law in parts of Beijing, a power granted to the State Council by the Constitution, is "at present a rude trample on the Constitution by a minority," and, therefore, "urgently suggesting the immediate convening of an NPC emergency meeting to solve the present serious problem facing China." Following this, Yan issued an article in Hong Kong, proposing that "every member of the Standing Committee of the NPC, every deputy to the NPC, cast a sacred vote to rescind the martial law order and to recall Premier Li Peng." To collaborate with Yan, the Stone Company's Social Development Research Institute under the direction of Wan Runnan, took immediate action to collect the signatures of members of the Standing Committee of the NPC. On the day after martial law went into effect, Wan Runnan consulted with the head of the institute, Cao Siyuan, and briefed him on what action to take. Then, Cao dictated a short letter to propose the immediate opening of

an emergency meeting of the NPC Standing Committee and sent it to the home of Hu Jiwei, a member of the committee. Hu made some slight modifications in the letter and signed his name to it. After this the staff of the institute began to visit the homes of the committee members, some inquired by telephone. Since some members of the committee had doubts and hesitations about the signature collection by the institute, Hu Jiwei added "Signature collection is entrusted by me to the institute to carry out" on the letter. Because there were not enough signatures, Cao Siyuan listed those who had expressed a demand to hold an NPC Standing Committee meeting before the announcement of martial law but who had not signed their names to the circular letter. And he phoned the agency of the Hong Kong *Wen Wei Po* in Beijing to discuss publication of the letter. After the news "57 members of the Standing Committee of the NPC submitted a written statement to demand an emergency meeting" was published in *Wen Wei Po*, some members refuted the rumours and protested the action. Within the Stone Company everybody talked about the incident and many workers and staff members showed doubt and dissatisfaction. At this, Wan Runnan held an emergency meeting of the whole staff of Stone and expressed his support for the institute, saying, "It's true the institute does belong to the Stone Company." Referring to the protests by some NPC Standing Committee members, he said: This takes, hot blood, second a sober mind, and third, hard bone."

Advocating Private Ownership

As an entrepreneur Wan had said earlier that he set up the

Stone Company for participation in politics rather than out of devotion to science, technology and economic activities. On May 30 last year when the student demonstrations had reached a climax, Wan told the Hong Kong Asian Television Station, "Political democracy needs a powerful economic base. Social stability needs a large number of middle class." How is the "middle class" to emerge? In Wan's view, the key issue is to solve the problem of property rights. They need to be clearly defined, he said. What he implied was to repudiate socialist public ownership and call up on capitalist private ownership to take over.

The question of ownership, Wan believes, "is no longer a problem in the field of economic reform, but a problem of political restructuring." At the same time, he felt that burgeoning economic forces will surely have their political representatives. In addition to acting as a political representative himself, Wan also organized a special group to discuss and propagate his political proposals. The group is the Stone Company Social Development Research Institute, headed by Cao Siyuan. Since its establishment, the institute has regarded the import of Western bourgeois parliamentary democracy and amendment to China's Constitution as important topics for study.

Although Wan Runnan did his utmost before and after the turmoil, his political proposals and line of action got nowhere in China as events proved. On July 19 last year, the board of directors of the Stone New Technological Industry Limited-Liability Co. of the Stone Group Company dismissed Wan Runnan from his post and expelled him from the company. The so-called Stone Company Wan Runnan set up abroad was declared illegal. ■

Theories Guiding China's Reform

BEIJING SHEHUI KEXUE
(Beijing Social Sciences)

China's economic reform is guided by several theories including socialism-building with distinctive Chinese characteristics.

This theory breaks the traditional concept that all socialist countries must imitate indiscriminately one country's economic model.

Another theory is that a socialist economy is a planned commodity economy based on public ownership. This breaks through the convention that a central government delegates or withdraws power to or from local authorities in the process of reform, and seizes the central link to enliven state-owned enterprises. Moreover, this theory provides the blueprint for economic reform and is the guiding principle of economic reform.

With the assistance of the theory that China's socialism is in its primary stage, China has found the right direction to take in its reform and modernization drive.

Yet another theory is the practice of separating enterprise management from government administration. This theory is not only a good prescription to cure once and for all overstuffed government organizations, their inefficiency and bureaucracy, but also an effective way to eliminate mistakes made in the old political system that hampered the stable development of the economy.

The scientific and technological revolution stresses the theory that the world is entering a new age of peace and development. China's economic development is facing a new opportunity and challenge. The modernization of China's national economy will be realized only by continuing the reform and open policy, attract-

ing more foreign investment, advanced technology and managerial expertise and positively developing the export-oriented economy on the basis of self-reliance.

(Issue No.1, 1990)

China's Economic Targets for 2000

XUANCHUAN SHOUCHE
(Propaganda Booklet)

By the year 2000, China's economic efficiency will be near the same level of developed countries in the 1980s, says the Economic Forecast Department of the State Information Centre.

Other economic development targets predicted by the department include a power generating capacity of 1,200 billion kwh, steel output reaching 80 million tons and an annual grain output of 500 billion kg. China's population is expected to climb to 1.255 billion.

The department also predicts that the rate of accumulations will remain at between 30 and 33 percent and the proportion of state revenue will account for 28 percent of the national income.

(Issue No.1, 1990)

A Secretary's Notes on Helping the Poor

JINGJI CANKAO
(Economic Reference)

In the notebook of Jia Fulin, secretary of the municipal Party committee in Mudanjiang City, Heilongjiang Province, there are notes on how to help the poor.

"Zhang Hongqin works in an automobile repair and spare parts factory. With an unemployed wife and a mother with a chronic illness, it is difficult for him to support his five-member family. Arrangements should be made to find work for his wife."

Another note reads:

"Mu Jinjian works in a grain store. He can't afford to take his two blind children to see a doctor. I will suggest to the civil administration organization to help him."

According to the residents of Mudanjiang City, if the name of a worker, who has run into financial difficulties, is written in Jia's notebook, the worker has a hope of assistance.

On December 26, 1986, Jia, who was deputy secretary of the municipal Party committee at the time, visited textile worker Yu Fengrong's home. Yu's family had run into extreme financial difficulties. Her husband had died young. Her mother-in-law was paralyzed, and she had three school-age children. Writing down Yu's name and her plight, Jia three days later brought officials from the relevant government department to Yu's home and gave her 200 yuan, a cart of coal and a coat. On the eve of Spring Festival, he sent her family some of his own rice, fish and meat. He also gave the children items for school and firecrackers for the festival. Later, with Jia's help, Yu's eldest son opened a hair salon after he graduated from middle school. Now the family's economic condition is becoming much better.

Since meeting Yu Fengrong, Jia has kept notes to help the poor. He has visited poor workers' families during festivals, noted their living conditions and difficulties and helped to resolve them. In the past three years, more than 30 households written about in his notebook have extricated themselves from poverty.

"We should not only visit poor families," he said. "We should help them one by one."

Jia's fine example of caring for the needy prompted the leadership at all levels in Mudanjiang City to realize they should make contact with poor families and

help them. Now, more than 70 percent of the city's poor workers live happier lives.

(April 2, 1990)

Continue Backing Specialized Household

SICHUAN JINGJI BAO
(Sichuan Economy in News)

Specialized household enterprises that have emerged in the process of rural reform have played an important role in leading farmers along the road of common prosperity by developing production, said Xie Shijie, the deputy governor of Sichuan Province.

"We will continue to allow farmers to become well-off through hard labour and by using scientific and technological methods, and continue to uphold the policy on specialized household development," Xie said.

"The co-existence of multiple economic systems is a long-term policy, with public ownership as its core," the deputy governor explained. "A single public ownership economy will not do because it doesn't conform to the reality of China."

To create a positive social environment for the healthy development of specialized households, he said, the following steps should be taken:

—Continue to carry out the policy and regulations on the development of specialized households. Those who engage in farm production are allowed to recontract their leased land to others and set up flexible mechanisms to cope with land management. Various taxes and tax rates should be levied strictly according to the state's regulations.

—Efforts should be made to help specialized households overcome difficulties that crop up in production and management. Problems include slow market information, an inadequate amount of updated technology

and inefficient ways of circulation.

—Protect the lawful rights and interests of specialized households by supporting them to develop production and manage business on a legal basis.

—No unit or individual is allowed to ask for money from household enterprises. It is against the law and policy of the state. As well, extortion and racketeering are not allowed under any circumstance. The legal rights and interests of specialized households also cannot be infringed upon.

In conclusion, the deputy governor said: "Banks, credit co-operatives, supply and marketing co-operatives and organs of the industrial and commercial administrations should continue to support the legal production and management of specialized households by providing funds and feasible conditions."

(February 27)

TV Programme Helps In Finding a Spouse

JIEFANG RIBAO
(Liberation Daily)

In December 1989, people from all walks of life became involved in a marriage service programme entitled "Let's Go Ahead Together," produced by the Shanghai TV Station. Unmarried young people, single adults, widows and widowers poured into the television station to register their names for a spouse or expected marriage proposal.

More than 1,000 registered. They were workers, teachers, doctors, engineers and government functionaries. Many of them, aware that television has a vast audience, thought it was the best way to find a partner.

"It is better to find a spouse through TV than a marriage bureau where you spend a lot of time doing paper work and get-

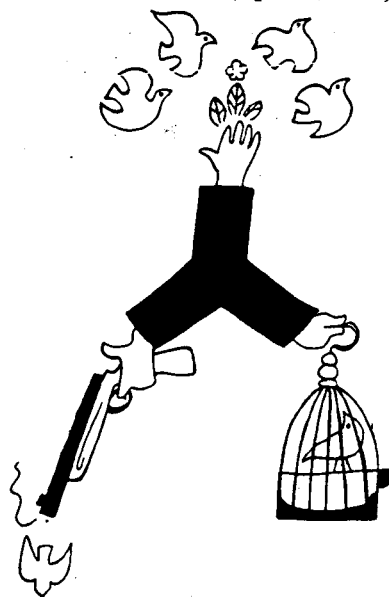
ting to know people," they said. "By putting certain information on television, however, hundreds of thousands instead of a few can get to know you. It is worthwhile paying the 50 yuan registration fee."

A woman textile worker once published an ad for a spouse many times, but failed because society looked down on textile mill workers. "My image on TV is true and three-dimensional and I'm sure to succeed," she said confidently.

For different reasons, some people who advertised for spouses on the TV programme concealed their bad points, while they consciously or unconsciously exaggerated their good points. When the programme director became aware of this, he corrected them immediately. The director also gave tips to those who neglected to show their true character, attractiveness or inner virtues.

Finding a partner through TV has combined the use of the modern media with the lives of the common people, making the new service programme essential in serving the people.

(April 3, 1990)



Man the master in the bird world.

WANG JU

Rules Set Up for Land Management

On May 19, the State Council promulgated the Interim Measures for the Development and Management of Stretches of Land. These measures will be carried out in special economic zones, coastal open cities and coastal economic open areas in order to attract foreign investment in the development and management of stretches of land. This would serve to expedite the construction of public facilities, improve the investment environment, introduce foreign investment to enterprises with advanced technology and export-oriented enterprises, and develop an outward economy.

The measures stipulate that when foreign businessmen invest in the development and management of stretches of land, they should establish Chinese-foreign joint ventures, Chinese-foreign cooperative ventures or foreign-owned ventures (abstracted as "development ventures") in accordance with China's relevant economic laws regarding foreign investment. These ventures, controlled and protected by China's laws, have decision-making power but not administrative rights within the respective development areas. The relations between the development ventures and other enterprises are commercial.

The measures specify that the land development ventures should draw up a programme or make feasibility studies, clearly describing the general aim and target for each stage, the concrete items and requirements of the devel-

opment programme as well as of the land utilization programme. For approval of the development programme and feasibility study, foreign businessmen should apply to the government at provincial or autonomous regional level or municipalities directly under the central government.

All projects in the development areas must conform to the state environmental protection laws, administrative laws and regulations and standards. In urban areas, they must comply with the requirements of urban construction programme.

The land-use rights can be transferred only when the development venture has implemented its development programme, and fulfilled the conditions laid down in the land-use rights transfer contract. The transfer, mortgaging or termination of land-use rights, must be carried out in accordance with the state land management law and administrative laws and regulations.

The development ventures can freely bring in foreign investment, receive or transfer the land-use rights, and establish enterprises. Enterprises set up in the development areas should conform with the requirements of the state investment policy which accords preferential treatment to encourage enterprises with advanced technology and enterprises specializing in export.

The post and telecommunications services in the development area are constructed and managed under the unified programme of the Ministry of Post and Telecommuni-

cations. On the other hand, the development ventures can undertake such projects with the approval of the relevant departments, or as a joint venture with the post and telecommunications departments. The completed facilities should be shifted to management by post and telecommunications departments, while certain economic compensation will be paid to the development venture concerned according to the contract.

As for those sites installed with public production facilities constructed by the development ventures themselves, such as electric power stations, thermal-power plants and water works, the ventures can manage their own supply services for electricity, water and heating, or present these facilities to the local public works and service enterprises.

When land is developed for sea or river port construction, the shoreline must be determined by the state. The development ventures can construct and manage specialized ports and harbours according to the unified programme of the state transport administrative departments.

For those areas developed mainly for export processing, when special measures in regard to imports and exports and customs management are needed, the development ventures must apply to the State Council for approval.

The above measures also apply to companies, enterprises and other economic organizations or individuals from Hong Kong, Macao and Taiwan who invest in land development. ■

International Payments Improved

At the end of last May, the State Administration of Exchange Control reported on China's international payments in 1989: an unfavorable trade balance of US\$5.62 billion; a net income of US\$920 million from labour export; US\$380 million in foreign donations; and a total deficit of US\$4.32 billion.

The inflow of long-term capital was US\$5.24 billion, a drop of US\$1.81 billion from 1988. Of this sum, a direct investment of US\$3.39 billion was contributed to China by businessmen of Hong Kong, Macao and foreign countries, an increase of US\$200 million over 1988. And the outflow of short-term capital accounted for US\$1.52 billion, a decrease of US\$1.6 billion from 1988. The inflow of capital decreased by US\$3.41 billion from 1988.

Features of China's international payments in 1989 include:

Exports Continue to Increase. The export value in 1989 registered US\$43.22 billion, an increase of 7.7 percent after allowing for non-comparable factors. China's exports improved with control of inflation. Both purchases and goods in stock for export did well; for example, the quantity of export commodities increased. In addition, exports of industrial products increased rapidly and of silk, garments, machinery and equipment, mechanical products also saw a big increase.

Scale of Imports Brought Under Control. According to

statistics of the International Monetary Fund, China imported US\$48.84 billion worth in 1989, an increase of 6.8 percent over 1988 after allowing for non-comparable factors. Of this, imports for the first half of last year increased by 28 percent over the same period of 1988. However, imports of the second half dropped to 7.4 percent from the same period of 1988 because the scale of national capital construction had been brought under control. With decreased demand, the import of machinery, electrical products and daily necessities showed a slight drop. At the same time, the mix of import improved.

Income From Tourism Dropped. In 1989 China's earnings from tourism amounted to US\$1.86 billion in foreign exchange, a decrease of US\$390 million from 1988.

Direct Investment of Foreign Businessmen Increased Rapidly. China has made great progress in the development of an export-oriented economy. For example, in 1988 direct foreign investment accounted for 15.8 percent of the total used foreign funds, while in 1989 it was up to 18.4 percent.

At the end of 1989, China's foreign exchange reserves totalled US\$17.02 billion, a decrease of US\$530 million from 1988.

In short, international payments in 1989 balanced well. It is commonly acknowledged that increasing exports and non-trade income and regulating the mix of imports are still important factors for China to consider to ensure normal development of its international balance of payments. ■

China Trains African Technicians

The opening ceremony of the agrotechnicians training class specially for African countries was held in May 10 at the Wuhan Central China Agricultural University. It was attended by 26 personnel from 16 African countries, including Mauritius, Zaire, the Congo, Guinea and others.

This three-month agrotechnicians training class, according to characteristics of agricultural development in African countries, has set up a course in rice planting technology, agricultural tools maintenance, irrigation and some auxiliary courses on food grains other than wheat and rice. Dozens of Chinese professors, associated professors and lecturers will instruct these students during practical operation, visits and lectures on theory.

In June 1987, the ministerial-level conference of the World Food Council held in Beijing decided to establish a short-term agrotechnical class in China to train agrotechnicians for recipient countries which have met difficulties in agricultural production and technology. Supported by the United Nations Development Programme, China trained 25 agrotechnicians for Somalia, Sierra Leone, Tanzania and two other African countries in the first half of 1989, with good results.

China will continue to do so for some other African countries in the second half of this year.

To assist developing countries with their agricultural production is an important

part of China's foreign aid programme. For more than thirty years, China has offered most African countries aid in land reclamation, farm construction, grain planting technology, improved grain strains, fertilizers, farm machinery and tools and processing equipment for agricultural products. All these measures have played an active role in the development of the national economies and agricultural production of the recipient countries.

by Yang Shuzheng

'China Town' to Be Built in London

The Tianjin Docklands Co. Ltd., the London Docklands Development Corporation, Olympia & York UK Ltd. and Imperial Land Group signed an agreement in May 28 to establish "China Town" in London.

"China Town"—China Economic and Trade Center (London)—will consist of a group of Chinese-style buildings in London's Docklands (the world's largest urban reconstruction item) with a total floor space of 1.6 million square feet and covering 14 acres. The investment totals 400 million pounds sterling. There will be an exhibition center, an information center, a recreation center, a health center, hotels, office buildings, various shops, and a Chinese-style garden, temple and pagoda. Beginning in 1992, all these buildings will be gradually completed, and the first phase of the construction will end in 1993.

"China Town," China's first big investment project in Bri-

tain, aims to establish a modern base for China and Tianjin in the central area of West European finance and commerce, to serve as a window in Britain for observing what goes on as well as for promoting China's economic and trade activities and co-operation with the West European countries. After its founding, some relevant organizations and enterprises from China, Britain and the West European countries will conduct economic, financial, trading, technological and information exchange activities there; at the same time, "China Town" will provide a good base for training personnel. ■

1991 Fishing Tackle Show

Sponsored by the China National Angling Association and the China International Advertisements Co., the International Exhibition of Fishing Tackle and its Manufacturing Equipment will be held in Beijing September 5-10, 1991.

Representatives from the United States, Japan, South Korea, Northern Europe, Taiwan, Hong Kong and Macao as well from domestic factories will be invited to participate. The plans include technological symposiums, trade talks and an international angling match.

Up to now, China has boasted several hundred of producers of fishing tackle. In 1989, its production in China reached 300 million yuan in value. More than 40 kinds of tackle were exported to more than 40 countries and regions. China is expected to become a

big fishing tackle producer in the 1990s.

by Lou Linwei

News in Brief

● A six-day International Exhibition for Post and Telecommunications Equipment and Technology was held at the Beijing Exhibition Centre on June 5.

More than 70 companies from 14 countries and regions including Australia, Canada, Denmark, the Federal Republic of Germany, France, Italy, Japan, Poland, Sweden, Switzerland, Britain, the United States and China as well as Hong Kong exhibited their products. Among them were satellite communications, mobile telephone networks, transmission, programme-controlled telephone exchange, optical telecommunications, terminal equipments, instruments and meters for telecommunications measurement. The exhibition covered a floor space of 2,200 square metres. During the six days, more than 30 technological symposiums were held, and sales of transactions were organized for the exhibits. The exhibition was sponsored by the China National Postal and Telecommunications Appliances Corp. and the Ta Kung Pao-Modern China Ltd.

● According to statistics released by the People's Bank of China, by the end of last March, China's foreign exchange reserves had totalled US\$21.35 billion, an increase of US\$4.33 billion over the beginning of this year. Gold reserves amounted to 12.67 million ounces. ■

Hong Kong-Beijing Coach Tour

The Hong Kong-Beijing Luxury Coach Tours, organized by the China International Sports Travel Co. and the China Huafeng Development Co. Ltd. of Hong Kong has started to do business recently and completed its first round tour in May.

The whole tour took 22 days, covering over 4,000 km. It started from Hong Kong and reached Beijing after passing through 16 cities including Shenzhen, Guangzhou, Guilin, Wuhan, the Three Gorges, Xian, Luoyang, Zhengzhou and Shijiazhuang.

Wang Fuzhou, the general manager of the China International Sports Travel Co. said that the tour was flexibly planned with a wide choice of visits which tourists found very attractive. At present, in addition to the Hong Kong-Beijing Coach Tour, the company is organizing the Silk Road Coach Tour and plans to start

up other new routes to famous places in the future.

by Han Baocheng

1990 London-Beijing Motor Challenge

The 1990 London-Beijing Motor Challenge sponsored jointly by the British Voyages Jules Verne Travel Promotions Ltd. and the China International Sports Travel Co. started out from London's Hyde Park on April 7. Sixty early model cars and motorcycles manufactured in various decades participated in the motor trek across the Eurasian land mass.

The drivers were from the United States, England, Federal Germany, Belgium, France, Holland, Australia, Switzerland, Chile, New Zealand, Uruguay and other countries.

After leaving London, the contestants drove across France, Austria, Bulgaria, Turkey and the Soviet Union before entering China at Korqas in the Xinjiang Uygur Autonomous Region on May 10. They then traversed along the ancient Silk

Road to Xian via Turpan, Dunhuang, Lanzhou, and then arrived in Beijing on May 29 via Zhengzhou and Shijiazhuang. The challenge lasted 52 days, and covered a distance of 15,700 km.

On reaching its destination, Beijing, a welcoming ceremony was held at the Capital Hotel in honour of the motor convoy.

On June 2, 19 of the cars (from the United Kingdom, the United States, Federal Germany, etc.) set out on a 16-day drive south to the border town of Shenzhen, traversing through Hebei, Henan, Hubei, Hunan and Guangdong provinces. They left China from Shenzhen on June 17.

This motor expedition, besides being an exciting motor tour, has certain social responsibilities. Many of the drivers helped raise funds for children's charities and various other welfare endeavours.

The China International Sports Travel Co. has contributed a Minor car to the motor expedition in order to publicize the Conservation of the World's Forests.

by Li Ping

New Taiwan Hotel

A hotel named after Taiwan is now open in Beijing on a trial basis.

It is a medium-high-class China-Hong Kong joint venture managed by the Harvest International Hotel Ltd. of Hong Kong.

The Taiwan Hotel, built in a rich palatial style, is up-to-date in construction and Taiwanese in atmosphere. It is located at the north end of Wangfujing Street, Beijing's busiest downtown dis-

trict, only a few hundred metres from the Palace Museum, Tiananmen Square and the China Art Gallery.

The hotel has 300 cosy, elegantly decorated rooms of different standards. The facilities include a commercial service centre, gymnasium, beauty parlour, sauna, health massage and safe-deposit service for tourists, as well as a special room for holding Kara-oke, one of Beijing's best. One of its restaurants serves a rich variety of Taiwan delicacies.

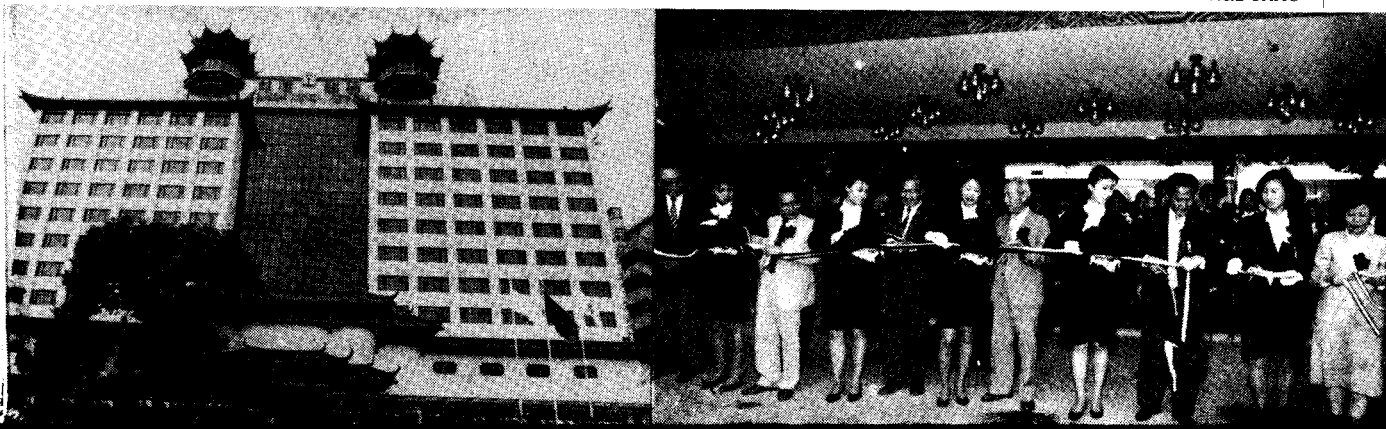
Not long after its completion, the Taiwan Hotel attracted many compatriots from Taiwan, Hong Kong and Macao, and people from other countries. The famous Taiwan singer Su Rui and other well-known personages were among the guests.

As more and more people on both sides of the Taiwan Straits exchange visits and contacts, the hotel has also started up a service to help Taiwan compatriots contact their relatives and friends on the mainland.

by Li Rongxia

Ceremony for opening on a trial basis of Taiwan Hotel.

XUE CHAO



Arts Festival To Enliven 11th Asian Games

The phoenix, the mythical bird that appears in ancient Chinese legends, has been adopted as the emblem of the 11th Asian Games Arts Festival.

"The phoenix has always been considered as a bird of music," said Zhang Huafu, designer of the emblem. "Here it symbolizes the Asian arts. Its seven colours represent the rich contents and gaiety of the festival."

The arts festival, held in accordance with the Charter of the Olympic Council of Asia, is scheduled to take place between September 1 and October 7. It will include art exhibitions, performances and sightseeing tours. "This arts festival will be of a high level and with strong national characteristics," said Zhang Caizhen, vice chairman of the Games Organizing Committee.

There will be about 50 exhibitions, of which seven will be related to sports—the China Sports Exhibition, the Second China Sports Arts Exhibition, the Asian Sports Photo Exhibition, the China Sports Photographic Art Exhibition, the Asian Children's Painting Exhibition, the International Sports Stamp Exhibition and the International Sports Instruments and Equipment Exhibition.

The Second China Sports Arts

Exhibition and the International Sports Stamp Exhibition were initiated by Juan Antonio Samaranch, chairman of the International Olympic Committee. The IOC will provide prizes and cups for the China Sports Arts Exhibition and Samaranch has lent 40 stamps from his own collection for the International Sports Stamp Exhibition.

There will also be dozens of other exhibitions covering a wide range of ancient and modern art, folk customs and handicrafts, photography, coins, the life of Confucius and so on.

All of these exhibitions will be of a high standard. For instance, the Modern Chinese Sculpture Exhibition will cover 1,200 square metres and is the largest such exhibition ever held. Many of the exhibits have already won prizes and awards in national and international exhibitions. One work titled *Farm Cattle*, a bronze statue by Professor Pan He of the Guangzhou Academy of Fine Arts, won a gold medal at the Sixth National Arts Exhibition. A large bronze replica of it has been erected in Shenzhen.

During the arts festival, Chinese and foreign performing artists will present 60 different programmes and give more than 150 performances in fields including music, dance, drama, Chinese opera, acrobatics and cross-talking.

The Song and Dance Troupe of Hubei Province will present *Chime Music and Dances*. In 1978, 120 ancient Chinese musical instruments were unearthed from a 2,400-year-old tomb in Hubei Province. Among them was a rare set of 64 bronze chimes. The exquisitely crafted chimes, which have a wide musical range, are believed to be the earliest Chinese musical instru-

ment to have a complete 12-tone system.

Archaeologists and artists joined hands to reproduce the instrument and choreograph *Chime Music and Dances*. The Song and Dance Troupe of Hubei Province began to perform the piece in August 1983, immediately winning a positive response from their audiences. The group was praised during a tour of the United States last year.

The Beijing Dance Academy will stage a performance of classic and folk dances choreographed by its students and teachers. A group dance titled *The Huanghe (Yellow) River* is based on a piano concerto of the same title. Its robust action and rich content demonstrate the national character of the Chinese nation. A solo dance titled *Flying Apsaras* will be performed by Li Zhongmei, who performs while carrying a 23-metre silk ribbon.

The Beijing People's Art Theatre will present its four most popular productions, *The Tea-house*, *Thunderstorm*, *Beijingers* and *The Top Restaurant*. The Central Ballet Company will present *Romeo and Juliet*. The China Opera House will present the historical opera *Princess Wencheng*. The China Children's Art Theatre will present *Malanhua*. The Central Philharmonic Society, Central Musical Ensemble of Nationalities and the Beijing Song and Dance Troupe will also give performances.

The Folk Song and Dance Troupe of Saudi Arabia has been invited to perform in Beijing. The troupe was praised for its outstanding performances at the arts festivals of the 10th Asian Games and 24th Olympic Games, both held in Seoul. The troupe has also performed in Australia, Mexico, the United States,





Emblem of the 11th Asiad Arts Festival.

France, Britain, Iraq, Egypt and other Arab countries.

It is expected that a dozen or so countries and regions, including Japan and India, will send art troupes to Beijing.

During the festival, all of Beijing's major parks will be open for guests and friends to meet and enjoy performances. Beihai Park will be the site of a grand lantern festival; there will be a flower show at Longtanhu Park and an earth-worshipping show at Temple of the Earth Park, including gymnastics by four giant pandas from the Fujian Province Zoo. At Yuanmingyuan, the old summer palace, there will be a lantern and fountain festival in which the 39 groups of lanterns and fountains will represent the 39 members of the Olympic Council of Asia.

by Feng Jing



Spectacular New Artwork Displayed

Works of the "new scholastic painting" were on display during the recent 1990 Spring Exhibition of Paintings in Beijing, one of the most spectacular art shows in China this year.

Ten young painters, all aged about 30, were featured in the exhibition. Among them was Maria Tupay-Duque, an Austrian who studied traditional Chinese painting at the Central Academy of Fine Arts.

"Scholastic painting" originated in the 10th century during the

Northern Song Dynasty (960-1127). It differed from the traditional Chinese ink and wash style in that it paid less attention to specific images in favour of revealing the painter's morality, learning and sentiments, at times even deliberately pursuing a seemingly childish and foolish form of expression.

More attention was paid to the decorative quality of short annotations and seals on the painting, some even regarding them as indispensable parts of the work. "Scholastic painting" was some-



by Yu Qiping.



by Tang Guo.

times referred to as "cultivated painting."

According to some critics, the Beijing exhibition reflected modern painters' reconsideration of traditional Chinese culture. Many of them had tried to transplant modern idioms into Chinese art before turning to "scholastic painting."

Tang Guo from Nanjing, capital of Jiangsu Province, is one the 10 painters. "In the past I thought the painting style I pursued was 'avant-garde,' but recently, I began to come back to traditional Chinese culture," he said. "This is a significant turn. As a Chinese, one should stand on his own soil. Our 'new scholastic painting' adds lots of modern concepts to the old, comparatively monotonous scholas-

tic painting and represents a new trend."

Tang's works reflect the obvious influence of Chinese folk painting and ancient Chinese poetry, while his use of modern symbols adds a sense of mystery. Although every painting displayed was simple and sometimes poetry occupied most of the space, one could feel old mysteries from southern cities being reborn in a new context.

Yu Qiping is a painter engaged in a variety of explorations who, it seems, has not determined which style suits him best. His works included classical mountains-and-water landscapes and flower-and-bird sketches as well as modern urban scenes. Both showed originality but indicated a contradictory psyche.

Beijing painter Bian Pingshan is adept at capturing simple, unsophisticated northern Chinese scenes with a few strokes. Under a blossoming peach tree a young donkey feeds leisurely; tadpoles cavort in a brook. Yu has an affinity for the colours yellow, black and white. With them, he succeeded in his series of tranquil, idyllic scenes.

Women are the theme of Jiang Guoliang's works. Most of Jiang's females were expressionless nudes standing among flowers or trees. The shape of their bodies did not correspond to anatomical reality and the deliberately clumsy images impressed viewers as unhealthy and unnatural.

Duque's works represented an attempt to integrate Western abstract painting with the traditional Chinese style.

It is commonly thought that the "new scholastic painting" contains obvious traces of the original "scholastic painting." But these artists must explore this approach further if they are to develop a new style loyal both to tradition and modern taste.

by Wei Liming



by Maria Tupay-Duque.



Waterfall (watercolour).

ART PAGE



Flat Peach (Chinese painting).



A Bunch of Grapes (Chinese painting).

Paintings by Song Buyun

Song Buyun, born in Weifang City, Shandong Province in 1910, is a professor at the Central Academy of Fine Arts. Specially skilled at watercolour, oil and traditional Chinese painting, he has developed his own art style by combining Chinese and Western methods.

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