

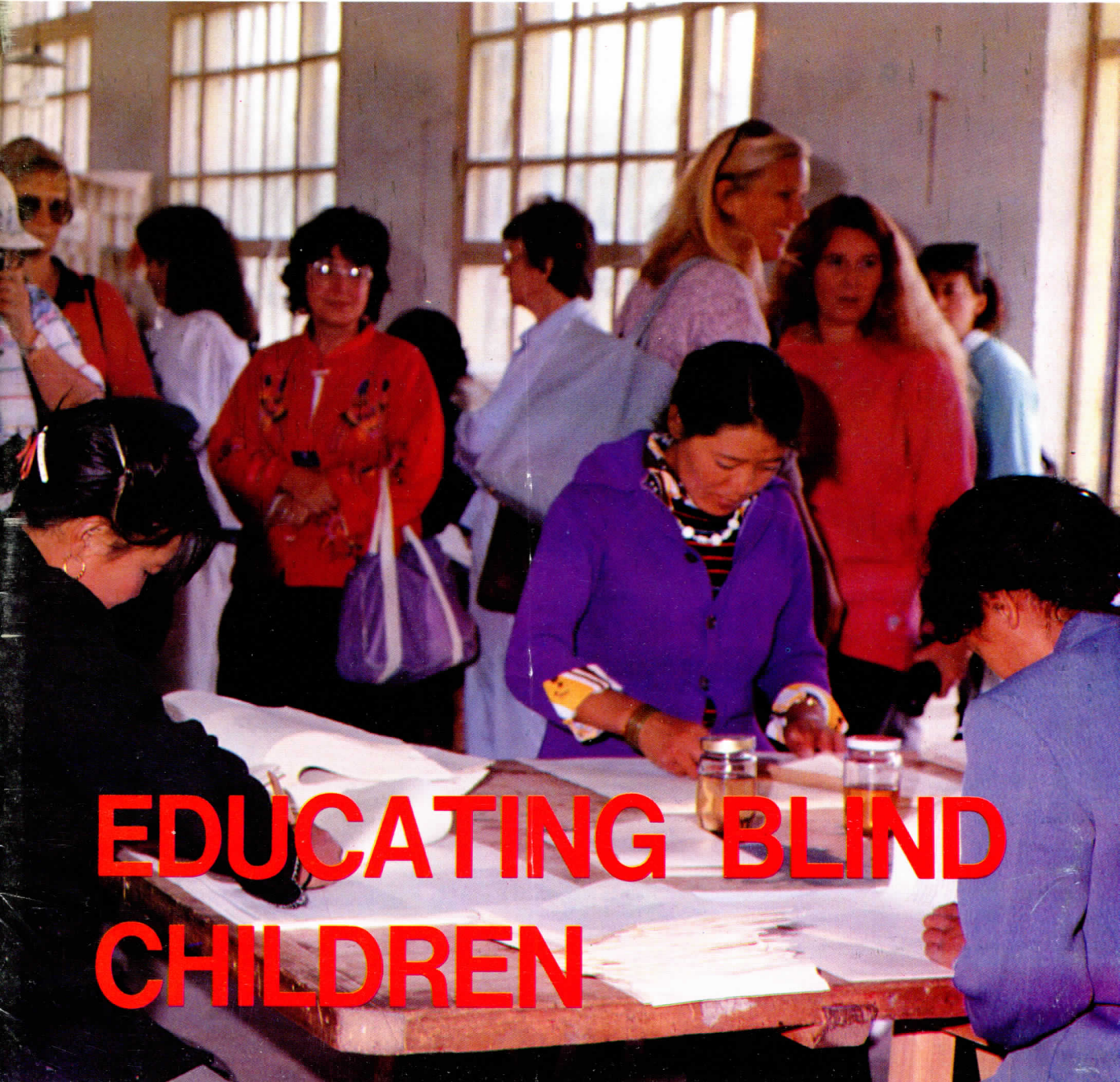
A CHINESE WEEKLY OF NEWS AND VIEWS

Beijing Review

北京周报

Vol. 33, No. 51 December 17-23, 1990

New Structure of DNA Discovered



EDUCATING BLIND CHILDREN



Coal miner cap lamps twinkle like stars.

Photo by Li Yingjun



Foreign Banks Expand Business in China

□ China's reform and open policy have provided a good opportunity for foreign banks to enter the Chinese market. Many foreign banks have established branches in China and their operations have been satisfactory (p. 8).

New Structure of DNA Discovered

□ A laboratory of the Research Institute of Chemistry of the Chinese Academy of Science recently discovered a new DNA structure.

Senior researcher Bai Chunli, director of the laboratory, said this was the world's first direct discovery of the three-ply plait-like new structure using a scanning tunnel microscope (p. 5).

Premier Li Specifies Policy on Religious Affairs

□ Speaking at a recent national working conference on religious affairs, Premier Li Peng stressed the importance of correctly implementing the Party's policy protecting the freedom of religious belief.

He said properly handling religious affairs is of great importance to strengthening stability and national unity in China. (p. 5).

Light for the Blind

□ Since the programme of enabling blind children to study at the same schools as those with normal eyesight was introduced on a trial basis to 30 counties three years ago, over 75 percent of the blind children there have entered school, a big jump over the country's average of 3 percent up to 1987 (p. 14).

Agriculture Stressed for 1991

□ The Party Central Committee and the State Council jointly issued a circular recently, calling on local governments at all levels to make more efforts for further growth of agriculture in the next year (p. 4).

CONTENTS

EVENTS/TRENDS 4-7

- Li Peng Starts Four-Nation Tour
- Agriculture Stressed for 1991
- New Structure of DNA Discovered
- Religious Freedom Stressed Again
- Market Role for Materials Ministry
- What's to Be Done With Extra Money?
- New Fashion in Store for Beijing News in Brief

CHINA

- Foreign Banks Seek Development in China 8
- Welfare Business for the Disabled 11
- Light for the Blind 14
- STVF '90 Presents a Rainbow of Cultures 17
- Workers' Engravings 18
- Facts and Figures: Geographical Distribution, Density and Natural Growth Rate of China's Population 21

Pictorial Centrefold

INTERNATIONAL

- Future Complications in US-Latin American Ties 24
- New Developments in the Gulf Situation 28

BUSINESS/TRADE 29-31

CULTURE/SCIENCE 32-33

FROM THE CHINESE PRESS 34

COVER: Now in Lhasa, many handicapped Tibetans have found jobs with the help of the people's government. Their livelihood and health care are guaranteed. Here an investigation group from the United States visits a printing house employing handicapped persons. The group observes deaf-mute workers binding Tibetan books.

photo by Chen Zonglie

General Editorial Office
Tel: 8314318
TLX: 222374 FLPDA CN
FAX: 8314318
English Dept. Tel: 8315599 Ext. 546

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

Subscription rates (1 year):
Australia.....A.\$30.50
New Zealand.....NZ.\$40.50
UK.....16.50
USA.....US\$30.50
Canada.....Can.\$30.50

Li Peng Starts Four-Nation Tour

Premier Li Peng arrived in Kuala Lumpur on December 10 to begin his four-day official visit to Malaysia, the first by a Chinese head of government in almost a decade.

Malaysia is the first leg of the Chinese premier's 10-day tour, which will also take him to the Philippines, Laos and Sri Lanka.

Speaking at a banquet in honour of his Chinese guests, Malaysian Prime Minister Mahathir Mohamad said that Li came at a propitious moment in the relationship between the two countries.

Li's visit "testifies to the importance China attaches to maintaining good relations with Southeast Asian countries, the Prime Minister said, adding that there is no doubt that the Association of Southeast Asian Nations (Asean) recognizes the role which China plays in the stability and prosperity of the region.

In reply, Premier Li noted that the international situation is "undergoing profound changes." But power politics still exists and destabilizing factors are on the increase. The dangerous situation in the Gulf, for example, has commanded grave concern of people throughout the world.

On the Cambodian issue, he said, new obstacles and difficulties have kept cropping up in the way of a final settlement.

He said China is ready to make unremitting efforts, along with Asean and other countries concerned for an early, comprehensive, fair and lasting settlement of the question on the basis of the UN Security Council Resolution 668 within the framework of the Paris Conference.

The Chinese Premier said Sino-Malaysian relations have

"leaped to a new high" since the two nations forged diplomatic ties in 1974, with a marked increase of various exchanges and prominent achievements in economic co-operation and trade.

Party Session on Schedule. Before Premier Li Peng left Beijing for his visit, he announced that the Seventh Plenary Session of the 13th Central Committee of the Communist Party of China (CPC) will be held in late December as scheduled.

Li told reporters at the airport that the forthcoming Party session will work out the Eighth Five-Year Plan and a 10-year programme for the country's economic development. And this is "the sole item on the agenda," he stressed.

He believed the time for convening the session is completely mature, saying, "I am sure we can achieve our expected results during the session."

In order to ensure success, the premier said, it took time for the Party to solicit opinions from people from all walks of life and make all necessary preparations. ■

Agriculture Stressed for 1991

The record grain harvest this year has brought a happy glow of success to China in overcoming its agricultural stagnation, but any further growth of agriculture in the years to come needs more painstaking efforts.

According to a circular jointly issued by the Party Central Committee and the State Council on agriculture and rural work for 1991, China will strive for comprehensive agricultural development by taking the country's huge population and limited agricultural resources into

full consideration.

The circular pointed out that a good agricultural harvest and steady rural economic growth in 1991, the first year of the Eighth Five-Year Plan (1991-95), will be of great significance to the development of the national economy as a whole.

Emphasis will be placed on transforming low-yielding farmland, and wasteland will be reclaimed and water resources tapped to grow crops and trees or raise domestic livestock and fish.

In addition, measures will be adopted to protect cultivated areas and agricultural resources. Localities are encouraged to increase investment so as to boost agricultural production, effect an overall agricultural development and ensure supplies of farm machinery and raw materials.

They are also encouraged to adopt scientific farming methods, train agrotechnicians, use improved seed strains, study and introduce advanced cultivation and breeding techniques, and increase management efficiency.

According to the circular, next year the rural household contract responsibility system will be consolidated and a healthy agricultural social service network established. Land contracts will continue to be honoured. In rural areas where agriculture develops on a large scale, adjustments will be made in the land contract system according to local conditions. No more farmland will be occupied for housing projects.

A healthy agricultural social services network will be developed. The circular called on governments at county and township levels to help local cooperative economic organizations expand their services to meet farmer needs.

They are also urged to establish special funds to assist poor

villages and help them diversify their economic undertakings.

The principle for a multi-ownership economy with the collective as the main body should be upheld, the circular said.

It also pointed out the legitimate interests of families engaged in production along specialized lines, industrial and commercial households, and rural private enterprises should be protected.

The circular called for unceasing efforts in water conservancy construction and land improvements, attributing this year's bumper harvests to water conservancy facility and land improvement efforts.

Localities are urged to tap local labour resources during the forthcoming slack seasons. ■

New Structure of DNA Discovered

The steel sculpture of a bispiral-shaped DNA structure erected in the centre of Zhongguancun Avenue in the northwestern suburb of Beijing is no longer a symbol of the latest achievements the world has made in biological scientific studies.

A new three-ply plait-like structure of DNA has been discovered recently by scientists with the Research Institute of Chemistry (RIC) of the Chinese Academy of Sciences. This is, some specialists say, a significant discovery in the study of nature.

The DNA, known as the basic material for life, stores, reproduces and carries its genetic messages and is regarded as a principal object of study when exploring the secrets of life. Last year, American scientists succeeded in directly observing the bispiral DNA through a scanning tunnel microscope, con-

firmed the existence of this type of DNA formally indirectly observed only by X-ray diffraction. And their discovery won the highest honours among the year's 100 scientific awards in the United States.

The laboratory which made the recent discovery is led by the 37-year-old senior researcher Bai Chunli. Previously, a similar DNA structure had been conjectured by foreign scientists on the basis of indirect study through alternative technology.

It is unimaginable to achieve a significant discovery in micro-observation of an organism without high technology and sophisticated instruments. Researchers in the institute used a scanning tunnel microscope in their work. This award-winning precision instrument of atom-resolving power was designed and manufactured by the RIC, along with others, in 1987.

Zhou Guangzhao, president of the Chinese Academy of Sciences, and Hu Qiheng and Wang Fusong, vice-presidents of the academy, believe that this discovery not only has shown broad prospects for the applications of this microscope, but also marked a breakthrough in the study of the structure of DNA by finding a new approach in the scientific research of biological messages and the origin of life. ■

Religious Freedom Stressed Again

The importance of protecting the freedom of religious belief was underscored once again by a top Chinese leader.

At a national conference on religious affairs which opened on December 5 in Beijing, Premier Li Peng said proper handling of religious affairs is signi-

ficant to stability, unity, national reunification, and the fulfillment of goals set forth in the 1990's socio-economic development programme in addition to safeguarding world peace.

Li said various religious organizations in China have links with their worldwide counterparts. Exchanges based on friendship and equality between these Chinese and overseas organizations can promote understanding between the Chinese and other peoples of the world.

He also said that the government will continue to support religious circles to independently manage their own affairs, including expanding contacts with overseas friends. But they should also guard against interference in China's internal affairs through religious activities by overseas hostile forces, he said.

Li said people in China with or without religious affiliations should respect each other. He added: "We will carry out the Party's policy on religious affairs while simultaneously stressing the consistency of the policy. Any infringements on or violations of the right of freedom and interest of religious organizations should be firmly checked.

Since the Party corrected its mistakes in the guiding principles for religious affairs in 1987, the past decade has seen remarkable achievements in ensuring freedom of religious belief. A number of people in the religious circles who had been wronged have been rehabilitated. And about 2,000 national and regional affiliations and organizations have been restored or established. Currently, about 40,000 temples, monasteries, mosques and churches across the country are open to public.

China is a nation with multiple religious beliefs. Buddhism has prevailed for more than

2,000 years and Taoism has a history of more than 1,700 years. Islam has been popular for about 1,300 years. Catholicism and Christianity were introduced into China only after the Opium War of 1840, and the practitioners of these two religions in China now total less than eight million.

In recent years, about 10,000 people from religious circles across the country have been elected as deputies to the national and local People's Congresses and the Chinese People's Political Consultative Conferences and will actively take part in state and government affairs. ■

Market Role for Materials Ministry

Beginning next year, the Ministry of Materials and Equipment will change from the "official distributor" into a "market broker" of supplies to state-owned industrial enterprises.

Facing an expanding open market and a shrinking role as the official agency in the country's supply of industrial materials, "we have to join the market as a competitive broker so we can continue our role," said a ministry official.

He hopes this move will enable the ministry to fulfill its duty of supplying the country's key construction projects and distributing materials according to state plans and policies.

In China, the central government had, until some 10 years ago, put the distribution of all major industrial materials such as crude oil, coal, steel, timber and cement under state control, and allowed state agencies to buy materials from producers or to sell to users.

But due to the introduction of the market-oriented reform in the early 1980s, the quantity and variety of such materials under state control have been declining.

Lured by the "double-track system," which allows a free market price and a fixed official price to coexist, more and more producers have shifted the majority of their sales to market brokers rather than to government purchasing agencies. Many state-run, collective and private dealers have profited by serving as brokers between producers and buyers on the industrial market.

In 1990, only 72 types of materials and equipment remain under state control, 200 fewer than in 1988. The state now distributes only 49.2 percent of steel, 42.7 percent of coal, 22.9 percent of timber and 12.6 percent of cement produced domestically. In the coastal areas the materials under state control accounted for only 10 percent of those on the free market.

The 1.05 million employees working in the 40,000 state-owned distributing agencies are asked to turn their agencies into "competitive dealers" in a bid to maintain their share of the industrial materials market.

The economic retrenchment beginning in late 1988 cut the number of materials dealers on the market by one-third to one-half, comprised of private and collective profiteers, and assisted state agencies to edge into the market as brokers.

Economic analysts said the current narrowing of the gap between state-set prices and market prices provided the right opportunity to formulate a single price system in which some prices will be set according to market situation and others—oil, electricity and rail transport—by the government.

The ministry's efforts during the past few years have accelerated China's reform of materials distribution and nurtured a market-oriented materials supply system. ■

What's to Be Done With Extra Money?

A general impression of the hard-working Chinese peasants is that if they have money to spare, they either tuck it under their pillows or cautiously deposit it into banks. Today they are quitting old habits and learning new ways to make and invest their money. That is precisely what has happened in a north Chinese township.

Zhang Chaoping, a 38-year-old peasant of Xiangtang township on the outskirts of Haicheng, Liaoning Province, earned a good income as a private wholesale dealer. This year, together with his friend Liu Zhengliang, he invested 650,000 yuan (US\$140,000) in the construction of the Haicheng Xinxing Fabric Dyeing Mill. The mill opened in August of this year and production value has already surpassed 200,000 yuan. Zhang, now director of the mill with 80 on its payroll, said "I am trying to profit from the investment while benefitting my fellow-villagers by operating the mill."

Wang Jiakui, another peasant of the same township, established a workshop building safes six years ago. His business has been so successful that in 1987 he invested 100,000 yuan and converted his workshop into a collectively-run safe building factory, which currently has 470,000 yuan worth of fixed assets and produces 3,000 safes annually. As director of the facto-

ry, Wang proudly states he no longer makes money just for himself. Xiangtang township boasts 15 other entrepreneurs like Zhang and Wang.

Fu Kecheng, secretary of the Haicheng City Party Committee, reports that since the rural economic reform began in China in 1979, many peasants have become better off, with per-capita annual incomes close to 1,000 yuan.

Statistics show that currently more than 1,000 billion yuan are left idle in the hands of urban and rural dwellers. What the peasants have done in Xiangtang township has shown the way for fellow countrymen. By investing their savings in industrial pursuits, those who have got rich first not only make profits for themselves—they are doing society a favour: creating job opportunities for others. ■

New Fashion in Store for Beijing

The numerous dazzling fashion shows given by cat-trotting models from other cities and provinces this year have not only brought a variety of new fashions to Beijing residents—they also pose new challenges to the local garment industry.

According to the Beijing Apparel Company, the influx of garments from other parts of China, including such remote areas as Yunnan Province and the Inner Mongolia Autonomous Region, have rocked the local industry.

To win customers, many manufacturers in Beijing are turning out new designs made of fashionable high-quality cloth, flax, wool and silk.

The Yinmeng (Silver Dream) Fashion Shop in east downtown

Beijing has recently unveiled over 40 autumn designs, and a small processing run of garments by Wacoal, a Sino-Japanese joint venture, has become the delight for women in Beijing.

Xu Bobo, a designer at the Beijing Garment Research Institute, said people of different age groups have different requirements as far as design, style and price are concerned.

Experts agree that the vast majority of Beijingers have cast aside their traditional penchant for clothes that stand wear and tear. Compared with those living in other cities such as Shanghai and Dalian, where the garment industry is relatively well developed, Beijing residents are more conscious of fashion, beauty, taste and individuality.

Statistics show that last year Beijing residents' per capita annual expenditure topped 1,500 yuan, of which 13 percent was spent on clothes.

At a recent garment sales exhibition run by six cities in the Chinese capital, fashionable clothes manufactured in Shishi, Fujian Province, were sold like hot cakes. During the 20-day fair, 250,000 visitors attended and 230,000 garments worth over 7 million yuan were sold.

In addition to the countless privately-run garment shops and garment counters run by dress-makers from other cities and provinces in state-run stores, the capital has over 70 quality fashion shops with investment from Hong Kong, Singapore, Italy, Germany, the United States and Japan.

Last year, when the first Pierre Cardin fashion shop opened in Beijing, people were deterred by its high prices—a single commodity in the shop was often sold for half a year's salary for a worker. The shop now sells over 20 suits daily, but

by National Day (October 1) this year, 38 suits were already sold. ■

News in Brief

Draft Laws Passed

On December 5, the State Council passed in principle the Draft Law on Income Tax for Foreign-Funded Enterprises and Foreign Enterprises and the Revised Draft Law on the National Emblem of the People's Republic of China.

After revisions, both laws will be submitted to the Standing Committee of the National People's Congress for examination and approval.

Development of Science

At a 1990 national prizes in science and technology award giving ceremony on December 5, Premier Li Peng called for redoubled efforts in the reform of the science management system and improving the policies to promote science and technology.

Water Conservation

China plans to double the present 7.3-billion-yuan investment in water conservation during the next five years, in order to harness the country's larger rivers and build more irrigation facilities, according to an official from the Ministry of Water Resources.

Largest Dictionary

An 8-volume dictionary of Chinese characters, the country's largest, has come off the press. The dictionary, taking 15 years to compile, contains almost all Chinese characters, including those invented to reflect recent social changes and those found on cultural relics in recent archaeological discoveries. ■

Foreign Banks Seek Development in China

by Han Guojian

China's reform and open policy have provided a good opportunity for foreign banks to enter the Chinese market. Many foreign banks have established their branches in China and their operations are satisfactory.

The Chinese government's decision to establish the Pudong New Development Zone in Shanghai last April has fired the enthusiasm of foreign banking institutions to open their branches in China. According to the People's Bank of China, more than a dozen foreign banks have applied for establishment of their branches in the Pudong zone. An official from the bank said four or five foreign bank branches would open their business in Pudong this year or next year.

The People's Bank of China, the country's central bank, handles applications of foreign banks hoping to open branches and offices in China and oversees their business in China.

An official from the foreign bank administration office of the People's Bank said a total of 33 branches of foreign banks had been established in China, including a Chinese-foreign bank and a foreign-funded finance company.

Distribution and Development

All the branches of foreign banks are in five coastal cities of Shenzhen, Xiamen, Zhuhai, Shanghai and Haikou, each having 17, 8, 2, 4 and 2 branches respectively.

These branches were established by 18 registered banks from Hong Kong, France, Britain, the United States, Japan, Singapore and Cayman Is., including the famous Hong Kong and Shanghai Banking Corp., the

Nanyang Commercial Bank Ltd., the Standard Chartered Bank Group, the Banque Nationale de Paris, the Bank of Tokyo Ltd., the Fuji Bank Ltd., and the Citibank, N.A. from the United States.

The Standard Chartered Bank Group from Hong Kong leads others in the number of branches in China. To date, it has branches in Shenzhen, Xiamen, Zhuhai and Shanghai. It is followed by the Hong Kong and Shanghai Banking Corp. and the Nanyang Commercial Bank Ltd., each having three branches in China.

Except for the four foreign bank branches in Shanghai established before China's nationwide liberation in 1949, the Nanyang Commercial Bank Ltd. is the first foreign bank to open a branch after the founding of New China. In 1982, the bank opened its branches in Shenzhen proper and the Shekou Industrial Development Zone.

Since then, an increasing number of foreign bank branches have been founded in China—17 in 1985, 26 in 1988, 31 in 1989 and 33 in 1990.

The Shenzhen-branch of the Po Sang Bank Ltd. from Hong Kong was the newest branch in China. It registered and went into operation last April.

The Chinese-foreign finance company is a new banking institute that appeared in China only in the last few years. Established jointly by the Chinese and foreign banks, the finance company draws capital from both sides as its source of money. It does not

absorb savings deposit but it provides loans in a more flexible way than other banks. The China International Finance Co. Ltd. in Shenzhen is China's first jointly funded finance company. Recently two Japanese banks have applied for establishing Chinese-Japanese finance companies in the Pudong Development Zone in Shanghai.

China has specific rules and regulations on the establishment of foreign bank branches and their lines of business in China, such as the Administrative Regulations of the People's Republic of China on Foreign Banks and Chinese-Foreign Banks in Special Economic Zones promulgated in 1985 and the Interim Provisions on the Administration of Business of Foreign Banks and Chinese-Foreign Banks in Special Economic Zones published in 1987.

According to these regulations, foreign banks, upon approval, can handle all or part of the following business items: loan services in Renminbi and foreign currency; bill discounts; inward remittance from foreign countries, Hong Kong and Macao; exchange collections; settling accounts and borrowing money on security for export trade; foreign currency or foreign currency bill conversion; Renminbi and foreign currency investment services; Renminbi and foreign currency guarantees; buying and selling of bonds and securities; trust and safe keeping; investment confidence investigation; consulting services; savings de-

posits and overdrawing in Renminbi or foreign currency by Chinese enterprises invested by overseas Chinese, foreign businesses, Sino-foreign joint ventures and co-operative enterprises and those funded by foreigners, overseas Chinese and compatriots from Hong Kong and Macao; foreign exchange savings deposits, foreign exchange loans and other services in foreign countries, Hong Kong and Macao. At present, foreign banks are allowed to handle all services except business in Renminbi.

Statistics from the State Administration of Foreign Exchange Control show that foreign bank branches in China had a total of US\$518 million capital funds in 1989, a deposit reserve of US\$1.664 billion (including US\$1.159 billion of overseas savings deposits), US\$1.504 billion in loan reserves (including US\$210 million of overseas loans). In the same year these branches made US\$24.89 million in net profits after handing over taxes.

During this period Chinese banks also made rapid progress in their foreign exchange business. In 1989, their savings deposit in foreign exchange amounted to US\$19.5 billion and loans totalled US\$27.2 billion. The savings deposit and loan services of foreign bank branches in China accounted for 2.5 percent and 5.2 percent respectively of that of home banks.

Shenzhen Leads the Country

Shenzhen is the first coastal special economic zone established after China introduced its reform and open policies. Its good investment environment brought about by a series of flexible policies has attracted increasing foreign investors. The industrial output value created by the zone's foreign-invested enterprises reached 6.86 billion yuan in

1989. Of this amount, export goods accounted for 64 percent, valued at 4.42 billion. The city has also attracted many foreign banks to open branches there. By the end of last June, 17 foreign bank branches or half of the nation's total had been established in the zone. Besides, Shenzhen leads the four other cities with foreign bank branches in banking business. In 1989, foreign banks in the zone earned a total of US\$14.38 million in net profits, accounting for 57.7 percent of the total profit of all the foreign bank branches in China.

Foreign banks in Shenzhen are very active. The Bank of China, a bank specializing in handling foreign exchange, handles 90 percent of the total exchange business in other cities but only 50 percent in Shenzhen because of the numerous foreign bank branches.

The People's Bank of China functions as a central bank and does not provide services to customers. Four special banks--the National Industrial and Commercial Bank of China, the Bank of China, the Agricultural Bank of China, the People's Construction Bank of China--and some comprehensive banks such as the Communication Bank and those under the China International

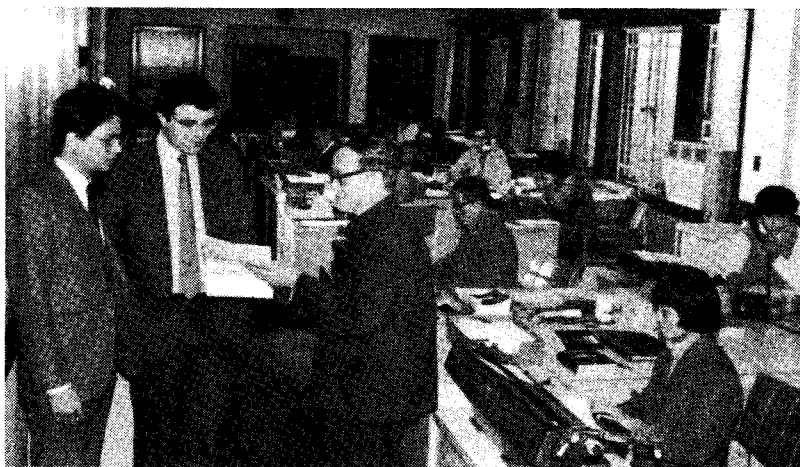
Trust and Investment Corp. provide services for the customers directly. Foreign bank branches in China are newcomers in Chinese financial circles. In Shenzhen these branches have displayed their robust strength. A preliminary estimate shows that in 1990 these foreign bank branches handled 48 percent of Shenzhen's total exchange business.

According to Chen Jing, deputy director of the Shenzhen Branch of the People's Bank of China, most foreign bank branches in Shenzhen have made profits. In 1989, of the 16 foreign bank branches in the zone, 13 made profits, two were in balance and one reported losses. The branch failed to make a profit because it went into operation just two years before. It is normal for a new bank to lose money in its first three years of operation.

Talking about the swift development of these foreign bank branches in Shenzhen, Chen said that it should be realized that the good and effective services of foreign banks are worth learning. Through their close relations with overseas banks, the foreign bank branches settle accounts quickly. Moreover, their standard services meet the needs of foreign businessmen.

The Shanghai branch of the Hongkong and Shanghai Banking Corp.

—SHI ZHONGYANG



Chinese Market Picking Up

The Chinese market is attractive to foreign banks. A Hong Kong banker noted foreign banks are competitive in China, a large country with an annual import and export trade of US\$40 billion, because they have more favourable conditions than domestic banks in selling accounts and in collection of foreign exchange in export and import trade. No wonder no foreign banks have withdrawn from China since the first foreign bank branch was established in the country in 1982. Moreover, an increasing number of foreign banks have applied for opening branches in China.

A representative of the Hong Kong and Shanghai Banking Corp. in Beijing believed that in the long run the domestic market has a strong potential. He hoped his representative office could be upgraded into a branch bank. In April of this year, his bank, along with another bank, granted a loan of HK\$8 billion for building the Guangzhou-Shenzhen Expressway.

The Hong Kong and Shanghai Banking Corp. Shanghai branch is one of the four foreign bank branches which remained in the city after the nationwide liberation in 1949. Before 1979, the branch, like the other three, functioned just as a representative office. Since 1979, it has gradually restored and developed its business. Currently, except for savings deposit and loan services, it provides all the other banking services such as exchange collections, paying in advance and settling accounts for import and export trade. The branch now has 100 employees, the largest in number among all foreign bank branches in China.

A representative of this bank spoke highly of the credit of its customers. He said as domestic enterprises do not face such a problem as bankruptcy he never

worries about risks in doing business in China.

Foreign banks in China have benefited greatly from Chinese policies. A representative of a Japanese bank in Beijing said that if a bank grants loans to China from abroad it must pay tax on its income from interest. If it does it through its branch in Shenzhen it can save money and cut the cost of the loan. In addition, these foreign banks pay less taxes than their counterparts in China. He said the Shenzhen branch of his bank operates quite well and has applied for opening another branch in the Pudong Development Zone in Shanghai.

In the first half of this year, China approved the establishment of about 20,000 foreign-funded enterprises involving tens of billions of US dollars of foreign investment. Their import and export trade volume reached US\$40 billion a year. All this has provided favourable conditions for the development of foreign banks in China.

The business of foreign banks in China is not limited to the five coastal cities in which their branches are located. They have also established business relations with all municipalities, provinces and autonomous regions in China except Tibet, Qinghai and Guizhou.

However, because they find it difficult to know their customers in distant cities, their business in other places is quite small, a responsible member of a foreign bank in China said.

By the end of last year, a total of 120 banks from 26 countries and regions, including the United States, Japan, Germany, France, Britain, Canada, Italy and Hong Kong, had established 209 representative offices in 14 Chinese cities including Beijing, Dalian, Tianjin, Qingdao, Shanghai, Guangzhou, Shenzhen, Zhuhai, Wuhan and Xiamen. Through their banks these repre-

senative offices have participated in investment in China. In 1989 alone, these offices helped foreign businessmen to invest in 42 projects and provide loans for 631 other projects in China.

At present these foreign financial institutions have around 10,000 employees in China. To provide more opportunities to exchange the latest information and to contact the Chinese government departments as well as industrial and financial circles, the Foreign Banks Association was established in 1987 in Beijing. Each month the association has a meeting in the Jianguo Hotel. A representative said he attended almost every meeting, sometimes being able to meet some responsible provincial members who introduced the participants to their localities. He said his office benefited greatly from the association's activities.

The development of foreign banks in China has strengthened competition among home banks. China does not limit foreign banks' interest rates of savings deposits and loans, a policy that has provided foreign banks with more chances of development in China. The good management and better services of foreign banks have pushed domestic banks to improve their services. A responsible member of a Chinese bank said although the service fee of foreign banks for settling accounts is a little higher than that of domestic banks, their services are quicker, and customers thus may pay less interest because it takes less time to receive and return the loans.

To improve their services, many domestic banks invite foreign banks to attend their annual business symposiums and draw experience in management from their foreign counterparts. In addition, they ask foreign banks to help train their employees. In 1989 alone a total of 200 Chinese bank employees were trained by foreign banks. ■

Welfare Business for the Disabled

by Yao Lishi

A sample survey made in 1987 reveals that the number of the blind, deaf-mutes, crippled, mentally retarded and mental patients totalled 51.64 million, or 4.9 percent of China's population; and families with disabled people accounted for 18.1 percent of the national total. In order to bring happiness to the disabled, China has done much over the last ten years in forming special organizations for them, providing them with job opportunities and offering medical treatment, special education and social welfare.

Getting Them Organized

China organized welfare societies for the blind and deaf-mutes in the 1950s and later established the Association for the Deaf-mutes. In the mid-1980s, the China Welfare Fund for the Handicapped (CWFH) was established. With the approval of the State Council, the China Federation for the Handicapped (CFH), a national organization, was set up in March 1988 on the basis of CWFH, the China Association for the Blind and Deaf-mutes and some 5,000 similar organizations at the grass-roots level.

CFH is a semi-official national organization. It functions under one state councillor. In support of its work, leaders of 21 ministries and commissions under the State Council joined hands with the CFH heads in forming the Chinese Organizing Committee for the Ten Years of the UN Disabled. At the local level,

provincial leaders head groups in charge of the work for the disabled.

By the end of this year, CFH branches will be set up in all of China's 300-plus cities and prefectures. In addition, CFH branches will be set up in all of the counties in late 1990 or early next year.

In Beijing, all 18 urban districts and counties have completed the organization of the federations for the handicapped. Similar organizations have also been set up in more than 100 (or 52 percent) neighbourhood committees and 113 townships.

These special organizations are homes for the disabled. Over the past ten years, the associations have worked hard to improve the

lives and welfare of disabled residents. For example, the Home for the Disabled under the Beijing Federation for the Handicapped has, since its inception in 1984, organized a dozen political and cultural courses for the disabled, including college-level law studies, a micro-computer programme at the secondary school level and Chinese and English typewriting on micro-computers. In addition, it often organizes chess and photo competitions as well as ball games to enrich their lives.

"Equality and Participation"

In order to enable the disabled to participate in social life on an equal footing with others, society

Deng Pufang (in wheel chair), chairman of the China Federation for the Handicapped, meeting with handicapped actors and actresses.

CHEN ZONGJIE



has been mobilized to create necessary intellectual and material conditions. For the same purpose, governments at various levels educate people to understand, respect, care for and help these disadvantaged people. Activities have been held for two years running in various provinces, municipalities and autonomous regions focusing on the content "The disabled serve the society and I serve the disabled." Education in socialist morality and humanitarianism has been given to some 10 million primary school children for five years.

In the capital city of Beijing, several hundred thousand people take to the streets to serve the disabled on the third Sunday each May. In Shanghai and Xinjiang, "Humanitarianism in My Heart" and "The Disabled and Society" publicity weeks have been held for four years running. The Central People's Broadcasting Station and various local broadcasting stations have started special programmes for the disabled, and Beijing Radio Station, the Beijing Civil Administration Bureau and some other units jointly sponsor a News Week sign language programme

on TV, which is welcomed by deaf-mutes.

Thanks to help from society, the disabled find it not difficult to locate jobs. Welfare factories offer one form of employment. This kind of factory creates dozens of billion yuan worth of output value a year. Some 600 hospitals have employed 7,000 blind massagers, who are distinguished in curing more than 100 difficult cases. In addition, there are also performing troupes composed of 3,700 disabled artists. In 1989, they gave more than 370 performances before audiences totalling several hundred thousand people.

Disabled people have since 1983 been organized to participate in the Olympic games for the handicapped people and the special Olympic games for the mentally retarded people. Deaf-mutes also have attended important international competitions. Altogether, they won 436 medals including 242 gold medals. In September 1989, China dispatched 56 handicapped athletes to attend the Fifth Asian and South Pacific Regional Sports Meet for the Disabled. These athletes returned with 99 gold

medals and broke 16 world records, ranking first in the world.

Legislation

New China has formulated a series of laws, regulations and policies geared to protect the legal rights and interests of the disabled and encourage work in favour of them. China's Constitution, Criminal Law, Law Governing Criminal Procedures, General Principles of Civil Law, Law Governing Civil Procedures, Marriage Law and Law on Compulsory Education all include clauses related to the disabled. In 1988 the State Council approved the implementation of the Five-Year Working Programme for China's Disabled People, Opinions on the Development of Special Education and the Scheme for Three Items of Work Concerning Convalescence of the Disabled as well as the Regulations Concerning the Labour and Employment of the Disabled and the Regulations Concerning Education for the Disabled. These important laws specify in explicit terms the purposes, targets, principles and policies of China's work on behalf of the disabled.

Most of China's provinces, municipalities and autonomous regions have laid down administrative rules for protecting the legal rights and interests of the disabled. With the approval of their local people's congress or governments, Beijing, Heilongjiang, Urumqi, Changchun and Wuxi have issued regulations geared towards protecting the disabled. Baotou, Xiangtan, Sanming, Ximao and Haicheng have also issued administrative regulations offering preferential treatment to the disabled. Shanxi, Zhejiang, Tianjin, Hainan, Fujian and Qingdao have also instituted similar policies.

These have paved the way for the formulation of New China's

Students of the Beijing Blind Children School at a performance.

CHEN ZONGLIE



first law for protecting the legitimate rights and interests of the disabled. After 18 revisions over a six-year period since 1985, China has drafted the Law on the Protection of the Disabled. Recently, a State Council's meeting gave approval to it in principle. It is expected that the new law will lay a more solid foundation for the development of welfare services for the disabled.

Employment

As a developing country, China has blazed a new trail in providing care and love for the disabled. Welfare factories were set up early in the 1950s. By the end of 1989, the number of such factories shot up to some 40,000 employing 1.63 million people, including 710,000 disabled people. These factories cover scores of trades and produce about 10,000 kinds of products such as machinery, electronics, chemicals, building materials, textiles, arts and crafts, and sundry goods for daily use. Some 1,500 of their products are for export.

The employment rate for the disabled with working ability now reaches more than 70 percent in counties and towns and 90 percent in big cities. Employment is not a problem for such cities as Beijing, Tianjin, Shanghai, Dalian, Shijiazhuang, Changzhou and Jiamusi.

Providing jobs for the disabled has not only turned them into people who can live on their own but contributes much to society in economic terms. Besides paying taxes to the state, the welfare factories donate money to welfare societies for children, Homes for the Aged and other welfare organizations. They have also donated money for the construction of wrestling and boxing courts for the 11th Asian Games.

In view of the fact that the illiteracy rate of the disabled stands at 68 percent and the



Wang Fang, a handicapped youth with the Changzhou Combs Factory in Jiangsu Province, at work.

schooling rate of the blind, deaf and mentally retarded children is below 60 percent, the State Council has promulgated the Opinions on the Development of Special Education, which specifies principles and policies for special education. At present, there are 672 schools especially for disabled children in China. There are also 1,885 special classes attached to ordinary schools. This makes it possible for 78,000 disabled children to attend school. In addition, the welfare societies in various localities are providing special education for 10,000 handicapped children. Since its commencement in June 1983, the China Convalescence Research Centre for Deaf Children has trained 200 deaf-mutes and one-fourth of them have now recovered hearing and speaking capabilities and are attending normal primary schools or kindergartens.

The China Convalescence Research Centre is still being built with a donation of US\$1.07 million from former British Prime

Minister Edward Heath. Upon its completion next summer, the centre will be able to treat and train some 20,000 deaf children each year.

Statistics show that China has 4.9 million people suffering from cataracts, 1.24 million people who became disabled because of infantile paralysis and 1.71 million deaf children below the age of 14. According to the Scheme for Three Items of Work Concerning Convalescence of the Disabled promulgated in 1988, China will, in five years, provide operations for 500,000 people suffering from cataracts and for 300,000 children suffering from infantile paralysis, as well as give special training to 30,000 deaf children.

In recent years, various special training and convalescence organs have been set up with non-governmental funds. All these open a broad avenue for the development of welfare services for the disabled in the country. ■

Light for the Blind

by Our Staff Reporter Cui Lili

Three years ago an idea was advanced to enroll blind children in ordinary schools to learn reading and writing with children who have normal sight. It was proposed by Xu Bailun, an educator who is himself blind. Up to now, over 75 percent of blind children have entered school in 30 or so experimental counties in eight provinces and municipalities, an increase of some dozens of times over the country's 3 percent rate up to 1987. At present, the plan is being spread throughout the country.— Ed.

A fourth-grade pupil named Cui Xiaoying contracted an eye disease and lost her eyesight in 1986. Deeply grieved and worried, her black hair began to turn white.

One year later, in her small mountain village in Xiangyuan County, Shanxi Province, Cui was lucky enough to meet Xu Bailun who had come specially to arrange for the education of blind children. With the help of the county's Education Bureau, the Communist Youth League, Young Pioneers organization and other departments concerned, Xu succeeded in sending Cui and other blind children eager to learn reading and writing to the regular village primary school. With the use of braille, trained teachers taught them what the other village children were learning. As Cui Xiaoying regained hope, her life became brighter. She not only studied painstakingly and achieved excellent results but also learnt how to play the piano after class. Her hair miraculously began to grow in black again.

Statistics show that Xu and his colleagues travelled through almost all the county towns of nearly ten provinces and municipalities. Their work took them

deep into the most remote villages. His plan to help blind children enter ordinary school to study with other children was adopted by 30 selected counties in eight provinces and cities. Some 75 percent of the blind children entered school, an increase of some dozens of times over the national average rate of 3 percent up until 1987.

It is hard to believe that Xu, nearly 60 years old, who has travelled across mountains and rivers to kindle the spirits of blind children with lamp of knowledge, is himself blind.

Starting From Zero

Xu lost his eyesight in 1971 because of a detached retina. Till then he had worked as an engineer at the Beijing Architectural Design Institute. Having been a top student and graduated from the construction department of Nanjing Engineering Institute in Jiangsu Province in 1955, he once had lofty aspirations and great ideals which he expressed in one exquisite blueprint after another. But his sudden blindness deprived him of his creative ability and banished him into a world of darkness.

Depressed and uncertain how



Xu Bailun, educator and director of the research centre for education of blind children.

to deal with life, he groped his way for ten years. He once tried to create children's literature, and even founded a magazine called *Chinese Blind Children's Literature*. Finally, one day, a little reader's letter prompted him to choose a calling to which he was determined to devote the later years of his life.

The little reader told Xu that she had a younger brother who had lost his eyesight in early childhood and was desperate to enter school. One day, carrying a bag, he walked in a direction where a sound of reading could be heard. Unfortunately he stumbled into a pool of water and drowned. He was only eight years old when he died. In the letter, the grief-stricken sister enclosed one yuan which she had carefully saved herself, begging Uncle Xu to help thousands of blind children like her brother to gain an opportunity to go to school.

The little girl's letter deeply moved Xu. He was determined to learn about the current situation of vast number of blind children.

With the help of a walking-stick, he overcame various obstacles, which even people with a good eyesight would have found trying, to visit the homes of blind children one after another. He was saddened to learn that many blind children, with no opportunity for education, were shut up in a room by their parents and were isolated from the outside world. Therefore, they had developed strange traits of disposition and had no way to make their living. Children in such pitiable plight accounted for 97 percent of the several hundred thousand blind children in China.

Further investigation showed Xu that 80 percent of the blind children were living in rural areas. They accounted for less than 0.1 percent of the population. Furthermore, they were widely dispersed, usually with only one blind child in one village. In such a situation, people paid little or no attention to their education.

The great majority of blind children's families are very poor. In some special schools for the blind, it costs 10,000 yuan on the average to educate one child, while the average per-capita income of these blind-children's families is less than 500 yuan a year. This is an extremely sharp comparison. On the one hand, many blind children have no chance to go to school, and on the other, in the 21 schools for the blind and 43 schools for the blind and deaf-mute nationwide, often classes failed to start or there were not enough pupils, for blind children could not afford the tuition. The city of Guiyang, Guizhou Province, for example, has two classes for the blind. If each class is allowed to have 12 pupils, nearly half of the seats

stay unoccupied. In fact, only 0.15 percent of the blind children in the province go to school, a figure much lower than the average in the country as a whole.

Could another way be found to enable the overwhelming majority of blind children to receive a school education at a small expense?

Without previous knowledge or experience, Xu began reading extensively about the history of blind education in China and advanced foreign experience in blind education and theories of education. Gradually, a plan for

blind children's education formed in his mind. The plan not only conformed with the national conditions of China but also with world trends in blind education.

Main Points of the Plan

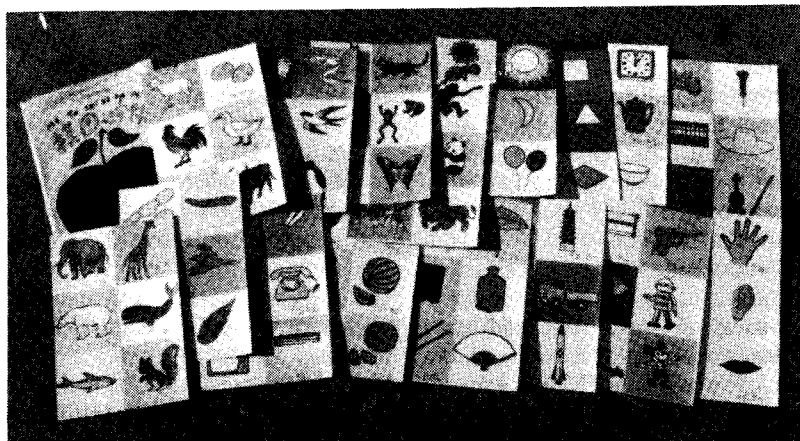
Xu's plan includes mainly the following aspects: With schools for the blind in each province as the centre, one teacher in a village or town school where blind children will be enrolled is to be selected to undergo short-term training in braille. She or he

Chinese blind Children's Literature compiled and published in braille by Xu Bailun.



Touch-reading cards for blind children compiled by Xu Bailun.

Photos by CHEN ZHONGYU



emerges as the main teacher to coach blind children. The teacher helps blind children learn braille first, then enrolls them into ordinary classes and lets them learn reading and writing with the other children. The State Education Commission is to supply books in braille, the content of which should be the same as that of the regular school. The education fee is to be paid by society. To ensure the quality of education for the blind, each county should specially have one or two general tutors to make a circuit of the villages to give constant guidance.

The plan has saved money for the state. It is estimated that to build a school for the blind needs 2 million yuan, while this plan enables 90 percent of the blind children to enter school with an investment by the province of only about 100,000 yuan within three to five years.

The financial difficulty for the enrollment of blind children has been fundamentally solved, for a pupil's annual expenses do not exceed 50 yuan. Even in backward and poor mountain villages, the burden on society is not too heavy.

The plan makes the best use of the advantages of Chinese braille which is easy to learn. The writing and reading aloud of the braille used, and that created by Huang Naixian and begun to be implemented in 1953, are completely the same, without any abbreviation. So rural primary school teachers who have a middle school education can master it with only one week's training. Therefore, it takes less money to train the teachers.

Practice has proved that those blind children who have opportunities to learn to read and write with children who have normal sight studied very hard. They could not only keep up with their classmates but

achieved good results as well. Their touch reading and writing ability in braille also reached the level of special schools for the blind.

As the plan is simple and easy to implement, and the result is obvious, it has been recognized by society and spread rapidly within only several years. At present, the State Education Commission has listed the plan as one of the measures to develop education for blind children. This plan began to spread in Hebei, Heilongjiang, Beijing and other provinces. Other provinces and regions will incorporate the education for the blind into their nine-year compulsory education system.

Experts say that although this method of allowing blind children to study in ordinary schools has been in use in the world for nearly 100 years, it has already formed a model with Chinese characteristics that differs from the examples in foreign countries.

Love and Contributions

Xu thinks that the far-reaching significance of the plan lies in that it allows blind children to learn knowledge and participate in learning and living in society and to share their deserved rights with healthy children so as to build up in them a sense of self-respect, human dignity and self-confidence.

Foreign experience shows that it is by no means easy for blind children to participate in society. Some blind children who learn to read and write with healthy children in the same class had to return to schools for the blind, for they could not put up with the discrimination by healthy children. To avoid such a phenomenon, Xu advocated that the best method is to call for love and respect for blind children and to have the whole of society

give concern, understanding and assistance to them.

For several years, Xu has been busy running here and there to further his cause. Everywhere he went, he explained the difficulties and hardships borne by blind children; he told people the importance of reading and writing in their lives. He also proved with an abundance of facts that except for their disability, their intelligence was not lower than that of healthy children. With regard to the memory and ability to think, they even surpassed healthy children.

Xu's efforts caused overall repercussions. In those counties where the plan for blind children to study with other children was implemented, it received sincere concern, support and materials from the government, the Communist Youth League, women federation and villagers committee. In particular, activities of "making friends with blind children" and "trying to be a helper of blind children" advocated and unfolded everywhere by teachers and Young Pioneers, warmed the hearts of blind children. They organized groups to take the blind to school and back home in turn; they helped them with their studies, sang and played together with them. They bought with their own pocket money gifts for blind children on their birthdays. They are all proud of their little contribution to blind children who have come to realize the most beautiful and valuable things in life.

At present, Xu and his colleagues are considering how to consolidate the primary results of education for blind children and to help them study further. Special educators in some provinces and cities went on an inspection tour to New Zealand, Thailand, Hong Kong and other countries and regions to learn about the employment and education of the blind there. ■

STVF '90 Presents a Rainbow of Cultures

by Our Staff Reporter Dai Gang

Television, one of the greatest human inventions of our times, has not only become a dynamic part of modern culture but has also promoted communication among peoples. With Shanghai set to open even wider to the outside world with its ambitious Pudong project, the largest industrial city in China sparked the world's attention during the third Shanghai TV Festival (STVF) held in mid-November.

During the week of STVF '90 (November 10-15), Shanghai was transformed into a gala world of flowers and smiles, reminiscent of the last XI Asian Games in Beijing. This international cultural media event was not just a local event but proved to be another showcase for China's overall stability and unity, while displaying the nation's will to continue its open policy. Therefore, this successful festival was encouraged by both central and local authorities. Among others, General Secretary Jiang Zemin, former Shanghai mayor, hailed the occasion in his congratulatory message as a "Rainbow of Friendship, Bridge of Cooperation."

On the evening of November 10, 1990, the opening ceremony of STVF '90 took place in the city's main gymnasium. Compared to the last one in 1988, it displayed greater splendour and excited much more enthusiasm. On a large stage erected in the middle of the arena at the expense of one-fifth of the gymnasium's seating capacity, Chinese and foreign singers and dancers presented a variety of wonderful performances, demonstrating the theme of STVF '90—"Unity,

Friendship, Progress and Development." The ceremony was attended by an audience of 12,000 including some ministers from Beijing and provincial officials from other parts of China. The show, which displayed China's rich cultural tradition, was televised live to the people of Shanghai and neighbouring provinces. CCTV (national TV network) made a nationwide transmission the following evening.

In addition to the opening ceremony, special joint performances were offered to enrich the city's show business and theatre life throughout the TV festival. Famous singers from both home and abroad found the event a fine opportunity to familiarize themselves with their zealous fans in person. Among these stars, Stephane Kramer, an American TV actress popular in China for her role as McCall the policewoman in the full-length American TV series *Hunter*, gave a delightful surprise to millions of her Chinese viewers with her distinctive singing talent. Tong Ange, Tan Yonglin and others from Taiwan, Hong Kong, Japan, the United States and France were also heartily welcomed wherever they went and sang in the city. The local audience was also deeply impressed with the outstanding pieces presented by the Song and Dance Ensemble of the General Political Department of the Chinese People's Liberation Army.

Amidst the jubilant mood elicited by these art performances, residents of Shanghai and nearby towns also enjoyed the opportunity of watching at least two feature films and two documentaries on TV each day. In addition

to seeing the nominated prize candidates, viewers were able to watch six special items offered by the US-based Warner Bros. International Television Distribution. Of the Warner selections, the first two episodes of *Dallas, the Early Years* gave Chinese viewers' a taste of the 300-episode super-length prime-time TV series on the US screen. Other shows included *Roses Are for the Rich* which tells of the adventure of a coal miner's young widow seeking revenge; *Rita Hayworth* which recalls the unusual life and tragic marriages of the former Hollywood "Goddess of Love"; and *The Plot to Kill Hitler* which faithfully represents the historical event. These programmes from different countries and regions brought viewers at home a mini-kaleidoscope of world cultures and enabled them to gain a better understanding of the outside world. In fact, Shanghai landers showed great interest in the programmes and performances which were so extraordinary that even TV sets were reported to be selling unexpectedly well during the festival.

Variety of Activities

The third Shanghai TV festival also included an international philately exhibition. Over 30 collections from local philatelists and another 15 prize-winning collections from Japan, the United States, Germany and Hong Kong were displayed. A special auction of Chinese stamps and other mementos and a seminar on the art of philately were also arranged. Featuring Ms. Yang Xiaoyan, a Chinese-American

Workers' Engravings

by Our Staff Reporter Wei Liming

During the last few years, China has seen many excellent works of art produced by master engravers depicting scenes of the nation's developing industry. A number of the artists are actually factory or mine workers.

The pieces published here were on display at an exhibition held in Beijing in December 1989 at the 7th National Art Exhibition. They express the Chinese workers' love for life and their work, ideals and pursuit.

Many of these exquisite engravings show the arduous pioneering work of Chinese oil workers. Since the 1960s, oil workers have always been regarded as examples of industrial and mining enterprises in China. Wang Jinxi, their representative, has been praised as a national hero for the people to learn from. In our coloured pictorial pages, *On This Piece of Land*, an engraved stone plate print by Li Minsong, portrays the image of a young oil worker who is in pensive mood. He sits on a stretch of parched wasteland with his powerful hands clasped on his knees. Through this scene we sense the thoughts of this young worker: "The older generation has opened up the oil industry for New China on this same difficult piece of land. Being their followers, how shall we start a new cause?" This is not merely a picture portraying a moment's rest during a work break, but the inner thoughts of a young worker and a generation.

Simple life hides real beauty. This kind of real beauty is often discovered and expressed by those people who are very close to it. Chang Qi's silk screen print *A Red Dragonfly* shows the insect landing on a high drilling rig. A tiny dragonfly adds an endless feeling of excitement and life to this picture of industry. The vast blue sky and white clouds in the background show the artist's pursuit and love for the beauty of life.

The engravings exhibited are all by artists who have personally experienced, felt, thought and taken part in the subjects of their work. They have explored and been tempered by the heat of life's struggle. They follow the artistic track of reality, forming their own standard of beauty and evaluation. The works are rich with the sense of participation in the four modernizations and the strong fervour of the times.

The proliferation of different kinds of engravings and the improvement of special skills are the distinguishing features of this batch of engravings. By adopting various methods, they have broadened the language of engraving, and enriched its effect, illustrating that new amateur artists are not satisfied with halting at the preliminary stage, where they only learn woodcutting and begin to engrave soon after they draw. Artists now pay attention to selecting engravings that can more powerfully express their main theme. For instance, the paper engraving *Father's Factory* by Xu Naihong is exquisite in workmanship and variable in shade, which

makes it almost comparable to woodcuts; *Smoothly Flowing Crude Oil* by Yang Jun, by way of silk screen printing's rich expression and bright colour tones, shows the beautiful wish of crude oil gushing out endlessly from underground. Although silk screen printing is a form often used internationally, it has emerged in China only in recent years.

In order to meet the needs of modern construction, many large enterprises in China are doing their best to train a large number of talents with a higher level of cultural and scientific accomplishments. A number of far-sighted enterprise leaders have lost no time pushing forward. Between 1985 and 1987, Dagang Oilfield asked the Central Academy of Fine Arts to run an engraving class to train 50 students. After graduation, they were appointed to various posts at Dagang Oilfield as teachers, art workers, or workers. Their works not only possess the essence of practical life but also a certain painting foundation and cultural accomplishment.

Popular engraving at Daqing Oilfield started at the beginning of the 1960s and progressed rapidly in 1967. Famous engraving artist Chao Mei gave lectures personally. Each year the oilfield sent amateur artists to art institutions of higher learning to take advanced courses. The oilfield also ran creation and study classes and invited China's famed engraving artists to hold academic forums. Now the artists often hold exhibitions in Beijing and enterprise leaders provide various facilities for, and do their utmost to invest in talented artists. Therefore, in the last three years, remarkable results have been achieved, as can be seen from these ten engravings selected from those at the 7th National Art Exhibition. ■

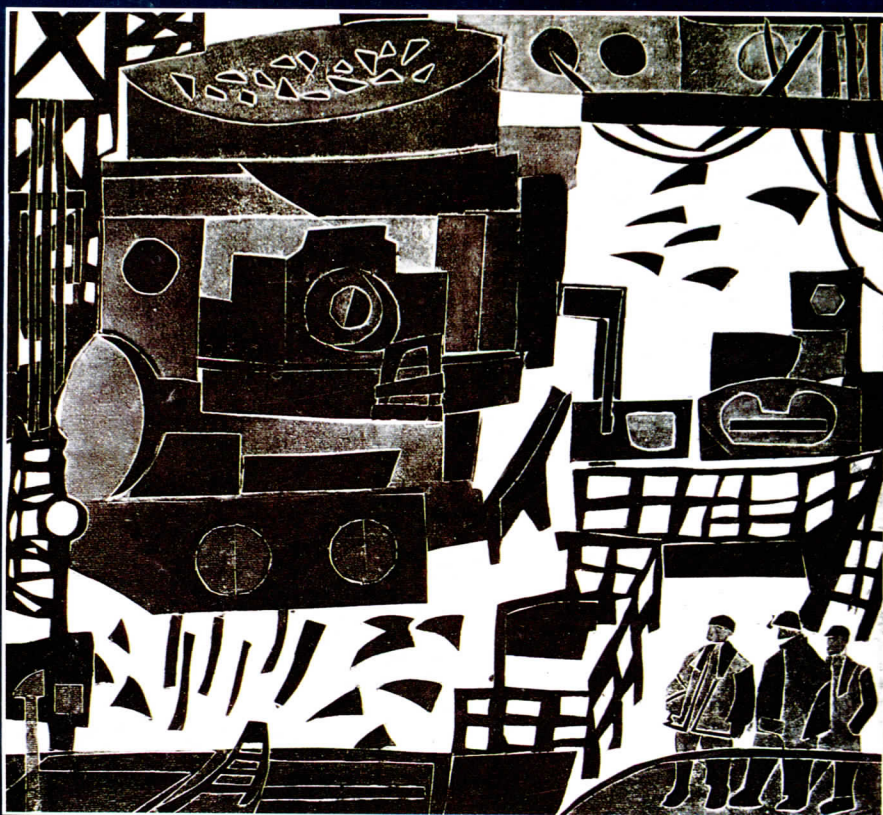
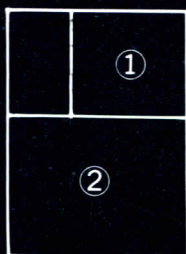
1. **Father's Factory** (paper engraving by Xu Naihong).
2. **Smoothly Flowing Crude Oil** (silk screen print by Yang Jun).
3. **Song of Strength** (coloured woodcut by Li Sanli).
4. **Musical Movement of Silver** (Petrochemical Works, coloured woodcut by Ji Xigang).
5. **Steelworkers** (woodcut by Lin Kailong).
6. **Corner of Oilfield** (paper engraving by Jin Aichun).
7. **A Red Dragonfly** (silk screen print by Chang Qi).
8. **An Iron and Steel Workshop** (coloured woodcut by Hu Jun).
9. **On This Piece of Land** (stone plate print by Li Minsong).
10. **Little White Doves** (coloured woodcut by Li Gexi).
11. **Celebrating the Completion of a New Iron and Steel Works** (coloured woodcut by Li Zhuo).
12. **Tunnel Melody** (engraved rubbing by Li Zhenglong).

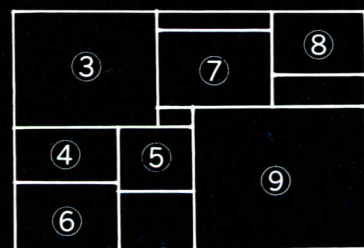
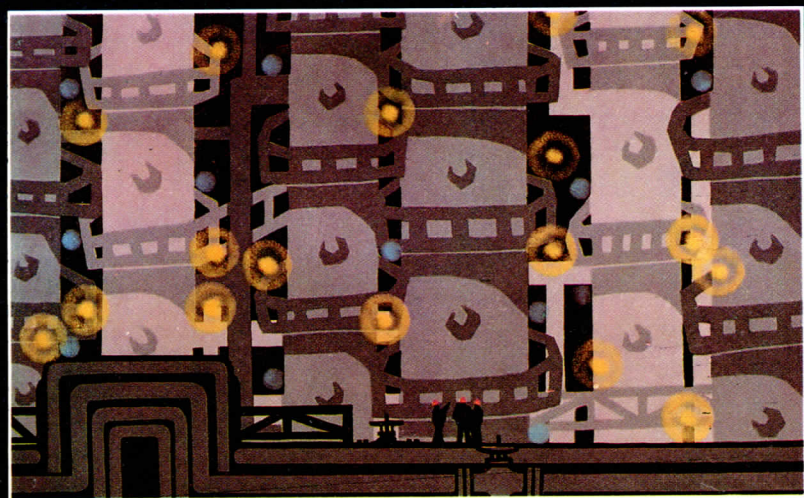
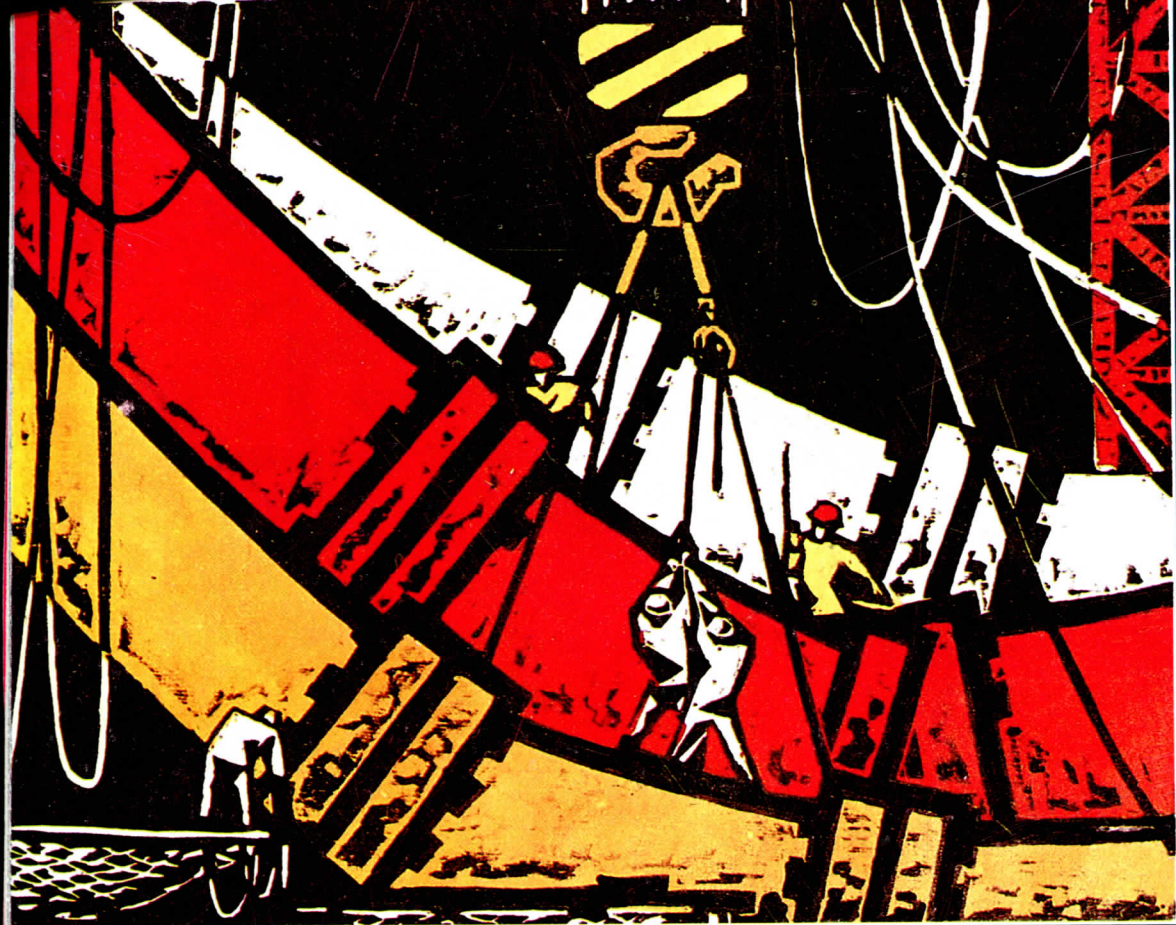
LITHOGRAPHIC PRINTS
CREATED BY WORKERS

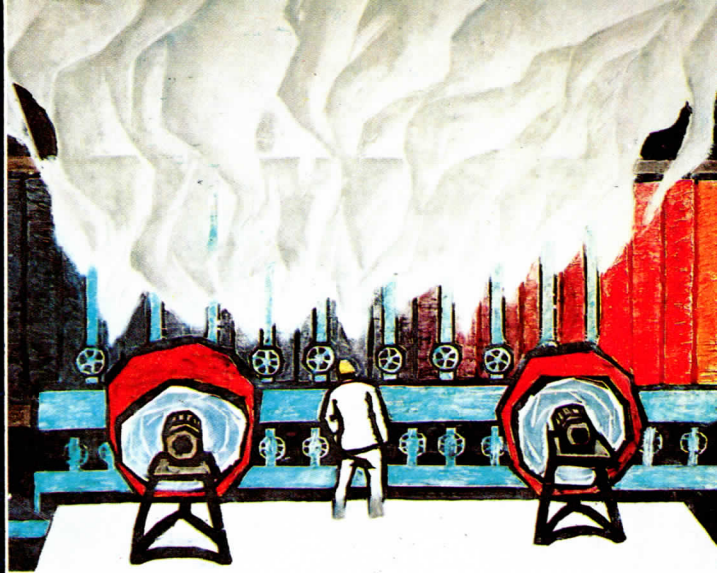
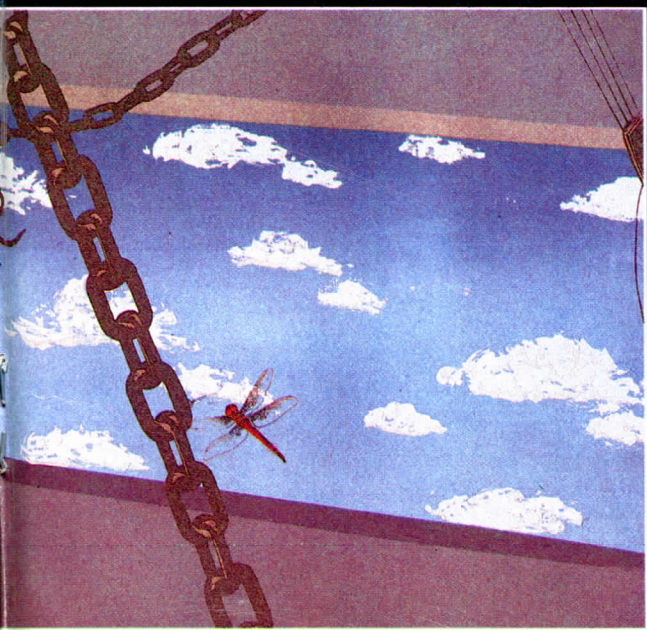
GRAVURES SUR
BOIS DES OUVRIERS

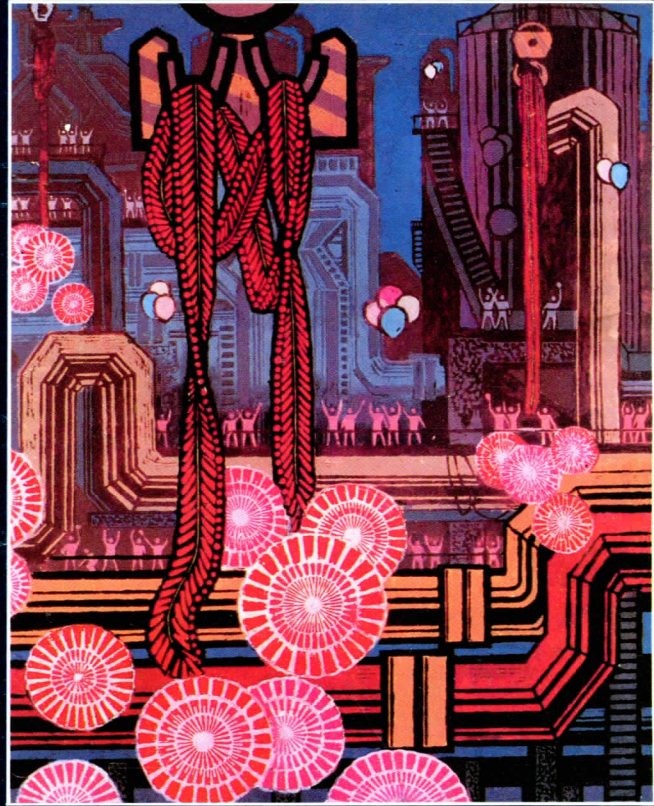
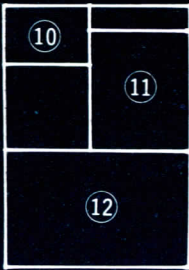
GRABADOS HECHOS
POR OBREROS

ARBEITERKUNST









bridge supermaster crowned with several world championships, the STVF '90 Bridge Competition saw good games among professional masters, senior officials, journalists, and business people as well as artists, writers and athletes.

Like its predecessor two years ago, the third festival shared time with an international TV programme market and an international broadcasting and TV equipment exhibition. The two regular events were held in the basement exhibition hall of the newly opened Shanghai Centre—a glamorous multi-functional high-rise complex in downtown Shanghai. China's Ministry of Broadcasting, Film & Television attached great importance to the STVF programme market and officially recognized it as one of the country's major channels for the import and export of TV programmes. The ministry approved the fair with half of China's total import quota of TV release copyrights and video distribution copyrights for the year 1991. The STVF '90 programme fair tripled the volume of the previous one in 1988, during which 137 TV programme distributors and sta-

tions from 21 countries and regions around the world including China boasted thousands of hours of teleplays, documentaries, art and sports programmes for sale.

Chinese delegations with programmes came from almost every province, autonomous region and major city, including Xinjiang and Qinghai in the far northwest. A total of 44 overseas TV or video companies, such as Trans-Atlantic Pictures and New World International, Trans-World as well as ESPN from the United States, Yumiuri Telecasting Corp. from Japan and London Weekend Television from the United Kingdom, brought the gems of their libraries to the fair. The All-Union Sovexportfilm, Poltel, Hungarian TV and Czechoslovak Telexport also advertised at the fair for the first time. Large deals were made at the market involving 1,500 hours of programmes.

The TV equipment exhibition held alongside the programme market proved equally successful. In addition to 16 domestic companies, 12 international manufacturers and traders including such celebrated technol-

ogical forerunners as Sony, Ampex, National, Hitachi and Studer Revox displayed their best products. Letters of intent involving 15 million yuan (US\$3 million) were signed at the fair.

Professional seminars on TV arts were something new at STVF '90. In the spirit of "Acquainting the World With China, China With the World," TV experts from the United States, Japan, Italy and France discussed the present situation and future development of world television with their Chinese counterparts, while the Chinese systematically explained the situation and problems concerning China's teleplay production. Aubrey E. Singer, international jury member of STVF '90 and chairman of the British White-City Film Corp., surveyed the history of television as an industry and demonstrated his strong concern for its decline in his essay "The Fragmentation of the Audience: A Look at Television in the Light of Today's Trends." Jean-Luc Azoulay, a prolific French television playwright, reviewed his comparative study of cultural interaction in terms of television literature in his thesis "World Television Today: East Is East, and West Is West—and Never the Twain Shall Meet?"

A view of the STVF programme market.

DAI GANG



Prize-Winning Works

On the evening of November 15, 1990, the third Shanghai TV Festival ended. Before Liu Zhenyuan, director of the Organizing Committee of STVF '90 and deputy mayor of Shanghai, announced the closing of the festival, a well-prepared prize-awarding ceremony was held in the theatre at Shanghai Centre. At the ceremony, four Magnolia prizes and three City prizes were awarded to the festival's best programmes and performers.

Magnolia is Shanghai's city flower, symbolizing pureness

and dignity. In all, 206 participating entries were sent from 105 TV stations or TV/video producers in 24 countries and regions, including NHK (Japan), CBC (Canada), ZDF (Germany), CBS and Warner Bros. (USA), Antenne 2, France, Film Australia and Hong Kong's ATV. It was a professional competition. All 76 features and 130 documentaries fought it out with equal chances to win the four major prizes named after the city flower. After reviewing these entries, the preliminary judging committee of 18 experts from the United States, Japan, Thailand and China nominated five feature films, five documentaries, four actors and five actresses as candidates for the Magnolia prize. This job was done in mid-September, 1990.

The five nominated features were *Examination War* (YTV, Japan), *Married for a Year* (Shanghai Film Studio & CCTV, China), *A Season of Leaves* (Antenne 2, France), *Yesterday, Today and Tomorrow* (ATV, Hong Kong) and *Cheers to Mom!* (Fuji TV, Japan). The documentaries were *Baka, People of the Forest* (WQED, USA), *Promises to Keep* (Durrin, USA), *Bandage of the Earth* (KAB, Japan), *A Marriage Bureau for Elderly People* (STV, China) and *My Father, My Country* (Film Australia). Christian Kuchenbuch in *Let the Blue Pigeon Fly* (DFF, DDR), Kwong Wa in *Life Goes On* (TRHK, Hong Kong), Tsunehiro Watase in *Examination War* (YTV, Japan) and James Woods in *My Name Is Bill* (Warner, USA) were nominated for the best-actor prize. The five best-actress nominees were Yuko Hama in *Cheers to Mom!*, Chen Yulian in *Yesterday, Today and Tomorrow*, Wang Pin in *Married for a Year*, Delphine Seyrig in *A Season of Leaves*, and Anne Archer in *Leap of Faith* (Viacom International, USA).

During the festival, the 14 leading TV figures from Britain, Pakistan, Japan, the United States, the Soviet Union, Italy and China found it difficult to make the final decisions on the prizes. *Baka, People of the Forest* picked up the only Magnolia documentary prize for its excellent representation of the life of a small group of Pygmies in the remote Cameroon rain forest. The story is told from the perspective of the Baka people and in their own language through the use of subtitles. Another American documentary *Songs of Freedom* (Visian Beaumont Theatre, USA) was given the only City documentary award.

Out of the five nominated features, *A Season of Leaves* distinguished itself as a rare masterpiece and was fittingly honoured with the Magnolia feature film prize. The film tells how an established film actress, with the help and understanding of her daughter, struggles hard to recover her loss of memory and creates a new film as her last gift to her audience. Undoubtedly, as the heroine, Delphine Seyrig's superb performance contributed much to the film's success. It was unfortunate indeed that she passed away just before the festival in October.

Among the non-nominated TV features, *The Heart Is Not Stone* (Leningrad Film Studio, USSR) and *Leap of Faith* (USA) were



DAI GANG

Noted American actress Stephane Kramer, who played the role as McCall the policewoman in *Hunter*, participates in STVF '90.

honoured with City film awards. *The Ba People* (HACEFC, Hubei, China) became the winner of the only special jury award for its great dramatic insight in reconstructing the unique life experiences and courage of a pre-historic tribal people. Since this film has little dialogue and no story line, and even the limited dialogue fragments are done in a sort of man-made lingo, the jury agreed that it was unfair for both the film itself and the other entries to be compared according to the same standards.

The Magnolia best-actress prize went to the Chinese actress Wang Pin for her excellent performance in the role of Qiu Ruyun—a middle school teacher in her fifties and daughter of an 80-year-old lady as well as the widow mother of a newly married son—in the nominated feature *Married for a Year*. With its

Shanghai back-street neighbourhood setting, the film discusses the different values and attitudes of Qiu's three generation family towards her desire to remarry. As a retired professional actress from the Shanghai People's Art Theatre, Wang started her experience in movie and television only a decade ago. The Magnolia prize, of which she is more than worthy, turned out to be her best birthday present, for she spent her 59th birthday the day she received it. Offering her the prize, Xie Jin, one of China's leading film directors and a member of the final jury, spoke highly of Wang's achievement in "living the role rather than performing it."

The American actor James Woods, already an Oscar nominee for his part in *Salvador* (1986), carried off the Magnolia best-actor prize for his portrayal of Bill Wilson, a reformed alcoholic, in *My Name Is Bill* (Warner Bros., USA). This was the first time that Chinese audience had an opportunity to become acquainted with James Woods and his film.

Many believe that STVF '90 marked the maturity of the international event and hope it will play an even greater role in the world of television. Some jury members and overseas visitors did not hesitate to parallel the Shanghai TV festival with other similar major world competitions such as at Cannes, Tokyo or Monte Carlo for example. However, as a biannual event, the next STVD will be in 1992, and will no longer be the only TV festival in China. The Sichuan TV Festival, its competitor with the same status and time span, is only to open every other year. The first Sichuan TV Festival is scheduled to take place in Chengdu, the province's capital, in September 1991. ■

FACTS AND FIGURES

Geographical Distribution, Density and Natural Growth Rate of China's Population

On November 6, 1990, the State Statistical Bureau of the People's Republic of China released the No. 2 communique on the major figures of the 1990 census. The population figures relate to geographical distribution, density, natural growth and the proportion of the urban population in each of the 30 provinces, municipalities and autonomous regions on the mainland.

1. Geographical distribution. Total population in various provinces, autonomous regions, municipalities directly under the central authorities, and regions(1) and the total number of servicemen are as follows:

Beijing Municipality—10,819,407, including 3,456,982 in eight counties under the direct administration of the city

Tianjin Municipality—8,785,402, including 2,930,334 in five counties under the direct administration of the city

Hebei Province—61,082,439

Shanxi Province—28,759,014

The Inner Mongolia Autonomous Region—21,456,798

Liaoning Province—39,459,697

Jilin Province—24,658,721

Heilongjiang Province—35,214,873

Shanghai Municipality—13,341,896, including 5,127,460 in nine counties under the direct administration of the city

Jiangsu Province—67,056,519

Zhejiang Province—41,445,930

Anhui Province—56,180,813

Fujian Province—30,097,274, including 49,050 in Jinmen, Mazu and other islands (2)

Jiangxi Province—37,710,281

Shandong Province—84,392,827

Henan Province—85,509,535

Hubei Province—53,969,210

Hunan Province—60,659,754

Guangdong Province—62,829,236 (not including the population of the Dongsha Islands)

The Guangxi Zhuang Autonomous Region—42,245,765

Hainan Province—6,557,482

Sichuan Province—107,218,173

Guizhou Province—32,391,066

Yunnan Province—36,972,610

The Tibet Autonomous Region—2,196,010

Shaanxi Province—32,882,403

Gansu Province—22,371,141

Qinghai Province—4,456,946

The Ningxia Hui Autonomous Region—4,655,451

The Xinjiang Uygur Autonomous Region—15,155,778

Taiwan Province(3)—20,155,830

Chinese compatriots(4) in Hong Kong and Macao—6,130,000

The servicemen of the Chinese People's Liberation Army—3,199,100

2. Density. The population density per square kilometre of the 30 provinces, autonomous regions and municipalities on the mainland, including servicemen, is 118 persons, an increase of 13 as compared with 105 persons per square kilometre in the 1982 census. The population density in various provinces, autonomous regions and municipalities differs greatly.

The six provinces and municipalities with a population density exceeding 500 persons per square kilometre are Shanghai, Tianjin, Jiangsu, Beijing, Shandong and Henan. The nine provinces with a density ranging between 200 and 499 persons are Zhejiang, Anhui, Guangdong, Hebei, Hubei, Hunan, Liaoning, Fujian and Jiangxi. The ten provinces and autonomous regions between 50 and 199 persons are Hainan, Sichuan, Shanxi, Guizhou, Guangxi, Shaanxi, Jilin, Yunnan, Heilongjiang and Ningxia. The five provinces and autonomous regions with a population density under 50 persons per square kilometre are Gansu, Inner Mongolia, Xinjiang, Qinghai and Tibet.

3. Natural population growth rate. Between July 1, 1989 and June 30, 1990, the population growth rate of Shanghai was 4.96 per thousand, the lowest of the 30 provinces, autonomous regions and municipalities on the mainland.

The natural growth rates of Beijing, Zhejiang, Tianjin and Liaoning were also below 10 per thousand.

The provinces and autonomous regions with rates between 10 per thousand and 14.99 per thousand are Sichuan, Heilongjiang, Jilin, Shandong, Hebei, Inner Mongolia, Jiangsu and Guangxi.

The natural growth rates were above 15 per thousand in Qinghai, Yunnan, Shanxi, Guangdong, Guizhou, Gansu, Hunan, Shaanxi, Hubei, Hainan, Fujian, Henan, Jiangxi, Tibet, Anhui and Ningxia.

4. Proportion of urban population. In the 30 provinces, autonomous regions and municipalities on the mainland, 26.23

percent of the population live in cities and towns. The proportion of urban population in 14 provinces, autonomous regions and municipalities exceeds the national average. They are, in descending order, Beijing, Tianjin, Shanghai, Liaoning, Heilongjiang, Jilin, Guangdong, Inner Mongolia, Zhejiang, Xinjiang, Hubei, Shanxi, Qinghai and Shandong.

Beijing is the highest, with 73.08 percent of its population living in urban areas.

There are eight provinces and autonomous regions where this proportion falls below the national average but is higher than 20 percent. They are Ningxia, Hainan, Gansu, Shaanxi, Fujian, Jiangsu, Jiangxi and Sichuan.

For the remaining eight provinces and autonomous regions, it is under 20 percent.

Note (1): The population figures for the provinces and autonomous regions which are contiguous to countries whose borders with China have not as yet been delimited, are counted according to the population of the areas covered by the census.

Notes (2) and (3): Figures given are those released by the Taiwan authorities at the end of March 1990.

Note (4): The figure of the Chinese compatriots in the Hong Kong area was calculated on the data released by the Hong Kong government at the end of 1989. The number of Chinese compatriots in the Macao area was calculated according to data released by the Macao government at the end of 1989.

Note (5): Total population of cities refers to the combined total of the population of the administrative districts of those cities with districts and the population of the neighbourhoods of those cities without administrative districts. The population of towns refers to the combined total of the population of the neighbourhood committees of those towns under the jurisdiction of those cities without administrative districts and the population of the neighbourhood committees of those towns under the jurisdiction of counties.

CHINA

Demographic Table Showing China's Population Density, Natural Change, and Proportion of Urban to Total Population According to Geographical Distribution

Place	Total Population (persons)		Increase (%)	Density (persons/Km ²)		Birth rate	Natural Change (%)		Proportion of urban to total pop- ulation (%)
	1990	1982		1990	1982		Death rate	Natural growth rate	
Total	1133682501	1008175288	12.45	118	105	20.98	6.28	14.70	26.23
Beijing	10819407	9230687	17.21	644	549	13.35	5.43	7.92	73.08
Tianjin	8785402	7764141	13.15	777	687	15.50	5.98	9.52	68.65
Hebei	61082439	53005875	15.24	325	282	19.66	5.76	13.90	19.08
Shanxi	28759014	25291389	13.71	184	162	22.31	6.25	16.06	28.72
Inner Mongolia	21456798	19274279	11.32	18	16	20.12	5.79	14.33	36.12
Liaoning	39459697	35721693	10.46	270	245	15.60	6.01	9.59	50.86
Jilin	24658721	22560053	9.30	132	120	18.40	6.12	12.28	42.65
Heilongjiang	35214873	32665546	7.80	78	69	17.51	5.33	12.18	47.17
Shanghai	13341896	11859748	12.50	2118	1913	11.32	6.36	4.96	66.23
Jiangsu	67056519	60521114	10.80	654	590	20.54	6.07	14.47	21.24
Zhejiang	41445930	38884603	6.59	407	382	14.84	6.10	8.74	32.81
Anhui	56180813	49665724	13.12	404	356	25.04	5.79	19.25	17.90
Fujian	30048224	25873259	16.14	248	213	23.45	5.70	17.75	21.36
Jiangxi	37710281	33184827	13.64	226	199	24.47	6.59	17.88	20.40
Shandong	84392827	74419054	13.40	539	486	18.86	6.25	12.61	27.34
Henan	85509535	74422739	14.90	512	446	24.03	6.18	17.85	15.52
Hubei	53969210	47804150	12.90	290	255	24.32	6.84	17.48	28.91
Hunan	60659754	54008851	12.31	286	257	24.03	7.07	16.96	18.23
Guangdong	62829236	53631551	17.15	353	301	21.96	5.34	16.62	36.77
Guangxi	42245765	36420960	15.99	178	158	20.71	5.96	14.75	15.10
Hainan	6557482	5667669	15.70	193	167	22.95	5.22	17.73	24.05
Sichuan	107218173	99713310	7.53	188	176	17.78	7.06	10.72	20.25
Guizhou	32391066	28552997	13.44	184	162	23.77	7.13	16.64	18.93
Yunnan	36972610	32553817	13.57	94	83	23.59	7.71	15.88	14.72
Tibet	2196010	1892393	16.04	1.8	1.6	27.60	9.20	18.40	12.59
Shaanxi	32882403	28904423	13.76	160	141	23.49	6.49	17.00	21.49
Gansu	22371141	19569261	14.32	49	43	22.85	5.92	16.93	22.04
Qinghai	4456946	3895706	14.41	6	5	22.65	6.84	15.81	27.35
Ningxia	4655451	3895578	19.51	90	59	24.56	5.07	19.49	25.72
Xinjiang	15155778	13081681	15.85	9	8	24.67	6.39	18.28	31.91

Note:

1. Total population on the table includes the number of servicemen of the Chinese People's Liberation Army.
2. The period of the natural population growth refers to the data of 12 months before the 1990 census.
3. The proportion of the total population of cities and towns is counted according to the following approaches:
Total population of cities refers to the combined total of the population of the administrative districts of those cities with districts, and the population of the neighbourhoods of those cities without administrative districts. The population of towns refers to the combined total of the population of the neighbourhood committees of those towns under the jurisdiction of those cities without administrative districts, and the population of the neighbourhood committees of those towns under the jurisdiction of counties.

Future Complications in US-Latin American Ties

by Yang Bin

US President George Bush recently visited five Latin American countries — Mexico, Uruguay, Argentina, Chile and Venezuela — in an effort to assure Latin American countries that the United States has not forgotten them, despite the shift of worldwide attention to the Soviet Union and Eastern Europe and, now the Gulf region. However, the drastic changes which have occurred since the 1980s — the deepening of detente between the United States and the Soviet Union, the emergence of other international forces, the widening of North-South gap and the trend towards regionalization in the world economy — cannot but have a profound bearing on the foreign policies of Latin American countries, bringing about great changes in their relations with the United States, which traditionally views the region as its “backyard.”

Trend of Development

A major task facing Latin American countries in the 1990s is to consolidate the democratic process, restore and develop their national economies, and maintain peace and social stability. To realize these goals, in addition to strengthening regional cooperation and multi-channelled diplomacy, Latin American countries will have to continue to give priority to relations with the United States.

Politically, the United States will attempt to absorb Latin American nations into its “demo-

cratic system” and oppose the “central totalitarian system” that “combines Latin American communism with nationalism.” In particular, Washington will exert pressure on Cuba, the only socialist country on the continent, in a bid to topple the Fidel Castro regime. This policy of intervention casts a shadow on relations between the United States and Latin American nations.

After drafting an advisory document in dealing with Latin American countries in 1980 for the Reagan administration, the Santa Fe Committee presented a second document in 1988 for the Bush administration. The document asserted that the democratic institutions in Latin American countries continue to be very fragile and even in democratically elected governments, there still exists a central totalitarian tradition. The report then recommended the United States should not only be concerned with formal democracy but should support any plans for democracy within governments, armed forces and political organizations. It went on to point out that the combination of Latin American communism and nationalism constitutes the greatest danger to the region and also the greatest threat to US interests and only with the support of US Congress and the US government can democratic governments in Latin America be established.

These passages prove that the United States is dissatisfied with the “fragile democracies” in Latin America and considers it necessary to help the countries to establish governments which suit Washington’s tastes, thus provid-

ing an excuse for its interventionist policy.

After moving into the White House, Bush has basically acted in accordance with this document, the only change being that Washington, encouraged by the drastic changes in world politics, has become bolder in pursuing its interventionist policy.

On December 20, 1989, the Bush administration sent more than 20,000 troops to invade Panama and captured Manuel Noriega, Panamanian strongman, resolving a difficult issue the Reagan administration failed at for years. In early 1990, the new Panamanian government decided to set up a security force to replace the old National Defence Force, which made Panama a country without armed forces and created conditions for the prolonged dominance of Panama by the United States.

Regarding Nicaragua, while applying political and diplomatic pressure on Nicaragua by supporting a Central American peace initiative, the Bush administration forced the Central American country to hold general elections. It continued its economic blockade against Nicaragua, causing enormous economic difficulties and arousing popular discontent towards the Sadinista government. Simultaneously the Bush administration encouraged various opposition forces in Nicaragua to jointly participate in the general elections by promising a US\$900,000 election fee for them. This led to the downfall of the Sandinista government led by Daniel Ortega in the general elections on February 25, 1990. The Bush administration thus peace-

The author is a liaison secretary with the China Association for International Understanding.

fully toppled a regime that was won through an armed struggle.

The Santa Fe document suggested that the US government put more emphasis on Cuba with a view to overthrowing the Castro regime after the year 2000. However, recent developments in the world situation have prompted the United States to accelerate the timetable for destroying the Cuban government. The United States has intensified its all-out offensives against Cuba on political, economic, diplomatic and military fronts. It reiterated its ban on trading with Cuba and obstructed the American Broadcasting Company from reporting on the Pan-American Games to be held in Cuba in 1991. In the first two months the United States had increased its military presence in Guantanamo military base to tighten the pressure on Cuba. In May, the United States conducted three military exercises in the Caribbean with Cuba as the imaginary enemy.

These signs indicate a rise of power politics on Washington's part. A foreign ministerial meeting of the Group of Eight Latin American countries at the end of March pointed out that the United States violated norms of international law in many areas of the American continent and demanded the United States respect the principle of peaceful co-existence among nations. The clashes did not forebode well for the development of relations between Washington and its "backyard" neighbours.

Economically, debt and trade are the main issues between Latin American countries and the United States.

Last year, the total Latin American debt volume rose to US\$434 billion from US\$333 billion in 1982 when the debt crisis broke out. In addition, US\$250 billion were used to serve the repayment of debts. Heavy foreign debt burden and a serious shortage of funds have hampered the

economic development of Latin American countries.

In recent years, the debtor nations and regional organizations have repeatedly suggested that creditor nations and banks settle debt problems in such a way as to provide more loans and help them develop their economy to promote the repayment of loans. Meanwhile, the United States initiated the "Baker Plan" and "Brady Plan" to resolve the issue, but neither has been very successful.

Mexico and Costa Rica, through negotiations with creditor nations and banks, have made headway in lightening their foreign debt burden. However, it is not necessarily a good omen to other nations in this region because it might weaken joint efforts to resist foreign pressure and hinder a comprehensive solution to the debt problem. To date, there are no signs for a complete settlement of the question. In the coming decade, debt issues will continue to be the central topic of diplomatic activities concerning economy.

Trade with the United States occupies a significant place in the foreign trade of Latin American

countries. In 1986, the trade volume between them reached US\$73 billion, making up 53 per cent of total Latin American foreign trade valued at US\$137.6 billion.

In the 1990s, the United States will maintain its role as the major trade partner of Latin American countries, in spite of the latter's efforts to develop multilateral trade ties.

Economic frictions between the United States and Latin American countries were acute in the 1980s. Latin American export suffered from the constant decline of primary product prices. In 1985, the prices of 17 major export products dropped 19 percent, causing a loss of US\$10 billion. Washington's trade protectionism and high tariff barriers were another factor that affected economic ties between the two sides.

Although Latin American countries have made a continuous effort for an equitable outside economic environment, the US trade protectionism even escalated, which is not likely to change in the 1990s.

As for economic policy, Latin America and the United States have found some identical views.

Strengthening regional co-operation: On October 12, presidents of the Group of Eight Latin American countries (from left) — Ecuador, Chile, Colombia, Argentina, Mexico, Brazil, Uruguay and Venezuela — cheer for the success of their summit meeting.

YANG JIANHUA



The "Santa Fe II" report suggested that the United States encourage private enterprises in Latin America, striving to accelerate privatization of collective enterprises and establish a national capital market based on free enterprise and independent company. Most contents of the proposal have been accepted by the leaders of Latin American countries. Since 1982, many of these countries practised economic non-nationalization in order to overcome economic crises, causing a wave of privatization.

Privatization in Latin America will help overcome bureaucracy in state-run enterprises and increase productivity. A free economy is likely to be a better option for Latin American countries in surmounting their difficulties. But, this may weaken their national economy, trigger high unemployment rate and widen the gap between the rich and poor. Also, these countries may face challenges to their national independence and sovereignty.

On the anti-drug front, the United States and Latin American countries will co-operate, to some extent, in checking drug trafficking because they have shared the mutual interests and demand concerning the issue. However, Latin American countries will object attempts by the US government to intervene in their internal affairs in name of combating drug trafficking. On February 15, 1990, presidents from the United States, Bolivia, Peru and Colombia met in Cartagena and signed a statement in which the four agreed to co-operate in all aspects in their efforts to abolish drug production and trafficking. It was the first step towards overall co-operation among American countries in combating drug trafficking. It ended the mutual blaming between the drug producing and consuming countries as to who should take responsibility for the disastrous spread of drugs, formulating the premise that both

have responsibility. This represented the basis for the co-operation between the two sides. The United States has also agreed to link anti-drug efforts of the Latin American countries with their economic development, promising to provide assistance for their economic development plans.

However, the meeting also exposed some differences between the two sides. The United States had to cancel its plan of holding an anti-drug exercise in the Caribbean Sea under the joint opposition from Latin American countries. Bush's proposal to establish a multinational armed force assisting in the anti-drug activities in Latin American countries was also rejected. Under such conditions, the US government had to agree that no joint or single military action would be taken in the region and all the anti-drug actions should be carried out in respect of the sovereignty of each country.

Main Features

Relations between the United States and Latin American countries in the 1990s will be characterized by interference and counter-interference struggles. Since Monroeism was formulated one and a half centuries ago, all US presidents have followed similar policies towards Latin America. They all regard Latin America as their "backyard" and a "sphere of US influence." So the US governments have never stopped intervening in the internal affairs of Latin American countries and launching armed aggressions into them. In the 1990s, the US interference policy will intensify instead of decline.

On the other hand, since the 1960s, national and democratic movements have grown in Latin America. In addition to strengthening their political and economic independence, most Latin American countries have pursued

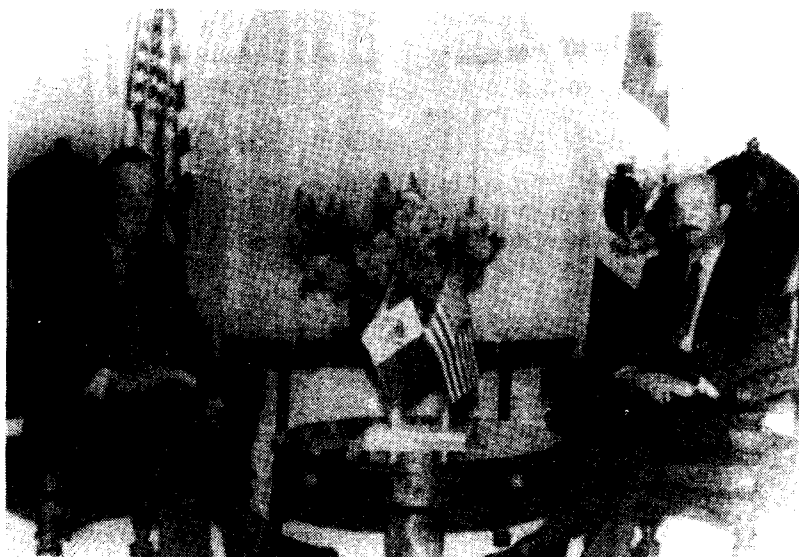
independent diplomacy with initiative in their own hands. Eight primary Latin American countries formed the Group of Eight in December 1986. It was the first political consultant organization formed in the region. Its establishment indicated that the time that the United States presided over all the meetings has ended and Latin American countries began dealing with the problems in the region themselves through consultations. The group has strongly reacted to the US invasion into Panama, stressing that every country has the right to choose its own government or ruler and demanding the US government respect the sovereignty of other countries and cease its interference policy. Other Latin American countries have also condemned interference policy.

The struggle between Latin American countries and the United States will continue in the coming decade although the forms and intensity of these struggles may vary from country to country.

Most Latin American countries will adopt realistic and moderate attitudes towards the United States, preferring dialogues in dealing with their disputes with the United States while the United States will use both soft and hard tactics towards them. In the past year, one third of Latin American countries held general elections, bringing into power new leaders. Except for a few old politicians who have been re-elected, most new leaders are young. They are adhering to centro-right political attitude and carrying out practical and reformist policies in their countries. Most of them have visited the United States and expressed their desire to co-operate with Washington. For example, Mexican President Carlos Salinas visited the United States in mid-June and discussed with US President Bush on signing a free trade treaty. He changed his previous cold

attitude towards the treaty, saying the Mexican economy could not succeed without such a treaty. At the 23rd meeting of the UN Economic Commission for Latin America and the Caribbean held in Caracas, the capital of Venezuela, on May 3, Latin American countries expressed their desire to co-operate with the United States and stopped blaming the "external barriers" for impeding their economic development. On the contrary, they tried to find fault in their own policies which led to the decline in their economies during the 1980s. They saw they had over-emphasized their economic independence while neglecting mutual dependence in the world economy; over-stressed the protection of domestic markets and development of import-substitute production while ignoring the function of competition in promoting the efficiency of production; attached more importance to the nationalization and interference of the state in economic activities while underestimated the role of the private sector and market in economic development. Their self-criticism won praise from the United States and other developed countries. It indicates that the economic strategies of Latin American countries are slowly approaching that of the United States after adjustment and that co-operation between the two sides will be strengthened.

Latin American countries will give more impetus to regional integration while carrying out pluralistic diplomacies, with emphasis on Western Europe and Japan. The integration movement in Latin American countries began in the 1960s when they tried to shake off the control of the industrial countries and achieve common development by collective efforts. Now the movement has entered a new period. Brazil, Argentina and Mexico, the primary Latin American powers, have attached great importance to regional integration. The Group of



US-Mexican ties: on November 27, visiting US President George Bush holds talks with Mexican President Carlos Salinas on establishing a common market and drug trafficking issues.

ZHANG NING

Eight, including the aforementioned three countries, has set the goal of establishing a Latin American common market in 1992. Some other organizations are also active in promoting regional integration.

Since the 1970s, Latin American countries have been pursuing the pluralistic diplomacy in order to guarantee independence of their countries. They have strengthened relations with East and West European countries, Japan, the Soviet Union, China and other Asian and African countries. In the 1990s, Latin American countries will continue to pursue the policy so as to extricate themselves from economic predicaments and avoid depending too heavily on the United States. Their economic relations with the West European countries and Japan will develop rapidly. In July last year, Mexican President Salinas held talks with the leaders of France, the United States, Britain, Germany, Japan, Italy and Canada when he participated in the celebration ceremony of the 200th anniversary of the French Revolution in Paris. In September, Salinas met with visiting Ja-

panese Prime Minister Toshiki Kaifu and the two leaders discussed new forms of co-operation between the two sides in environmental protection, trade and Japan's investment in Mexico. In June 1990 Salinas paid a return visit to Japan. In January 1990, the Brazilian president visited the United States, Japan, the Soviet Union, Britain, France, Italy, Spain and Portugal. Brazil's foreign minister chose the United States, Japan, the Soviet Union and Britain as the first countries to visit after taking office with the aim to obtain technology and investment from these countries. Although Argentine President Carlos Saul Menem called off his visit to some European countries for some reasons early this year, his foreign minister visited Europe three times within the last two months and resumed or signed some trade treaties with the European Community (EC). In addition, the foreign ministers of the Group of Eight in April held separate talks with their counterparts of East and West European countries to further promote their relations. ■

New Developments in the Gulf Situation

by Zhu Mengkui

On November 29, the United Nations Security Council adopted Resolution 678 authorizing member states "to use all necessary means," including, obviously, the use of military force, to uphold and implement the Security Council's previous resolutions unless Iraq withdraws its forces from Kuwait on or before January 15, 1991.

Since Iraq's invasion and annexation of its tiny neighbour on August 2, a series of resolutions requiring its immediate and unconditional withdrawal from Kuwait and calling for economic sanctions against the country have been adopted by the UN Security Council. Iraq, however, has always refused to implement these resolutions, not even showing any intention to withdraw from Kuwait.

The United States began its "Operation Desert Shield" on August 7, sending troops to Saudi Arabia and the Gulf region. Some other Western countries and Arab and Islamic nations also sent troops to the region, in the name of preventing invasion and applying economic sanctions. In early November, the United States decided to send another 200,000 troops and M-1 tanks to Saudi Arabia, and Britain also reinforced its troops in the Gulf by 14,000. Therefore, the multi-national force in the Gulf region will increase to 530,000 before the end of this year, with more than 100 warships and 1,000 airplanes. In reaction, Iraq announced it would deploy another 250,000 troops in Kuwait, increasing its forces to 680,000.

The multi-national troops in the Gulf headed by the United States have held combat exercises in Saudi Arabia and the Gulf region. US governmental officials and military leaders also have adopted an increasingly tough attitude, repeatedly stressing the need to drive Iraq out of Kuwait by force. Iraqi President Saddam Hussein did not show any signs of weakness. He frequently convened meetings of high-ranking military officers and ordered Iraqi troops to be on the alert, preparing to fight with US troops in Kuwait. All this leads the Gulf situation to the verge of an all-out war.

In order to avoid a disastrous war, the Arab world and international community have made every effort. Leaders and representatives of many countries and organizations have in recent months visited Baghdad and other countries concerned with the Gulf crisis. Numerous initiatives for a peaceful solution of the Iraqi-Kuwaiti conflict and the Gulf crisis have been advanced. Meanwhile, envoys and representatives of Iraq, Saudi Arabia and Kuwait visited other countries to expound their views and seek ways to peacefully resolve the crisis. Chinese Foreign Minister Qian Qichen visited the Middle East in mid-November, discussing the Gulf situation with leaders of Egypt, Saudi Arabia, Jordan, Iraq and Kuwait. He also reaffirmed

China's stand on peaceful settlement so long as the opportunity exists.

The reason why peaceful efforts have not yet achieved any breakthrough is the huge gap between parties concerned. Saddam once proposed a package plan which connects the Kuwaiti matter with the Palestinian question. The proposal says Iraq would simultaneously withdraw from Kuwait if Israel withdraws from the West Bank, Gaza Strip and Southern Lebanon and Syria pulls out of Lebanon at the same time and that an international Mid-east peace conference is to be held on this basis to comprehensively resolve the Middle East question. The proposal won support from several nations such as Palestine. But the United States, Egypt and other Gulf countries insisted that Iraq first withdraw its troops from Kuwait. In view of the deteriorating situation in the Gulf, Morocco suggested convening an emergency Arab summit. However, differences on the Gulf problem and doubts about the outcome of such a summit among Arab nations made it difficult to settle the crisis within the Arab world.

But recently, demonstrations have occurred in the United States and Britain, criticizing the governments' policy of sending troops to the Gulf. The demonstrators voiced opposition to a war option, calling for a peaceful solution. Some US congressional leaders also asked President George Bush to consult with Congress before using military force.

Just before the adoption of the Security Council Resolution 678, Iraq strongly criticized the United States and other Western countries, saying they were trying to find an excuse for their attack on Iraq, and called for talks with the United States. Bush rejected the demand and indicated talks will begin only after Iraq's withdrawal.

But on November 30, Bush offered to send Secretary of State James Baker to Baghdad to meet Saddam and invited Iraqi Foreign Minister Tareq Aziz to Washington on December 10. Bush said he wanted to seek a peaceful settlement of the Gulf crisis. Iraq has accepted the US proposal for direct dialogue.

The US decision immediately won positive responses from many countries. UN Secretary-General Javier Perez de Cuellar said in a statement he very much welcomed Bush's announcement to hold direct talks with Iraq on the Gulf crisis. He said he hoped "these contacts will lead to a just and peaceful settlement of the crisis." "If these contacts take place, there will indeed be a really, really peaceful solution to the problem." But he added that this was only the beginning of a process.

Despite the increasing danger of war, calls for a peaceful solution are rising and peace efforts are continuing. ■

China Encourages Foreign Investment

An official of the Ministry of Foreign Economic Relations and Trade recently noted that during the Eighth Five-Year Plan period (1991-95), China will continue to carry out and improve the policies and regulations made to encourage foreign investment. The aim is to attract international investment for its modernization.

China plans to provide foreign investors with preferential treatment in the following fields:

—Foreign investors are allowed to use currency, mechanical equipment, raw materials, means of transport, and industrial property rights such as patents and trademarks, special technology and other incorporeal property as capital investment.

—Equipment, instruments and meters, and raw materials imported by foreign investors to be used as material goods for investment, and facilities purchased with investment money on the international market, as well as materials used in production are exempted from tariff and industrial and commercial consolidated tax.

Foreign businessmen are allowed to invest in a variety of fields and trades, except for Chinese departments involving state security, traditional Chinese exports and those products on which foreign governments have set import quota limits.

—China does not limit the proportion of shares of foreign capital in a joint venture and allows them to establish wholly foreign-owned enterprises.

—Foreign investors are allowed to be legal representatives such as chairman of boards of the directors in joint ventures.

—Generally, China does not limit the operation period for foreign-funded enterprises, before the expiration of the contracts, operators may apply to the Chinese government for extending operating period.

—Foreign-funded enterprises may purchase raw materials on the international market and sell their products both in China and abroad.

—Foreign-funded enterprises are encouraged to employ Chinese workers and invite technicians, experts and senior managerial personnel from abroad.

—A low income tax policy is carried out for foreign-funded enterprises, whose income tax rate is lower than that for the state-owned enterprises and collectives.

—Those who invest in China's major undertakings will be given longer tax reduction and exemption period and those who invest in China's major development areas or mainly use advanced technology and export products will enjoy more preferential tax treatment.

Since its reform and opening to the outside world, China has formulated a series of preferential policies for attracting foreign investment. Improvement of the investment environment resulted in introducing international investment from 45 countries and regions throughout the world. By late September 1990, China had approved the establishment of more than 26,500 foreign-funded enterprises. Negotiated value was US\$37.8 billion while US\$17.7 billion was actually used. ■

ADB Agricultural Loans to China

On November 29, the board of directors of the Asian Develop-

ment Bank (ADB) formally granted US\$50 million in agricultural loans to China. This is the first loan issued by ADB to China since June 1989.

The Agricultural Bank of China (ABC) will use the loan to support small and medium-sized township enterprises in Shandong, Guangdong, Jilin, Jiangsu and Fujian provinces. The loan extends for 15 years and includes a three-year grace period. Using a floating rate, the current annual rate of interest is 6.36 percent, with adjustment made once every six months.

Also, ADB will offer US\$480,000 in aid loans to help raise project managerial ability and the technological level of agriculture in provinces, cities and counties.

In addition, a US\$567.8 million loan to the ABC, the Shanxi Liulin Power Plant, the Shandong Laiwu Iron and Steel Works and five other projects is being prepared by ADB responsible departments, and is waiting for examination and approval by the board of directors.

Che Peiqin, a Chinese executive director of ADB, said that China would use more ADB funds to speed up its economic construction as ADB gradually restores its business with China. China's policy of reform and opening to the outside world not only has brought about the continuous and stable growth of China's economy but developed a wide prospect for the cooperation between China and all the international economic organizations including the ADB. ■

Gansu Benefits from WB Loans

Gansu Province in northwest China has made remarkable achievements in the use of

World Bank loans for the development of agriculture, water conservancy, industry and education.

Since 1986, the World Bank has supplied US\$182.17 million in loan for the comprehensive development of the province. By late September 1990, altogether US\$67.7 million had been used in harnessing the Guanchuan River and in the development of basic education and industry in the locality.

These projects, which have been completely or partially finished, have yielded good social and economic returns.

The Guanchuan River treatment project in Dingxi County has increased the vegetation rate from 18.5 percent in 1986 to 36.5 percent, resulting in better control of soil erosion and an annual growth of grain production by five million kg.

The province has also used the World Bank loans to build and repair 91 hospitals, epidemic prevention stations, women and children health care stations and rural clinics, helping improve the health conditions in 15 counties.

In industrial projects, for example, the Yongdeng County Carbon Factory funded by the World Bank loan has been put into operation. Last year, it yielded 2.29 million yuan in profits and taxes and gave jobs to 132 rural people. The Wuwei Linen Mill has also begun its trial-production.

In addition, Gansu has used World Bank loans to run 41 courses in which 3,900 people were trained. ■

Vehicle Production With Taiwan

Shen Ningwu, deputy director of the No. 2 Motor Vehicle Plant, with its general factory

situated in Shiyan in Hubei Province, recently expressed his hope to produce automobile spare parts in co-operation with the Taiwan motor vehicle industry.

There are many kinds of co-operation, he said. For example, the No. 2 Motor Vehicle Plant could provide factory buildings and equipment for production and open up a car development area for Taiwan businessmen in the vicinity of Wuhan in which to build factories; also joint venture factories could be set up in Xiamen and other coastal cities.

Shen Ningwu's idea was that there were many motor vehicle plants in Taiwan producing a small number of cars for a limited market. But the technical standard of Taiwan's vehicle components and spare parts is quite high, and most of them serve as accessories for large motor vehicle plants all over the world. Therefore, there is a possibility of co-operation between the No. 2 Motor Vehicle Plant, which is large in scale and has many specialized personnel, and Taiwan car component and spare parts factories, to produce and expand car components and spare parts for export.

It is reported that in recent years, the No. 2 Motor Vehicle Plant has received many groups of businessmen from Taiwan vehicle components and spare parts factories. Our powder metallurgy, water tanks, air compressor and piston ring branch factories have already held talks with Taiwan businessmen for co-operative production. In Xiamen, Fujian Province, the No. 2 Motor Vehicle Plant has already set up the joint venture Jinlong United Car Industrial Co. and the Jinlong Car Body Co. with Taiwan businessmen. The former imports and assembles German Benz car components and will become one of the two fac-

ories on the mainland to produce large luxury sedan cars. The latter produces Taiwan's one-ton trucks. Some of them are sold abroad.

The No. 2 Motor Vehicle Plant is the largest truck manufacturing base in China. In 1989, it produced 135,000 motor vehicles, and its business amounted to 4.1 billion yuan. With the approval from the state, it will co-operate with the French Citroen Co. to produce 300,000 cars annually.

by Li Ming

Mushroom Co. Jointly Set Up

The China Edible Mushroom Technology Development Co. Ltd., a private enterprise in Maanshan, Anhui Province, has recently set up a joint venture, the China Anhui Aska Edible Mushroom Co. Ltd., together with the Aska Japan Co. Ltd. The example of a private enterprise running a joint venture with a foreign firm is still rare in China.

Both sides invested 2.82 million yuan in this joint venture company and the time limit is 15 years. The company will adopt the "steam cultivating technology" developed by Pan Zihang, chairman of the board of directors, to raise several dozen kinds of mushroom, including flat mushroom, hedgehog hydnum, ganoderma, edible fungus, tremella, tube of elevated gastrodia, and other kinds of medicinal fungus. The technology was granted a state patent in 1987, and in 1988, won a bronze medal from the Beijing International Invention Fair. According to an agreement reached by both sides, this joint venture enterprise will produce 500 tons of dried edible fungus, of which 95 percent will be sold by the Aska

Japan Co. Ltd. Each year they will produce an output value of 20 million yuan.

by Zhang Guobao

Railway Arouses Worldwide Interest

Starting from China's Lianyungang Harbour in the east to Rotterdam, Holland in the west, the Eurasian Continental "Bridge" connects the Pacific and Atlantic Oceans. It has drawn widespread attention since it was linked up in September 1990. According to a recent report by Wang Wenqing, mayor of Lianyungang City, between August and October 50 people from various countries and regions including Japan, Singapore, Malaysia, Indonesia, South Korea, Taiwan and Hong Kong made on-the-spot investigations along the railway line. The Soviet Union and some other East European countries have also expressed their desire to cooperate in making the best use of the transcontinental railway.

The new Eurasian Continental "Bridge" is more than 10,000

kilometres long. Experts estimate that transporting goods from the Asian economic zone to Europe from China's Lianyungang Harbour over this route instead of by way of the Indian Ocean in ships will save 20 percent in transportation costs. It will also cut the time in half and the distance by more than 2,000 km. What is more, the overland route is safer and more reliable.

Lianyungang City is located midway on China's continental coastline and is one of the 14 open coastal cities. A natural harbour ice-free throughout the year, Lianyungang has 17 berths now in use, 13 of which are for ships of more than 10,000 tons; they have a handling capacity of 16.4 million tons annually. It has established business ties with 273 harbours in 83 countries and regions in the world, and has five international container shipping lines leading to Hong Kong, Singapore, Bangkok, Kobe, Osaka and Nagoya. At the same time, it has started scheduled sundry goods shipping lines to Hong Kong, Yokohama in Japan and Inchon in

South Korea.

China is making investments in the large-scale construction of Lianyungang Harbour for better utilization of the Eurasian Continental "Bridge." Eventually it will emerge as a comprehensive harbour with 100 deep-water berths that can handle up to 60 million tons of cargo a year.

by Yao Jianguo

News in Brief

- The Jiaying Refrigerator Factory of Zhejiang Province has won bidding invited by the World Bank for loans to be granted in 1990. The factory's BC-185B laboratory refrigerators met with the World Bank's requirements in technical data.

The Jiaying Factory has in recent years invested more than US\$40 million in the introduction of 15 advanced technologies from the United States, Japan and Italy, to form an annual production capacity of 200,000 refrigerators. Its products range from household refrigerators to those used in laboratories and hospitals. About 20,000 of its 50-litre and 120-litre refrigerators will be sold to Australia.

- China's Dalian Winery has developed a new brandy, *Mermaid*, using the brewing technology invented by the Dalian POME Apparatus Equipment Co. *Mermaid* brandy is rich and mellow, with a tasty flavour. Its various parameters meet with the brandy standards of international VSOP. At present, it is exported to Japan, South Korea, the United States and Southeast Asia, as well as European countries. The invention of *Mermaid* brandy has brought to an end China's historical inability to produce high- and middle-class foreign wine independently. ■

Container dock at Lianyungang Harbour.



YAO JIANGUO

Hungarian Cultural Day Held in Beijing

Hungarian Cultural Day, including an exhibition entitled Sandor Petofi and His Age and a book exhibition, was held in the National Library of China on November 8. The event was part of the Sino-Hungarian cultural exchange programme.

In the heart of most Chinese, Hungary is closely related with Sandor Petofi, the great Hungarian poet. Just as Chen Changben, vice-minister of the Ministry of Culture, said at the opening ceremony, the poetry of Petofi influenced a generation of Chinese revolutionaries who went to the battlefield and execution ground, chanting Petofi's famous poem, "Life is a treasure/ Love even dearer/ But to win freedom/ I would throw both away/."

Petofi (1823-1849) was an outstanding pioneer and statesman during the Hungarian revolution of 1848-1849. His poetry career began in 1842 and his poetry had a strong patriotic spirit which had far-reaching influence within the literary development of Hungary.

"Petofi is a symbol of the spirit of a small and weak nation and his poetry has an ever-lasting historical value," said a cultural official from the Republic of Hungary.

The pictures in the exhibition reflect not only the life and literary career of Petofi but also provide a fine view of life in Hungary during the first half of the 19th century.

The book exhibition also drew a large audience. Hungary publishes about 8,000 titles of books each year. The 300 titles on display involve science, the arts and religion. Among them there are books on Chinese culture, including translations of the *Book of Changes* of the Zhou Dynasty

and Ming Dynasty (1368-1644) novels *Jin Ping Mei* and *Journey to the West*, and the modern novel *Mid-night* by well-known Chinese writer Mao Dun, as well as Chinese textbooks.

The audience can also watch documentary films introducing Hungarian culture and customs. The exhibition hall is decorated

with Hungarian artifacts.

The cultural exchange between the People's Republic of China and the Republic of Hungary began in the 1950s and became frequent in the 1980s. The People's Republic of China held a Chinese Cultural Day including a film week, a book exhibition and an artifacts exhibition in Hungary last year, winning great success.

by Lou Linwei.

Roast Duck Restaurant in Film

Beijing Quanjude Roast Duck Restaurant has long been renowned for its delicious roast duck. In recent years, film writers have noted the restaurant's ups and downs over the past century as a reflection of changing social values. In the wake of the theatre production *No.1 Restaurant in the World*, presented by the Beijing People's Art Theatre, the film entitled *Old Restaurant*, which reflects the history of Quanjude, has been well received by audiences.

Old Restaurant, jointly produced by the Nanhai Film Co. and the Shanghai Heavenly Steed Film Co. with the assistance of the China Film Distributing and Releasing Corp., depicts the different fates of the old roast duck restaurant and its owners by combining elements of history, tradition, comedy and tragedy.

The story begins early this century when Yang Mingquan buys the Dejuquan restaurant which is on the brink of bankruptcy. Following the advice of a fortune-teller, Yang renames it Quanjude, thus making an enemy of the former owner, Hua Yingkui.

By offering high pay, Yang is able to employ Sun the Iron-rod, a renowned chef of the Qing imperial court kitchen who makes

extremely delicious, crisp roast duck. Business booms once again, but the former cook is filled with resentment.

Not only is Yang experiencing business difficulties, but he is also in a state of emotional turmoil—he is in love with Sister Yuhuan whose husband is disabled. Tian Shun, an assistant in the restaurant, also loves Sister Yuhuan, and helps support her with his savings. One night when Sister Yuhuan is depressed and lonely, Tian expresses his love for her, and the vulnerable Sister Yuhuan bitterly accepts him.

Unable to endure his painful life any longer, Sister Yuhuan's husband commits suicide. Sister Yuhuan discovers she is pregnant but isn't sure who the father is. Tian feels guilty about this while Yang only feels hatred for Tian. After consulting the fortune-teller once more, Yang forces Sister Yuhuan to marry him.

On their wedding night, the police chief and Yang's original foe Hua rush into the restaurant under the pretext of smashing a smuggling ring. The restaurant is burnt and Sister Yuhuan dies.

The film has both artistic and social merit. The complex plot and vivid characterization follow the psyches and destinies of peo-

ple at the bottom of society. They are kind, indomitable and staunch on the one hand, and narrow-minded and cowardly on the other. By exploring the personalities of the various characters, the film reveals the universality of certain traits of human nature.

Shot in black and white, the film creates the atmosphere of old Beijing and lends a certain air of tragedy as well.

Gu Rong, the 34-year-old scenarist-director, deliberately combined a traditional style with a vanguard spirit which has general appeal for a variety of filmgoers.

The talented actors and actresses turned in strong perform-

ances with Chen Baoguo playing the part of Yang Mingquan and Xu Songzi in the role of Sister Yuhuan. Together they and more than ten other major actors and actresses successfully created true-to-life Beijing-type characters.

Wang Yunman, a noted Chinese film critic, remarked, "This is a top-quality film that is of high artistic and social value which will deeply impress the viewer."

"People should see the film not only for the fascinating story of Quanjudé and the lives of the people," advises Gu Rong, "but also to ponder about the realities of life."

by Li Jianguang

Publishers Serving the Disabled

Chinese *Dactylogy*, the first standard sign language dictionary in China, was recently published by the Huaxia Publishing House. With 3,329 entries and a convenient searching index, it has been applauded by the society.

As the only publishing house in China specializing in serving the disabled, the Huaxia Publishing House has published more than 650 varieties of books, more than 40 million copies, during the past four years since it was established in 1986. Among them, 92 are about the rehabilitation, education, life, laws and regulations, and social welfare of the disabled. Exclusive reference books such as *Chinese Dactylogy*, have earned the publishing house an excellent reputation in the market.

There are more than 50 million disabled people in China. Together with their relatives, the number of affected people amounts to 200 million. The goal of the 160 staff members when they started the publishing house

was that disabled people should have their own domain in the field of books to voice their aspirations and strive for the understanding and respect of society.

The publishing house has published 35 autobiographies and collections about disabled people such as *Legend of A One-legged General* (China), *What Can Death Do to Me* (USSR), *If You Could See What I Hear* (US) and *From Blind Child to Literary Giant* (Lebanon). By presenting the true lives of the heroes and heroines, the books vividly expose the physical, emotional and psychological difficulties of the disabled which can hardly be experienced by normal healthy people. These are success stories in which self-respect, self-confidence, self-reliance and independence are finally achieved.

Epic of Life (US) tells the story of an American child, Kenny, who lost his legs in his childhood. By compensating with his hands, Kenny not only managed to take care of himself, but also persisted

in going to school and participating in activities. In the end, he became a star in the skating rink. A disabled young woman wrote to the publishing house after she read the book, "It is my spiritual crutch."

Psychoanalysis of the Disabled, Glistening Love, Not Broken in Spirit, Remnant Lotus Has Roots and *Let Us Understand Each Other* all reveal the rich inner world of disabled people and promote understanding. In addition, the books also tell many moving stories of how society helps the disabled and gives them courage to live on.

Correspondence Teaching Material for Parents of Deaf Children is made up of 12 volumes. It teaches parents how to design games and develop their deaf children's language ability using the child's remnant aural and audio abilities and psychological make-up. Because the teaching materials are practical in content and reasonable in price, the set is quite popular.

Books belonging to this category also include the following: *Guidelines for Deaf Children's Education, Training Road for Disabled and Mentally Retarded Children, Handbook for Surgical Rehabilitation of Polio Sequelae, Massage Therapy, and Disabled and Sex: Sex Rehabilitation for the Disabled*.

At present, this publishing house is planning its publications for the next few years. They include a series of books relating to China's rehabilitation undertakings and the compiling of an encyclopedia for the disabled.

In addition to the Huaxia Publishing House, 13 other publishing houses have so far published 35 titles of books concerning the rehabilitation of disabled people. China also has a special braille publishing house.

by Cui Lili

Characteristics of State Enterprises

WENHUI BAO
(Wenhui Daily)

China's socialist enterprises owned by the whole people are based on the planned commodity economy under such economic conditions, they represent only an immature ownership by the whole people. The immaturity is manifest in three aspects: It is suited to the preliminary stage of the development of social productive forces; it shows different degrees of power division; and it contains elements of the collective ownership. These characteristics lend to these enterprises some complexity in their operation. For instance, they should have both unity and flexibility, should increase the vigour of their economic activities while avoiding disorder in production and should serve the interests of the state and their own interests.

Enterprises owned by the whole people are incomplete commodity producers and managers. They must operate in accordance with the law of value and must at the same time be subject to and restricted by the socialist basic economic law and the law of planned and proportionate development of the national economy.

These enterprises are relatively independent economic units. Besides implementing state plans for production, purchase and sale and financial income, they must take into account the interests of the state, enterprise and workers in profit distribution.

They keep some initiative in their own hands, but they take as their goal the development of social productive forces and meeting people's increasing

needs. They must not deviate from the purpose of socialist production.

They must have their own material interests but must not infringe upon the interests of the state and consumers and the long-term interests of workers.

Their renovation and development must be in accordance with the requirement of the state macro-economic plan.

The enterprises owned by the whole people must exchange at equal value but should not haggle over every ounce. Apart from this, they must promote socialist co-operation.

They must compete with each other. However, the basis, scale, purpose and method of the competition are different from those between capitalist enterprises.

The enterprise management must be strengthened by strict discipline, but the status of the workers as masters of the enterprise must not be hurt.

Factory directors have the authority to manage the production. However, the enterprise must adopt democratic management and nobody is allowed to act arbitrarily.

(July, 14, 1990)

Rambling Around Free Markets

GONGREN RIBAO
(Worker's Daily)

Free markets have been mushrooming in cities and towns. According to the State Statistical Bureau, free markets in cities and towns have increased in number to 13,111 in 1989 from 8,013 in 1985. The volume of business transaction sharply increased, climbing to 72.36 billion yuan from 12.07

billion yuan.

What made residents spend so much at free markets? the question might be answered when you stroll through Beijing's free markets.

The Sanlihe free market in Beijing's Western District is brisk, especially between 5 and 6 in the afternoon. "Whenever I pass here on my way home, I always buy some vegetables and food," said a middle-aged man who was putting a bag of vegetables in his bicycle basket. "It's so convenient to stop your bike and buy something you need then hop on and ride home."

When it was a little chilly in early morning of Beijing's autumn, business has already begun in the Baiwanzhuang Road market. Vendor's stalls stand side by side along the road. Many early-risers were attracted by fresh cucumbers, green onion, rape, cauliflower, grape, live silver carp and chicken.

An old lady, silver carps in hand, said, "With improved living standards, people seek fresh food. There are a variety of goods at the market. I buy and take home when I am on my morning stroll."

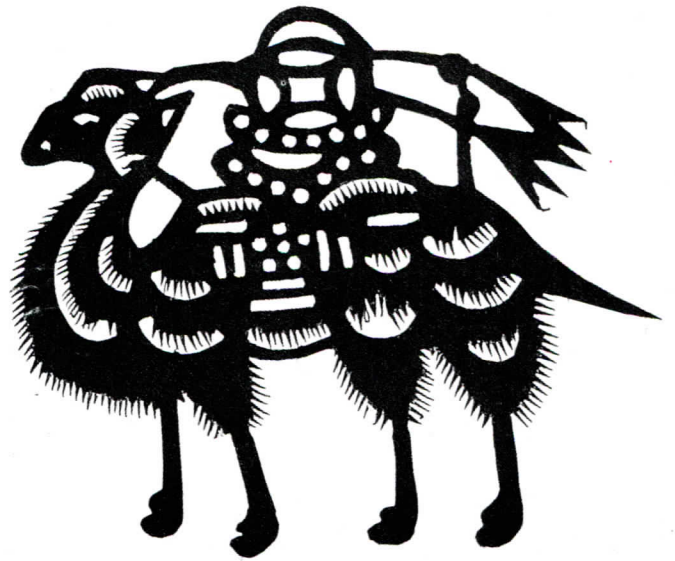
Young men and ladies are attracted by colourful stands and dazzling fashions. A modish girl chose a vogue suit and bargained with the seller. She commented frankly after the deal, "Most of my clothes were bought at free markets. The buying and selling is flexible, and you can bargain with the dealer, but you cannot do that at state-owned stores."

The rapid development of free markets is due to the fact that they are responsive to consumer demand, and that the goods are good, the food is fresh, and where you can bargain.

(October 26, 1990)



A Figure From a Fairy Tale.



A Camel.

ART PAGE

Folk Papercuts From Gansu Province

Legend has it that Gansu Province is a cradle of the yellow emperor of China, and has the most splendid and ancient historical and cultural traditions. Folk papercut is an ancient traditional art form. The local customs are expressed in a simple, lively and basic style.



A Rabbit.



A Cat Catching a Mouse.



A Horse-Drawn Cart.

CHINA'S TALENTS



China's only comprehensive journal introducing the country's most noted personalities. It is available fortnightly in Chinese and bimonthly in English with worldwide distribution.

For subscriptions or other enquiries, please contact directly China's Talents Pictorial.

Address: 3 Fuyoujie Street, Beijing, China
Tel: 3096879, 664682
Postcode: 100032