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SHANGHAI'S DEVELOPMENT BLUEPRINT FOR THE 1990s

Li Peng: Quicken Economic
Restructuring



Foreign tourists appreciate works by Chinese painters.

Photos by Chen Xiangyun



HIGHLIGHTS OF THE WEEK

Quicken Economic Structural Reform

□ In a speech given at the recent National Working Conference on the Reform of the Economic Structure, Premier Li Peng called for quickening the pace of reform. He stressed the need to strengthen leadership over reform, properly handle the relationship between reform, development and stability, and between the state, enterprise and individual, vitalize key enterprises and reform government organs (p. 11).

Shanghai's Development Blueprint for the 90s

□ Shanghai, an economic hub, will accelerate construction of its infrastructure in the 1990s. Although focusing on communications and housing, the city will also develop tertiary and new industries as it deepens the economic reform and opens wider to the outside world (p. 16).

Mideast Arms Control: a Difficult Process

□ Different national interests of the Middle Eastern and arms-exporting countries make it difficult to halt the arms race in the trouble-ridden area. Efforts are being made to resolve the problem (p. 7).

Movie Cameras Scan Daily Life

□ In 1990, film directors focused their attention on the life of common people, the main theme of the year, and turned out more than 120 movies, 30 of them top-notch (p. 24).

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COVER: A panoramic view of new Shanghai City and (insert) Huang Ju, its newly elected mayor.

Photos by Xia Daoling and Zhang Yaozhi

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Three Suggestions on Peaceful Reunification

The Chinese mainland will uphold its policy of "peaceful reunification and one country, two systems" towards Taiwan in this decade, a leading official of the Taiwan Affairs Office of the Central Committee of the Communist Party of China (CPC) announced in Beijing on June 7.

The policy, which is predicated on the fundamental interests of the people throughout the nation and takes history and reality into full account, provides the best realistic way to realize the reunification of the motherland. The policy has been vindicated in settling the Hong Kong and Macao issues, the official said.

According to the official, great changes have taken place between the people on the two sides of the Taiwan Straits in recent years, and the situation is in favour of the country's peaceful reunification.

The policy provides that Taiwan, as a special administrative region, will enjoy full autonomy, have an independent judiciary system and retain its armed forces.

"We stress the use of peaceful methods to reunify the country," the official said. "However, we will not promise to abandon the military option. This is by no means a threat to the Taiwan people but is directed against possible foreign interference in the reunification process and against the scheme for 'Taiwan independence.'"

To further develop relations across the Taiwan Straits and promote the peaceful reunification of the motherland, the official was empowered to make the following suggestions in line with the CPC's consistent poli-

cies:

— Departments concerned, authorized organizations or personages on both sides of the Taiwan Straits should hold discussions on issues concerning the exchange of mail, trade, air and shipping services and exchanges of visits. They should also confer on efforts to boost the national economy and the well-being of the people on each side of the straits. The mainland welcomes suggestions and measures from the Taiwan authorities that benefit exchanges;

— CPC and Kuomintang representatives should contact each other to pave the way for negotiations on an official end to hostility and the gradual realization of peaceful reunification;

— The CPC Central Committee welcomes leading members of the Central Committee of the Chinese Kuomintang, and persons authorized by the Chinese Kuomintang Central Committee, to visit the mainland. The CPC is ready to send a delegation to Taiwan at the invitation of the Chinese Kuomintang. ■

China's Ruling Party Gains Strength

The title of "Excellent Party Members" was awarded to 1.16 million members of the Communist Party of China (CPC) in 1990, while 79,000 were deprived of Party membership. At the same time, more than 10.8 million persons submitted membership application to the Party by the end of 1990. Thirty percent are under the age of 25, according to figures released by the Organization Department of the CPC Central Committee.

At present, there are 50.32 million Party members in China, 16 million of whom were admitted into the Party in 1979-1990. Among recently recruited Party members two-thirds are under the age of 35 and hold an educational level of high school or above.

Of 24 million Chinese with specialized technical skills, one-third are Party members. Within Party ranks the number of women and other minority members are also increasing.

Education in Marxism and Mao Zedong Thought is stressed. Furthermore, Party members' political awareness and other qualities are improving.

Some 3.14 million affiliated Party organizations at the grassroots levels were established throughout the country by 1990.

Beginning last year many colleges and universities began offering courses on the history of the CPC, attracting more and more student applications for Party membership. ■

More School Hours For Chinese History

Primary and middle school students across China will spend more classroom hours learning modern Chinese history since the mid-19th century, according to the State Education Commission (SEC).

In addition, in college and graduate school entrance examinations, student awareness of China's past and present conditions will also be tested.

All these measures are taken in response to Party General Secretary Jiang Zemin's early March letter to SEC officials calling for greater efforts to help

students gain a better understanding of modern and contemporary Chinese history and current conditions.

In his letter, Jiang said that such education is to enable the young people to enhance their love for and confidence in the nation and guard against the idea that make a fetish of everything foreign.

Jiang stressed that students should be made to understand that without social stability and unity and without a stable political environment, it is impossible for China to develop its economy.

Jiang dismissed as "naive" the idea that if China should introduce capitalism and copy the parliamentary system of the West, the people would at once secure a life just like that in the developed capitalist countries. "Those who think so do not know how the capitalist countries exploited the working people during the period of primitive accumulation of capital, and today, there is still exchange of unequal values between the developed and developing countries," he pointed out.

In his letter, the general secretary offered some suggestions on school and university education in the country's modern history and current situation.

The Chinese history during the late 19th and early 20th century was marked by national humiliation in the hands of foreign invaders. Only after the establishment of the socialist system did China gain national independence and state sovereignty.

According to the SEC, a number of school textbooks on these subjects will be available in September in time for the new school term.

At a conference sponsored by the SEC on June 1 in Beijing, attended by about 200 people

from the educational and, theoretical circles, Li Tieying, minister in charge of the SEC, said that many young students in China "lack a basic understanding of China's history and actual conditions." He said that it is of vital importance to stress education among the young people who graduated from college in the 1980s.

Li also pointed out that such education should be conducted in a practical manner. "The young people should be told of the real facts about the favourable and unfavourable conditions for China's modernization drive, so that they will gain confidence in the bright future of the motherland while looking reality in the face and understanding the present conditions."

Educators and experts present at the conference offered their suggestions on strengthening history education in schools. They said that educators should know students' tastes and psychology better in order to achieve satisfactory results.

They also suggested that formal courses on China's practical conditions be added to the current primary and middle school curricula, and that more books on these topics should be made available to students. ■

Chinese President Ends Indonesian Tour

China attaches great importance to friendly and cooperative relations with Indonesia, as well as with countries of the Association of the Southeast Asian Nations (ASEAN), President Yang Shangkun told the hosts during his visit to Indonesia on June

5-9.

Yang was the first Chinese president to visit Indonesia in 28 years, since the late president Liu Shaoqi's visit in 1963.

Last August 8, when Premier Li Peng visited Indonesia, Beijing and Jakarta formally resumed diplomatic ties.

President Yang said that his visit was aimed at "further enhancing mutual understanding and friendship and contributing to long-term stability and growth of good-neighbourly relations between the two countries."

He noted that exchanges of visits by government and non-governmental personnel of the two nations have increased and that two-way trade volume jumped to US\$1.18 billion in 1990 from \$800 million in 1989.

During his private talk with Indonesian President Soeharto, Yang said China supports a new international order based on the principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, mutual non-interference, equality, mutually beneficial relations and peaceful co-existence. He added that China is willing to work hard together with Indonesia for a new international order embodying these ideas.

Soeharto noted that under the current world situation, safeguarding national independence means not only strengthening defensive capabilities but also boosting the ability to resist external threats in economic, cultural and other fields.

ASEAN expects Southeast Asia to be a region of peace, stability, development and prosperity, the Indonesian president said, adding that his country is also willing to have dialogues with various regional organizations as well as other countries around the world.

On the failure of the second

Cambodian Supreme National Council meeting in reaching an agreement on ending the 12-year conflict, the visiting Chinese president said that there was still work to do even though the four conflicting parties failed to reach a consensus at the meeting.

He expressed China's hope that Indonesia and France, the co-chairmen of the Paris Conference on Cambodia, would continue their efforts and that all conflicting parties would accommodate each other with a realistic attitude.

Soeharto agreed that possibilities for a solution to the conflict still exist and that efforts in this direction should continue.

Chinese Foreign Minister Qian Qichen, who was among President Yang's entourage, held talks with his Indonesian counterpart Ali Alatas during the visit, the Cambodian problem being the focus of their discussion.

Qian said that the framework document on the Cambodian issue, formulated by the five permanent members of the UN Security Council, has been endorsed in a resolution by the body. The principles should not be revised in any way, though constructive supplements and changes can be made to the draft agreement at the Paris Conference, if they are in keeping with the framework, he added.

According to a Chinese Foreign Ministry spokesman, China has stopped its military aid to the Khmer Rouge since last year, when the UN Security Council adopted the framework document.

Qian pointed out that China supports Samdech Norodom Sihanouk to assume the SNC chairmanship and stands for the council's operation at an early date.

The Chinese and Indonesian foreign ministers reached a consensus on a wide range of subjects during their talks. ■

Jiang Qing Commits Suicide

Jiang Qing, one of the principal criminals in the case of Lin Biao-Jiang Qing counter-revolutionary clique, committed suicide and died in her residence in Beijing in the early morning on May 14, 1991, according to related sources.

The widow of the late leader of the Chinese Communist Party Mao Zedong was out of custody for medical treatment, the sources said.

She was sentenced to death with two years' reprieve and deprived of all her lifetime political rights in January 1981 by a special tribunal under the Supreme People's Court.

In January, 1983, her penalty was mitigated to life imprisonment. She remained out of custody since May 4, 1984. ■

Wigs, a New Fashion in China

Many Chinese are no longer shy about wearing a wig, a habit seen years ago as only a gift for the bald.

According to commercial officials, wearing wigs is the third most popular hair-dressing trend following permanent waves and hair dye.

Merchants also realize the commercial value of wigs which provide a new avenue of profit. Many stores in large cities such as Shanghai, Beijing and Dalian report wigs are now selling well.

A young couple purchased two wigs from a department store in Dalian, saying that they were certainly not bald, but wanted wigs to match their wedding attire.

A recent survey revealed that only 12 percent of Chinese wearing wigs do so because they are bald or because of an illness. The majority selected wigs to enhance their looks or simply for convenience and for fun.

The survey discloses that 70 percent of wig wearers are middle aged or elderly who think that wigs are one means of warding off old age.

A 70-year-old Dalian woman said: "Before I had my wig, I always felt as if I were not far from entering a crematorium, but now I feel as if I will live another ten years."

For Chinese young people, however, wigs are a new fashion, and many of them wear wigs to show off new tastes and different values.

A Shanghai public relations worker who recently spent 90 yuan (US\$18.5) to purchase a wig said she felt that it would be more convenient and less expensive than making frequent trips to the beauty shop. The woman also said the wig could be changed into many different styles.

Wigs currently sold in Chinese markets are made of chemical fibres which come in many colours and can be styled and washed easily and dry quickly.

Although the fibre wigs are similar in appearance to human hair, experts believe that wigs made from human hair will become the most popular.

A number of overseas wig manufacturers have introduced products and technology to Chinese markets. The competition is expected to have positive effect on Chinese wig manufacturers. ■

Arms Control in Middle East An Uneasy Job

by Yang Minjie and Li Zhiyong

In making post-Gulf war arrangements in the Middle East a major goal of the United States is to reduce arms stockpiles in that region. However, this goal contradicts national interests of the countries in the region and arms-exporting countries. Developed countries, including the Soviet Union, will continue to sell weapons to the Middle East.

After the Gulf war the majority of Mideast nations support regional arms control, but, having seen the power of high-tech weapons during the war, many countries now hope to buy advanced weaponry to consolidate their arsenal.

The United States is faced with a dilemma: How to reconcile the desire to generally reduce arms stockpiles of Middle Eastern countries with the commitment to equip friendly countries with advanced weapons.

President George Bush once said that arms control did not mean a stop of all weapons sales. Defence Secretary Dick Cheney made similar remarks. During a recent trip to Israel, he promised that the United States would provide F-15 jet fighters to Israel and finance its missile research programme. At present, Middle Eastern countries are showing a willingness to buy advanced weapons and advanced countries are willing to sell them.

Furthermore, the military industry in the West has become dependent on export earnings as research funds for new weapons systems development, because defence spending has been on the decline. For example, in 1990 the US budget prescribed a 25 percent cut in defence spending in the next five years. This led to a drastic decrease in the Pentagon's arms

orders. General Dynamics Corporation, a company producing tanks, revealed that more than 4,000 workers would lose their jobs, 15 percent of its parts supply factories would be forced to suspend production, and 30 percent of ammunition production units would close if tank contracts could not be fulfilled. In France, arms exports dropped from 62 billion francs in 1984 to 20 billion francs in 1989. This seriously affected the research programme on advanced weapons, leading to a reduction of competitiveness of French weapons on the international market. A French official observed that the French defence industry would be unable to survive unless France sells arms to other countries. Arms dealers in Western countries aspire to expand arms exports. It is reported that the US military industry hopes to get US\$20 billion worth of arms orders from the Middle East.

Arms Sales Continue

A round of acute competition among major arms-exporting countries has already started. And even if an agreement on arms control is worked out, it will still be difficult to determine the target countries of arms control. An essay in the *Economist* magazine noted that in the Middle East, a friend today can be an enemy tomorrow. Iraq is just such an example. The United States sold weapons to Iraq before the Gulf crisis, yet in the end the Iraqis used US-made weapons to counter Americans. Naturally, it is very difficult to make a political judgement as to which countries should be eligible for weapons and which are not.

Currently, the United States

seems content with the limitations imposed on the sale of biochemical and nuclear weapons. Washington announced on March 7 that it is stepping up efforts to limit the export of products that can be used to produce biological and chemical weapons, especially exports to the Middle East. In a speech to Congress the previous day, Bush indicated that a major challenge today is to stop the proliferation of mass-destruction weapons. However, for the first time since the 1970s the US government asked for Congress' approval for providing credit guarantee for the sales of military equipment by a government body.

Many countries are vying to sell or plan to sell large quantities of advanced weapons to the Middle East. The United States wants to sell US\$18 billion worth of weapons, including F-16 jet fighters, the Patriot anti-missile systems and M-1 tanks, to six Mideast nations — Saudi Arabia, the United Arab Emirates, Bahrain, Egypt, Israel and Turkey. Germany has agreed to sell two diesel-powered submarines, the most advanced submarines in the world which can launch torpedoes and cruise missiles. Germany is also prepared to sell Fox armoured personnel carriers to Israel and Saudi Arabia. France has received orders from Saudi Arabia, Bahrain, Qatar and the United Arab Emirates for its Milan anti-tank missiles, Mistral anti-aircraft missiles and Crotalic weapon systems. Britain hopes to sell its Challenger tanks and Tornado fighter planes to Saudi Arabia and the United Arab Emirates. The Soviet Union is selling Iran and Syria advanced weapons including MiG-29 jet fighters. Yevgeny Primakov, a close aid to Soviet President Mikhail Gorbachev, said on May 7, "As long as the United States and other countries continue to export arms, the Soviet Union is not to be left behind."

It is likely that an arms race is to be waged among the countries

in this region, especially between Israel and the Arab nations, because the Arab-Israeli conflict is not likely to be resolved soon. Each side has its own interpretations to "full defence capability." If Arab countries re-arm themselves, Israel will upgrade its defence system. On the other hand, faced with a potentially nuclear-armed Israel, the Arab nations will inevitably seek a kind of balance through achieving an edge in conventional weapons.

Prospects

On May 29, President Bush put forward an initiative for arms control in the Middle East while addressing a commencement rally in the US Air Force Academy in Colorado. He asked the five biggest arms suppliers to the Middle East — the United States, Britain, France, China and the Soviet Union — to hold a high-level meeting in the near future to discuss basic guiding principles on controlling export of conventional weapons, mass-destruction weapons and the related technology. The president asked Israel and Arab nations not to produce or import materials that can be used to produce nuclear weapons. He demanded that Middle Eastern countries freeze purchase and manufacturing of surface-to-surface missiles and called on them to observe the relevant conventions on chemical weapons and biological weapons. The proposal got mixed responses from Mideast countries — applauded by some while opposed by others.

Taking into account various factors, it can be concluded that future arms sales to the Middle East will proceed on the basis of limiting the proliferation of biological, chemical and nuclear weapons and launching vehicles and seeking a general balance of power in the Middle East, especially between Israel and the Arab countries. The West is hopeful that its "lifeline of oil supply" can thus be secured. ■

Peace Talks on Cambodia End Without Progress

by Zhang Zhinian and Gu Zhengqiu

Cambodia's four factions wound up three days of talks in Jakarta on June 4 with no further progress towards resolving the 12-year-old Cambodian conflict.

Indonesian Foreign Minister Ali Alatas, whose country co-chaired the meeting with France, said the meeting did make some "substantive" headway though "progress was not so much as we had hoped for." The participants, he noted, identified unresolved issues and ways of settling them.

The Jakarta talks, the second meeting of the Supreme National Council (SNC) of Cambodia, involved Cambodian leaders — Son Sann, prime minister of the National Government of Cambodia; Khieu Samphan, vice-president of Cambodia in Charge of Foreign Affairs; Prince Norodom Ranarith, son and personal representative of Samdech Norodom Sihanouk; and Hun Sen, prime minister of the Hanoi-installed Phnom Penh regime.

Samdech Sihanouk was on a visit to Indonesia at the invitation of Indonesian President Soeharto.

Alatas said at the end of the meeting that areas of disagreement remained in the overall peace blueprint drafted by the five permanent members of the UN Security Council: China, the United States, the Soviet Union, France and Britain.

UN Peace Plan

The undesirable results of the second Jakarta meeting, which was considered crucial to seeking a comprehensive political solution to the 12-year war in Cambodia, originated from the refusal of Viet

Nam and the Phnom Penh regime to accept the framework document on Cambodia adopted by the five permanent members of the UN Security Council on August 28, 1990 and the draft agreement on November 26 the same year.

Khieu Samphan and Son Sen, leaders of the Democratic Kampuchean side, made the repudiation in a joint letter to Indonesian Foreign Minister Ali Alatas and French Foreign Minister Roland Dumas, co-chairmen of the Paris International Conference on Cambodia (PICC).

The two Cambodian resistance leaders said that at the September 1990 Jakarta meeting and the December 1990 Paris meeting, the Phnom Penh regime accepted the UN framework document, but later rejected it.

Commenting on the so-called "Khmer Rouge threat," a pretext of Viet Nam and Phnom Penh in discarding the document, Khieu Samphan and Son Sen said if the alleged danger exists, Hanoi and Phnom Penh should have agreed with the disarmament and dissolution of the armed forces of all the Cambodian parties. But they did not.

"The repeated claims of the Phnom Penh side for the maintenance of its armed forces have been made upon instructions from Viet Nam which wants to keep its forces in Cambodia to restart war," Khieu Samphan and Son Sen said in the joint letter.

Furthermore, Viet Nam and the Phnom Penh regime, it added, even rejected the idea of a UN transition administration with military and civilian components.

The establishment of a UN

transition administration and the deployment of UN peace-keeping forces in Cambodia, the letter said, can relieve some people from their fear of "the Khmer Rouge," and also meet Cambodians' desire of preventing Viet Nam from coming back to annex Cambodia.

If it were Viet Nam's desire to stop outside military assistance, it asked, why should Hanoi and Phnom Penh not accept the UN framework document, which has clearly dealt with this problem with provisions set for the supervision, monitoring and control of the "cessation of outside military assistance"?

The letter pointed out that the real intention of Hanoi and Phnom Penh regime is to cut off supplies to the Cambodian resistance forces, while Viet Nam can continue sending fresh troops, weapons and ammunition to Cambodia.

Viet Nam and Phnom Penh have called for a ceasefire, but never care to observe it. They continue to launch military operations against the resistance forces, the letter added.

It is not "the Khmer Rouge," but Viet Nam and the Phnom Penh regime that are afraid of the presence of a UN transition administration and the UN peace-keeping forces in Cambodia, which will supervise, monitor and verify the withdrawal of all the Vietnamese forces from Cambodia, the letter said.

Alatas, speaking at the opening session of the second meeting of the SNC, noted that the framework document on the Cambodian issue adopted by the UN Security Council permanent members and the draft agreement, should be considered as a balanced document and a sound basis for a comprehensive political settlement of the issue. Some constructive modifications to the texts of the document and agreement could be made to improve acceptability to all parties in the conflict and the PICC participants.

However, the Indonesian for-

eign minister stressed, "what should be avoided at all cost is re-opening the text in such a way as to result in unraveling the arduously constructed draft agreement, and worse still, in setting back the entire negotiating process."

Leaders of the three resistance factions, Son Sann, Khieu Samphan and Ranarith, all emphasized the immediate importance for each party to the meeting to confirm its acceptance of the UN document and agreement and guard against any efforts to tamper with its essential points.

But Hun Sen representing Phnom Penh showed unusual interest in discussing the so-called "genocide" issue, proposing that the ceasefire now in place be extended until the final agreement on the political solution is signed and all supplies of arms and ammunition to the fighting Cambodian parties be cut off.

Observers in Jakarta pointed out that Hun Sen intended to maintain the administration and military systems of the Phnom Penh regime.

SNC Chairmanship

The second issue high on the agenda was the chairmanship of the SNC.

The composition of the SNC leadership has remained one of the unresolved issues since the founding of the SNC in September 1990. This has stopped the SNC from going into normal operation.

Samdech Norodom Sihanouk has always been accepted by all the four factions of Cambodia to head the SNC. During the past decade, Sihanouk led the country in its painstaking efforts to drive the Vietnamese troops out of his homeland. He has enjoyed high prestige both at home and abroad and has become a symbol of independence, sovereignty and peace of Cambodia.

It was reported that at the meeting, Hun Sen and Sihanouk reached a consensus that Samdech

Sihanouk would be the SNC chairman, with Hun Sen as the sole vice-chairman. This was disclosed by Hun Sen following his luncheon with Sihanouk at the Borobudur Hotel in Jakarta.

The formula was rejected by Khieu Samphan representing Democratic Kampuchea. He said Hun Sen could not be accepted as the sole vice-chairman of the SNC, because he was installed by Hanoi following Vietnamese invasion of Cambodia and serves Viet Nam's interests.

Khieu Samphan said the SNC's second meeting should first concentrate on how to implement the UN plan before dealing with the issue of the SNC leadership.

"Amending or altering these (UN) documents to please the Vietnamese aggressors cannot resolve the Cambodian problem but will only impair the honour and prestige of the United Nations," Radio Democratic Kampuchea said recently, adding, "this is definitely unacceptable to the international community as well as to the Cambodian people."

Although the meeting has made no substantial progress in resolving Cambodian issue, the door to further such talks remains open to all parties involved in the Cambodian conflict.

Alatas said on June 4 that he was optimistic that sufficient progress could be made to reconvene another session of the PICC. France and Indonesia, he said, would decide the next step in the coming days and discuss a possible meeting with the five permanent members of the UN Security Council. "The sooner we can resume the Paris conference the better," he added.

Meanwhile, Alain Vivien, French secretary of state for foreign affairs who jointly chaired the meeting with Alatas in the place of Dumas, told a press conference, "We end these three days with feelings of hope," but "we should have no illusions, there remains a long way to go." ■

Peace Falls on Angola

by Xu Dewen and Li Jingwei

Putting an end to the 16-year-old civil war on May 31, Jose Eduardo Dos Santos, president of Angola, and Jonas Savimbi, president of the National Union for the Total Independence of Angola (UNITA), signed a peace agreement in Lisbon, capital of Portugal.

After Angola's independence in 1975 armed clashes broke out among different national liberation factions due to sharp political differences. In November 1975, when the People's Movement for the Liberation of Angola (CMPLA) formed the Angolan government, it was opposed by other nationalist organizations, resulting in an escalation of the civil war.

On one hand, the Angolan government was supported by the Soviet Union and Cuba. Cuba sent 50,000 troops to Angola. On the other hand, the United States and South Africa backed the UNITA by providing weapons and military assistance to help it fight against the Angolan government. Angola became one of the world's hot spots. Continued civil war caused a loss of US\$20 billion to Angola, damaging industrial and agricultural production. Angola fell into a serious economic crisis and its people were afflicted by meales.

Military activities proved fruitless. The two hostile groups felt that they were unable to win the war by military means and that if the military conflict continued, both sides would suffer. Besides, with the easing of relations between Washington and Moscow, CMPLA and UNITA

were pressured by their supporters to seek a settlement through negotiation.

At the end of 1988, with the mediation of the Soviet Union and the United States, Angola, Cuba and South Africa reached an agreement in New York, stipulating that South Africa and Cuba withdraw from Angola to ease the situation.

In June 1989, President Dos Santos and UNITA leader Savimbi in Gbadolite Palace, Zaire, held the first direct talks between the Angolan government and the UNITA. The talks resulted in the Gbadolite declaration which called for a ceasefire and a halt to hostile actions between the two groups. According to the document, UNITA members personally joined in CMPLA-controlled political and military organizations. However, some UNITA members opposed the agreement. The civil war erupted again.

Then, through the mediation of President Mobutu Sese Seko of Zaire, both sides decided to cease fire and stop mutual attacks and agreed to settle their problems by peaceful means.

But the ceasefire lasted only a short time. At the end of 1989, the two sides plunged into the fiercest fight since the civil war started because of sharp differences over some problems. Both sides gained nothing in the fighting. Thus, the Portuguese government persuaded the two factions to go back to the negotiating table. A breakthrough occurred in February this year after six rounds of talks at which

both sides made major concessions.

Angolan government side agreed that the UNITA can act freely as a political party after ceasefire and accepted international inspection over Angolan peace process. Also, it agreed to establish a joint political and military commission composed of representatives of the two groups of Angola, Portugal, the United States and the Soviet Union. The United Nations' check group was allowed to supervise ceasefire in Angola.

As for the UNITA, it agreed that, during the transitional period before general elections, the Dos Santos government will continue to administer the country. It did not seek to share power with the government during this period. In addition, it agreed to form a unified national army to replace the armies of the two groups. A peace document was worked out, but the differences over the ceasefire and the date for election prevented the two sides from signing the agreement.

In early April, the two sides, after repeated consultations, held the 7th round of direct talks in Portugal. In the 28-day talks, the government and the UNITA reached agreement on major problems such as ceasefire.

On May 31, President Dos Santos and UNITA Chairman Savimbi flew to Lisbon to formally sign the ceasefire agreement and documents concerning restoration of peace. The agreement called for an immediate ceasefire. It stipulated that the general election be held from September to November 1992.

The signing of the agreement is an important step on Angola's road towards peace. However, only with pooled efforts from all sides can an agreement become a reality. ■

Quicken Economic Structural Reform

by Li Peng



Premier Li Peng.

XUE CHAO

The following is an excerpt from a speech given by Chinese Premier Li Peng in March this year at the National Working Conference on the Reform of the Economic Structure. In Premier Li's opinion, the current political stability allows China to appropriately quicken the pace of reform. He also stressed the need to properly handle the relationship between reform, development and stability, and accurately evaluate the capability of the state, enterprise and individual.

The title and subheads are Beijing Review's.—Ed.

I would now like to present to you some of my ideas regarding China's economic structural reform:

Both the State Council and the governmental organs of various provinces, autonomous regions and municipalities directly under the central government should strengthen their leadership over reform and, in accordance with the actual need and realistic possibilities of success, appropriately quicken the pace of reform. In the building of socialism with Chinese characteristics and in the process of the drive for the four modernizations, the reform of the economic structure holds a very important position. The CPC Central Committee's Proposals for the Ten-Year Development Programme and the Eighth Five-Year Plan, adopted at the Seventh Plenary Session of the 13th CPC Central Committee in December 1990, clearly noted the need to persist in reform and opening.

The strategic goal for the next decade of economic development contains three requirements: Economically, the 1980 gross national product (GNP) will be quadrupled; living standards will be of a comfortable level; and, with regard to the reform of the economic structure, a new socialist planned commodity economy and an economic operational mechanism which integrates the planned economy with market regulation will be initially established. That is to say, we have not only set forth requirements and goals for economic development and the improvement of living standards, but have also set forth explicit objectives for reform of the economic structure. It may seem that this is an overly long period of time to realize this goal. In socialist countries, however, genuinely integrating the advantages of the planned economy with the advantages of market regulation is a very difficult task and an unprecedented attempt at economic reform. We need therefore to proceed steadily

in order to achieve our goals.

Economic Rectification and the Deepening of Reform

Some foreigners who are not familiar with China's domestic situation assert that China's reform and open policy have retrogressed and become stagnated. Some people at home also are confused. The economic improvement and rectification we are carrying out, however, was adopted under the most compelling economic situation. At that time (1988-89), the economy was overheated and marked by inflation. We were therefore compelled to adopt measures to improve the economic environment and rectify the economic order. Otherwise, it would have been difficult for us to proceed with our reform. We have always stressed that economic rectification should create a relaxed environment and good conditions for reform and opening.

We can now carry out reform in a deeper and more thorough manner and can appropriately quicken the pace of reform be-

cause, after more than two years of economic improvement and rectification, the economic environment is, relatively speaking, relaxed. If inflation and an overheated economy were to continue, it is inconceivable that price and other reforms could proceed with greater strides. Now that we have created a relatively relaxed environment for furthering the reform and opening, we should thus take the opportunity to expand and deepen the reform.

During economic rectification, our basic policy for persisting in the reform has remained unchanged, thus ensuring the stability and continuity of reform measures. This is true, for instance, in regard to rural structural reform, to reform of the urban enterprise structure and to the reforms in a variety of other fields. We have produced many price reform measures because price reform is the core of economic structural reform. In the past two years, prices for cotton, textiles, grain and communications and transportation have been adjusted by a big margin and price readjustments have been made for petroleum and coal. More important, after two readjustments, China's exchange rate is basically close to the market exchange price. This has improved the economic order and created better conditions for fair competition between enterprises.

During the economic readjustment, we have overcome some phenomena of economic disorder, eliminating unnecessary and superfluous companies. We all favour income distribution according to the work accomplished. If the practice of making no distinction between those who do a good job and those who don't is still followed, we will not be able to stimulate worker's enthusiasm. At the same time, we do not favour unfair income distribution because it dampens the enthusiasm of most people. In the past two years since the start of

the drive to improve the economic environment and rectify the economic order, the phenomenon of unfair income distribution, though mitigated to some extent, has been far from completely eliminated.

Of course, we should take note of the fact that there are experiences worth summing up and lessons worth learning in the drive for economic improvement and rectification. As in everything, where there are strong points there are also deficiencies. However, we should not set economic rectification against deepening reform but instead should organically combine the two.

Properly Handling Important Relationships

It is said that the reform has reached "a crossroad," meaning that the reforms in various fields have entered a deepening stage in which they influence and link up with each other. This analysis is correct and I think we should properly handle the following three relationships:

First, we should properly handle the relationship between reform, development and stability. The three have a mutual causal relation; they influence one another. The aim of the reform is to develop the economy and expand the productive forces. The standard for judging the gain or loss, success or failure of the reform is to see whether the reform measures have promoted production. Sometimes, the pace of reform has to be limited by the need to maintain stability. In particular, between the second half of 1989 and the first half of 1990, our economy was in a most difficult period, a period during which China sustained external pressure and internal difficulties, a sliding economy and a sluggish market. Through our efforts, however, our country now enjoys political and social stability and has tidied over the most difficult

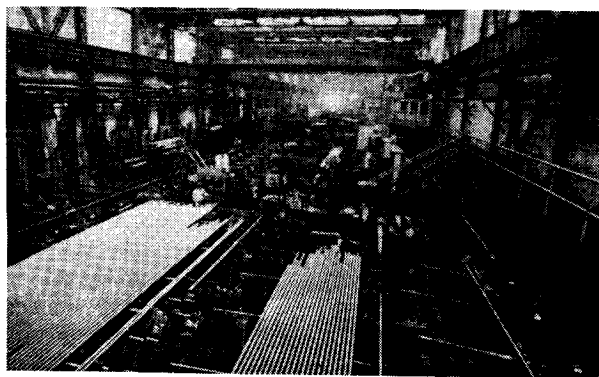
period. Our economy continues to develop in a desirable way.

What experience has this difficult period provided us? In my opinion, one of the most important lessons to be learnt is that we must properly handle the relationships between development, reform and stability. At a particular time, stability must be a priority. Now, with political, economic and social stability and unity of ideology, we can increase the dynamics of the reform.

Second, we should properly handle the relationship between the state, collective and individual. In the past decade of reform, the state delegated more power and ceded more profits to the enterprises. After doing this, both national and local governments recovered some power and profit through a variety of channels. Generally speaking, however, the power delegated and the profit ceded were greater than those recovered. As a result, production developed and productive forces expanded. Now, both national and local financial departments are faced with difficulties and, if the state lets enterprises retain more profits, central and local financial revenue will be reduced.

The national financial deficit this year is rather large as estimated and even local areas face a deficit. Under this circumstance, more ceding of profits would mean foregoing what had been formally included in the central budget, a step which would adversely affect the financial balance. To deepen the reform, enterprises cannot simply ask for help from the state by demanding tax reductions and a ceding of profits because the state cannot afford such a burden. If we can properly handle the relationships among various social sectors and can work in a concerted effort with public understanding, we can then increase the dynamics of the reform of pricing, housing,

CHINA

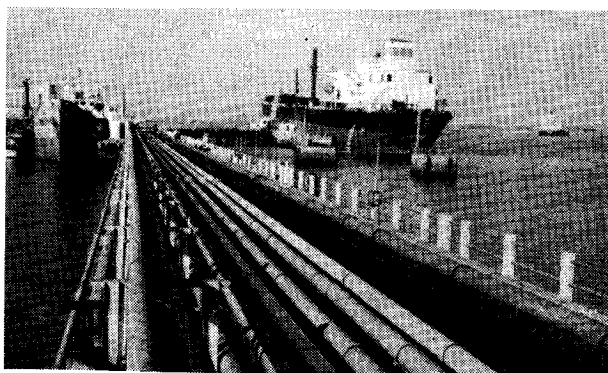


XU XIANGJUN

Left: Economic restructuring has brought an annual increase in output at the Anshan Iron and Steel Co. This is one area of the company's steel-rolling workshop.

Right: The economy of Zhanjiang City, Guangdong Province, has boomed since implementation of the reform and the open policy. This is a newly built 50,000-ton oil wharf.

HUANG JIANQIU



medical and insurance systems. There is a basic policy, however, which must be followed in conducting these reforms, i.e., the state, enterprise and individual should share responsibility. Without this principle, it would be difficult for the state or the enterprise to individually shoulder responsibility. It would be also difficult for the reform to progress smoothly. This is why the individual should also share responsibility. In the future we will gradually ensure that factory workers and staff members contribute and save more money for use as labour insurance in their old age. With the state, enterprise and individual contributing some money, we can also ensure that workers have housing property rights.

Ours is a socialist country, the government serves the people and the Party's purpose is to serve the fundamental interests of the people. Therefore our reform can proceed with the people's support.

Third, we should adroitly guide our actions based on the actual circumstances, take the opportunity to push reforms forward and, when conditions are favourable, should adopt resolute measures. However, we must take the capability of the state, enterprise and individual into consideration. Presently, enterprises

are faced with the following difficulties: first, from a structural perspective, the market is sluggish, a number of capital construction projects have been discontinued, orders for goods from the machinery industry have decreased and enterprises are operating under capacity. Second, the prices of raw material products have risen, the railway transport fares and the prices of coal and electricity are up. The processing industry, however, cannot afford to raise prices correspondingly due to a sluggish market. Third, there have been wage increases for enterprise workers and staff members. In addition, there are some other factors.

Among the various reforms, emphasis should be on price reform. The price ratio, such as the price ratio between industrial and agricultural products, basic industrial products and processing industrial products, as well as between light and heavy industrial products, should be straightened out. The low price of coal has brought losses to the whole industry. But if the price of coal is suddenly raised, the price of electricity will follow suit and this will promote a price hike in all trades and professions. Such being the case, we must take the bearing capability of the various social sectors into account. In addition, after price readjust-

ments, there will continue to be changes for a period of time and the state will need to use price levers to regulate production. For instance, the increase in grain production last year was due to both favourable weather and a grain price hike. Farmers find that growing grain is profitable. The situation this year is different. The acreage sown in grain decreased somewhat and we are not clear whether grain output can be maintained at last year's level or whether production will continue to increase. If grain output comes down and we decontrol the price of grain, the state will lose the capability to maintain a stable grain price. Therefore, the state still needs to control prices for some major products.

The aim of price reform is not only to rationalize prices, but also to establish a reasonable pricing mechanism. In the future, the proportion of prices under market regulation will become ever-larger. But we should not forget that ours is a developing country. Some products will long remain in short supply. We cannot say that there is no danger in decontrolling the price of grain simply because there has been a rich harvest. If there is a grain crop failure this year, we can rely on the existing state grain reserves for a supply. If grain crop



ZHENG SHUFU

These special vegetables grown in Xiaotangshan, Beijing, by the use of local terrestrial heat have been well received by the capital's hotels and vegetable stores.

failure continues for two years running, however, grain prices are bound to increase. In addition, we must take the population growth into consideration. Therefore, grain price must be kept under state control, as must the price of cotton. When there is an abundant supply of some products and the variety can meet the demand, when supply outstrips demand or when there is a basic balance between supply and demand, prices can be gradually decontrolled. The price of grain is still kept under control even in some capitalist countries.

Our experiences gained in the past two years prove that where there is a rough balance between total supply and total demand, we can adopt some reform measures without evoking much risk. Last year the price index was originally estimated to be 14 percent, but in the end it turned out to be only 2 percent. According to the price bureau, the price index has been kept around 6 percent this year. The situation was quite good in January and February of this year but prices rose too sharply in some big cities.

While prices rose in big and medium-sized cities, prices remained stable in rural areas so that the national price index did not exceed 2 percent. The balance between total supply and total demand is the most sensitive economic barometer, as reflected in the issuance of paper money and in price. In short, whenever conditions permit, we should seize the opportunity to adopt new reform measures. In the course of reform, we should look both ahead and behind, always taking the bearing capability of the state, enterprise and individual into consideration. Generally speaking, we prefer taking small steps in price reform. If price reform cannot be completed in one year, then we are willing to spend two years. If two years are not enough, then we will spend three. We will proceed in a safe and steady way to avoid any social upheaval.

Invigorating Key Enterprises

To vitalize large and medium-sized enterprises, it is necessary to properly handle the relationship between external and internal factors. The state should try as far as possible to create favourable external conditions for enterprises; the enterprises should try their best to push production and management forward. The state has adopted or is taking measures to improve external conditions for enterprises. These measures are as follows:

First, appropriately increasing input for technical transformation of enterprises, including the use of differential interest rates for projects which suit the industrial policy;

Second, appropriately raising the depreciation rate for part of the enterprises and gradually improving the depreciation system;

Third, appropriately lowering the interest rates on bank savings deposits and loans;

Fourth, granting foreign trade management power to some large enterprises;

Fifth, appropriately reducing the tasks under the mandatory plans for some enterprises and expanding their power to sell their own products;

Sixth, providing additional circulating funds to some enterprises;

Seventh, appropriately raising the proportion of new product development funds;

Eighth, making a conscientious effort to lighten enterprise burden;

Ninth, continuing to arrange for the settling of defaults between enterprises; and

Tenth, organizing enterprise groups. The aim is to promote a readjustment of the industrial structure and a reasonable organization of production elements, to bring about still greater economic returns, and, in particular, facilitate the technical transformation of enterprises. The shareholding system is an organizational form of enterprise groups through which to help the nucleus members of the enterprise group realize integration.

The above-mentioned policies and measures are adopted not for the benefit of local authorities or of trades, but to help specific projects and specific enterprises. Whichever enterprise needs technical transformation, we will implement different policies in the light of the given circumstances, providing funds for technical transformation which some enterprises cannot themselves afford. In this case, they may increase depreciation. Therefore, we should see whether the enterprise can afford to renovate and whether its products have a market. Only then can we put into effect policies or measures designed to help it.

Loan interest rate, price index and financial income are all links in the same chain. In order to strengthen macro-control, the

central government should not take a laissez-faire attitude towards or remains indifferent to banking, finance, price and large construction projects. For a socialist country, we cannot give up management of these affairs. Not long ago, for example, there was an "ethylene fever" throughout the country and many provinces and cities wanted to start ethylene businesses, but they did not consider how much capital they had and how large a domestic market there was. They acted blindly. An ethylene project, on so large a scale, is not being matched by a colour TV production project. Once the production fever heats up, what the consequence will be is inconceivable. In view of this, the State Council made a decision that an overall analysis should be made before starting ethylene projects. After thorough discussions and preparations, it was decided to start 14 such projects over the next ten years. Of course, there should be a limited scope of responsibility because it is impossible for the state to take charge of everything. Take pricing for example. The price of ordinary commodities can be decontrolled. Now everyone is satisfied with the "basket project," because the planned economy is properly integrated with market regulation. We summed this up as our basic experience. Farmers supply the cities with huge amounts of vegetables, meat and other foods and the state has a certain amount of regulatory and control capability. Because of this, market commodities are plentiful, the source of goods is abundant, the variety is wide and the price stable.

To sum up, we must properly handle the relationship between internal and external causes. We have adopted some measures which should be put in place as soon as possible, but the most fundamental factor lies in the enterprise itself. I am in favour of the job-waiting insurance which

has just been mentioned. Earlier, we were relatively careful about this problem. Although there is the "bankruptcy law," and we agree with the optimal organization of labour, this involves, after all, a question of stability. The country now enjoys political, economic and social stability, but enterprises cannot support idle people. Otherwise, an enterprise cannot develop, so, objectively, there should be a job-waiting mechanism. In this respect, the local authorities have a lot to do. Most of the premiums for old age insurance has been raised and so the next step is to consider the question of establishing a mechanism for job-waiters. With regard to housing reform, if the central government draws up a unified and specific plan, it will still face difficulty. The economic level and housing conditions differ from place to place and so it is better for local authorities to decide on specific problems. The central government lays down the general policy while the various provinces and cities proceed with the work themselves. They may exchange experiences in regard to housing reform. Regarding the medical system, there is now serious waste and large amounts of welfare funds are used in medical care. There are reforms in housing, medical service and insurance in addition to the experiments done with the shareholding system. Local authorities, therefore, have a lot to do.

Reform of Government Organs

Reform of government organs should be continued. The State Council has conducted some reforms, dissolved some organizations and established some new ones. It has generally carried out the system of "three fixations" (fixed organizational set-up, fixed size of staff and fixed responsibility) among its affiliated

institutions. The present general policy is that, within the tenure of office of this government, the various organizations under the State Council will first remain basically stable and unchanged. In the second half of this year or early next year, we will begin to study plans for the establishment of new organizations under the State Council. Experiments with reform of government organizations at the provincial and county levels will continue. On the whole, the reform of government organizations is carried out under the principle of appropriately separating the responsibilities of governmental agencies and enterprises. This line of action is correct. The government is in charge of overall control while enterprises engage in independent management. The appropriate separation between the two, however, has not gone far enough. The government has taken a role in matters which it should not have done, and enterprises have taken responsibility only for profits, not their losses. When they suffer losses, they look to the government. The perfect mechanism has thus not yet taken shape.

Government organizations at all levels are overstuffed and need to be streamlined. Government structures should be streamlined level by level starting with the central government and continuing down through the provincial, autonomous region and municipal level directly under the central government. Otherwise, it will be difficult to eliminate the financial deficit. Current construction mainly relies on special funding and, without a streamlining government structure, financial resources will be limited. Without eliminating the burden of subsidies, we face a serious financial situation.

Despite the hurdles we face, China's economic structural reform has great potential. ■

Shanghai's Development Plan for the 1990s

by Wu Fumin

Shanghai is accelerating the construction of infrastructure, including two bridges over the Huangpu River, a subway line and the Waigaoqiao port in the Pudong area. The city also endeavours to develop the tertiary industry and new industries while deepening its economic reform and opening wider to the outside.

Shanghai is China's economic centre and if we fail to take a big step forward in economic construction in five or ten years, we should be ashamed to face our young generation," said Zhu Rongji, former mayor of Shanghai, during an interview. "Conscious of our responsibility, we've formulated the strategic guiding thought for the city's development in the 1990s—to invigorate Shanghai, develop the Pudong area, serve the whole country and gear the city to the world market."

Infrastructure

The Shanghai municipal government regards the construction of infrastructures as a prerequisite to the development of the city and the Pudong area. During the Eighth Five-Year Plan period (1991-95), concerted efforts will be made to build infrastructure facilities on a large scale, with emphasis on communications and housing, in order to change the face of the city and benefit residents.

Shanghai will undertake ten major construction projects between 1991 and 1995, including

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two bridges over the Huangpu River, an express highway, a subway line, the Waigaoqiao port, a sewage works, a water supply project for improving the quality of the city's drinking water, an international airport, a gas project and a project to update communication facilities in the Bund.

Construction of most of these projects has started. The construction of the subway line is in full swing, the Nanpu Bridge over the Huangpu River will open to traffic this year, and the construction of the Yangpu Bridge with its big span across the river and an express highway connecting the bridges will begin this year. Last year a total of 120,000 households were provided with gas or liquefied petroleum gas. The number will increase by another 170,000 this year. All city residents are expected to use gas or liquefied petroleum gas in five years.

This year 4.5 million square metres of residential buildings will be constructed and 50 million square metres of apartment buildings will be completed within ten years. By the end of this century, the housing problem will be basically solved.

The city's economic structure should be rectified in order to

overcome current economic difficulties and strengthen the economic foundation for its future development. Efforts will be made to ensure a steady development of the primary industry (agriculture), thus satisfying the growing needs of residents for food and guaranteeing the supply of raw materials for the textile industry. The secondary industry should be rectified and reformed, in order to update the traditional industries and support the growth of new, backbone industries. The tertiary industry or the service trade should be further developed and its proportion to Shanghai's gross national product (GNP) increased. The functions of Shanghai as a centre city should be strengthened.

The Tertiary Industry

Shanghai was one of the few metropolises in the world with a developed tertiary industry, and the proportion of its tertiary industry to the city's GNP once reached 42 percent in the early 1950s. Today, however, the figure has dropped to 29 percent. In the next ten years, the tertiary industry will develop at a rate faster than that of the secondary industry and its proportion to the GNP is expected to increase at least to 40 percent by the end of this century. By then, the city's tertiary industry will be equally important as its secondary industry.

In the development of the tertiary industry, the order of priority will be: first, commerce; second, foreign trade, harbour storage and shipping; third, financial insurance, the establishment of foreign banks, securities

trading; and fourth, tourism and the construction of the Chongming, Hengsha and Changxing islands into tourist centres. In addition, real estate, information consulting, accounting and attorney services will be developed.

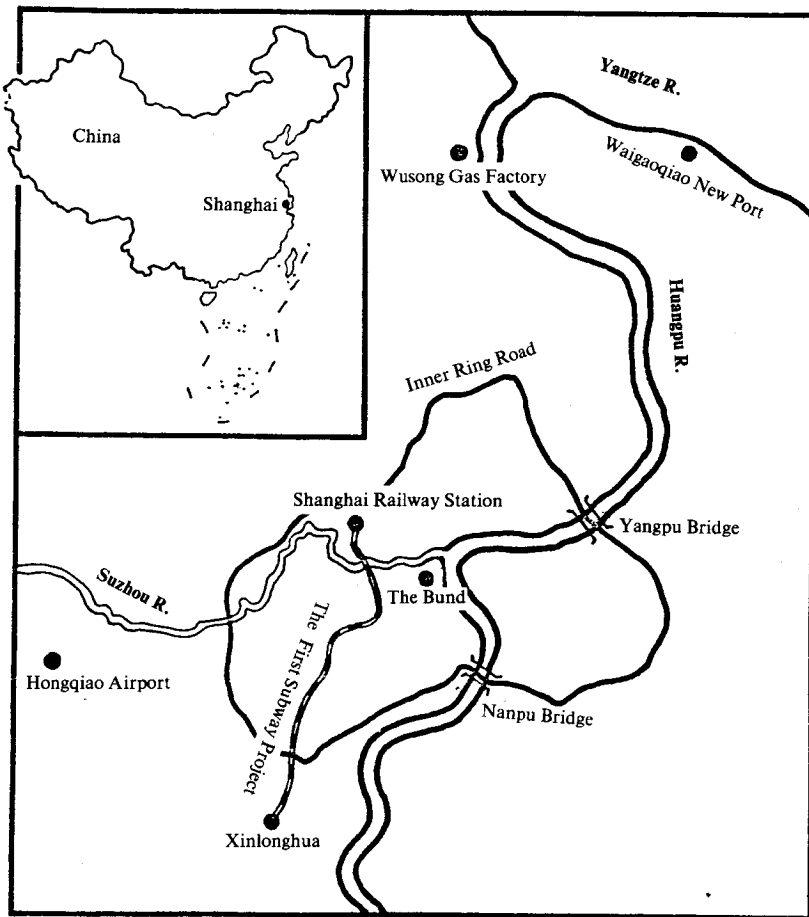
New Industries

The city's industrial structure, product mix and industrial composition should be readjusted. The first step is to develop the auto industry. The production capacity of Santana cars, for example, will reach 100,000 by the end of 1993 and 150,000 by 1995. By that time, the auto industry will be the city's top industry with an annual output value of tens of billions of yuan. The second step is to develop the electronics industry represented by programme-controlled telephone services, the integrated circuits, power station equipment, numerical-controlled machine tools, shipbuilding, and mechatronics. This requires the development of technology-intensive, hi-tech, intensive-processing and supporting industries.

While readjusting and updating its traditional industries, Shanghai will restrict the construction of new industrial enterprises in the old downtown area on the west bank of the Huangpu River, close down a number of losing enterprises and move some enterprises to the newly developed industrial district on the east bank after they are technically upgraded. Simultaneously, efforts will also be pooled to develop new industries.

With regard to the metallurgical industry, Shanghai produces 5 million tons of steel products annually. The output and variety should be maintained while the quality improved. The city will reduce several hundred thousand spindles in the textile industry according to current plans and emphasize the development of garments, knitwear and textile

Location of Shanghai's Main Construction Projects



machinery. It will do its best to regain its leading position in the nation's light industry and give priority to the production of food, clocks and watches and bicycles. With regard to the instruments and meters industry, in addition to products for fitting complete sets of equipment, new products will be developed according to the market demand.

To rectify its traditional industries, Shanghai will undertake three steps. First, the city will try to attract as much foreign fund as possible and speed up the technical reform of big and medium-sized state enterprises. Secondly, the municipal government will grant discount loans to some key industries and products for their technical reform. Third-

ly, some enterprises will be reorganized and competitive export-oriented enterprise groups built.

Reform in Five Fields

Reform and opening up is the only way for Shanghai to flourish. In addition to the reform in the financial and foreign trade structure set by the central government, the city will pursue reforms in five fields. Top priority will be given to the reform of the housing system.

The other reforms will be targeted at staple and non-staple food pricing system, the social security system such as insurance for unemployment, retirement and medical care, the financial system and enterprise restructuring. ■



ZHANG MING

Chen Yun, chairman of the CPC Central Advisory Commission, listens to a report by Vice-Premier and former mayor Zhu Rongji, Mayor Huang Ju and municipal Party Secretary Wu Bangguo on Shanghai's reform, opening up and urban construction.

Huang Ju: Shanghai's New Mayor

by Li Zhai

On April 29 this year, Huang Ju, 52, was elected mayor of Shanghai at the fourth session of the municipality's ninth people's congress. Huang is the eighth mayor of Shanghai since the founding of the People's Republic of China and also the youngest.

After he graduated from the electrical machinery department of Qinghua University in 1963, Huang worked in a Shanghai factory for nearly 20 years and served as technician, engineer, deputy Party branch secretary and deputy director. His staid quality and style of always getting right on the job won him the praise of his colleagues.

Huang entered the municipal leading body in March 1983 and served as member of the standing committee of the Shanghai municipal Party committee and secretary of the Shanghai industrial bureau Party committee. He became secretary-general of the CPC Shanghai committee in 1984. The next year, he served as deputy secretary of the CPC Shanghai committee and became deputy mayor of Shanghai in 1986.

One of the capable assistants to his predecessors Jiang Zemin and Zhu Rongji, he is also one of the commanders of a batch of important construction projects undertaken by Shanghai in recent years.

Huang always impresses people with his warmth and plain and easy-going manner. Comparing Huang with his predecessor Zhu Rongji, Professor Weng Shilie of the Shanghai Communications University said that Zhu is resolute, bold and unstrained while Huang is steady and careful. Though with different personalities, they render equally excellent service.

Huang's motto is: tell the truth, do solid work, and seek practical results. In the morning of May 2 this year, the fifth day after Huang resumed office, citizens shopping at the Julu Road open vegetable market surprisingly found the new mayor was among them. One of the more than 150 open vegetable markets in Shanghai, the Julu market, extending to the street, frequently blocked the traffic and damaged the appearance of the city. The municipal government attached high importance to the citizens' appeal for

"giving a roof to the market." Early this year, Huang Ju, then deputy mayor in charge of the city's day-to-day work, sponsored the planning of removing all the city's open markets in five years.

The moving of the Julu market was listed as a practical work to be done for the citizens this year. Huang decided to make an on-the-spot survey. After inspecting the open vegetable market and a nearby market fair, Huang and deputy mayor Zhuang Xiaotian held an on-the-spot work meeting with officials of the Luwan district government to discuss the removal of the open market. At the invitation of Huang, eight municipal and district people's deputies attended the meeting and were asked repeatedly to air their views. This was the first time in Shanghai to invite people's deputies to attend the municipal government's on-the-spot work meeting.

Huang said the people's government must serve the people. Anything done by the government must, from the beginning to the end, take the people's interest in mind. The people are the judges of government's work. The people's deputies are encouraged to participate in and discuss government affairs not only at the annual people's congresses. Conditions should be created for them to do so as a routine work. This will help them understand how the government's decisions are made and better exercise their supervision power.

To invigorate Shanghai, develop Pudong, serve the whole nation and gear the city to the international market are Shanghai's strategic objectives for the 1990s and also Mayor Huang's top concerns. Huang said, "I am appointed at a time when Shanghai is to be invigorated. I understand how heavy my responsibility is. I will try my best to do the work well. Shanghai's 13 million people are the main force for creating the city's bright future. As long as we rely on and trust them our grand blueprint will definitely come true." ■

Shanghai Takes a Big Step Forward

by Li Zhai

Shanghai, China's largest industrial city, took a big step forward economically during the Seventh Five-Year Plan period (1986-90) by implementing the policy of reform and opening up. With the establishment of a group of large and medium-sized key enterprises and the rapid construction of the Pudong New Area, Shanghai is now in a new stage of economic development.

When this author visited Shanghai five years ago, the city struck me as a blur of grey aging buildings which had long lost their original colour and of overly crowded residential streets. Today, however, modern high-rises appear against the skyline and the communication facilities and housing have improved remarkably. Of particular importance for the city has been the decision to move forward with the development of the Pudong New Area. Since then, its economic development has quickened and the city has become a more dynamic and attractive location for foreign businessmen.

Statistics from the Shanghai Statistical Bureau show that between 1986 and 1990, Shanghai's gross national product increased at an annual average rate of 5.6 percent. The industrial scale, technical level, quality of products and capacity to earn foreign exchange all greatly improved. Overall, Shanghai has maintained its position as

China's largest economic centre.

The Business Centre

The Shanghai Business Centre was open to the public in May 1990. Located to the north of the Shanghai Exhibition Centre, the Business Centre has a floor space of 185,000 square metres and the 48-storey main building is 164.8 metres high.

The centre, financed by the Portman Group Ltd. and the International Insurance Group Ltd. of the United States, and the Kashima Construction Co. Ltd. of Japan, boasts 700 suites, 472 flats, meeting halls, exhibition halls, a theatre, shops, offices, restaurants, cafes, gyms and a golf court. Atop the building, there are gardens, swimming pools, tennis courts and a helicopter parking area. In the two-storey basement is a parking area for 300 cars, sewage treatment pits, laundries and an electrical power generator. With its comprehensive facilities, the centre is like a small city inside

Shanghai.

The Business Centre is the tallest building in the city, 81 metres higher than the 83.8-metre-high Park Hotel.

The Park Hotel was built in 1934 on the Nanjing Road, a busy shopping area. In the following 49 years up to 1982, no building higher than the Park Hotel was built in the city, a fact that caused one foreign friend to comment that Shanghai was the only city in the world that hadn't changed in the half century.

In the 33 years from 1949 when New China was founded to 1982, however, a total of 30 million square metres of residential buildings were constructed, doubling the total floor space built in the previous 600 years.

Along with the progress of reform and opening up and the strengthening of its economic might, the city has speeded up construction of high-rise buildings and accelerated the development of residential houses. In 1983, the 93.5-metre-high Shanghai Hotel was built and two years later, the 107-metre-high Union Mansion was constructed for foreign agencies based in the city. In 1987, the five-star Sheraton Great Hotel, some 143 metres high, was open to the public. In the eight years after 1982, more than 200 high-rises were constructed.

There are currently some large infrastructure projects under construction, including a sewage works, the Nanpu Bridge over the Huangpu River and a subway costing 5 billion yuan.

The sewage works, the first phase of the city's sewage treatment programme, involves the laying of a 34-km-long drainage pipeline in the northern part of the city in order to treat 1.4 million tons of industrial waste water each day before emptying into the mouth of the Yangtze River. The project will cost 1.6 billion yuan.

The Nanpu Bridge and the subway line are two key projects for improving the city's communication facilities. The bridge is 8,346 metres long and 30 metres wide and has a total of six lanes. The bridge over the 400-metre-wide Huangpu River

is 46 metres high, enough for the passage under it of 5,000-ton-class ships. Its completion will facilitate the construction of the new development district 350 square km in size on the east bank of the river. The subway project will cost 2.5 billion yuan and will be the first subway line for China's biggest industrial and commercial city. Starting from Xinlonghua in the southern part of the city to the Shanghai New Railway Station, it will be 14.57 km long. The project is part of the communication development plan for building space, ground and underground com-

munication facilities.

During the Seventh Five-Year Plan period, Shanghai quickened its infrastructure construction and, in the last four years, earmarked a total of 13 billion yuan for urban construction, 2.3 times that allocated during the Sixth Five-Year Plan period (1981-85).

Large Enterprises

During the 1986-90 period, Shanghai completed and put into operation 15,000 capital construction and renovation projects. Of these, 9,563 were new industrial projects. The value of industrial fixed assets increased by 30.8 billion yuan, 3.3 times that of the Sixth Five-Year Plan period.

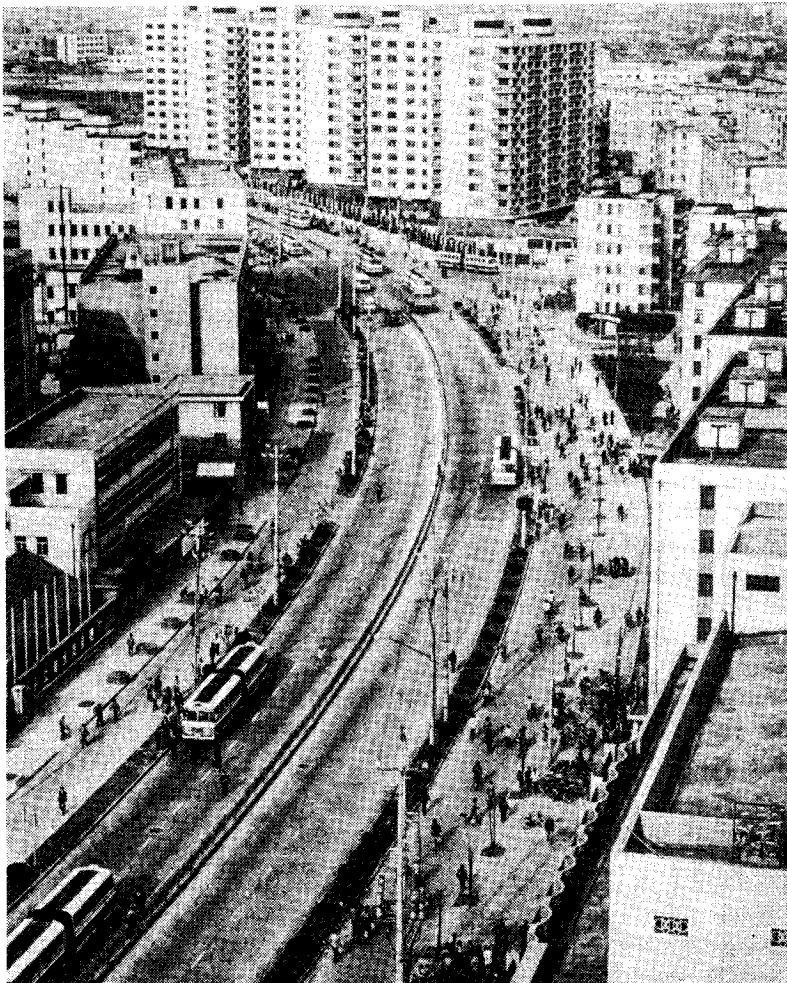
In these five years, the number of large and medium-sized enterprises increased from 584 to 850. The second-phase project of the Baoshan Iron and Steel Complex, the 300,000-ton ethylene project and the second-phase project of the Shidongkou Power Plant are under construction.

The completion of the 300,000-ton ethylene project in Shanghai will make China the eighth largest ethylene producer in the world. The ethylene plant will provide enough raw materials for domestic industrial production and promote the development of light, textile, chemical and building materials industries. The Shanghai Petrochemical General Plant and Chloralkalie General Plant will be two of the biggest production centres for synthetic fibre, plastics, organic industrial chemicals and chlor-alkalies in the world.

The Baoshan Iron and Steel Complex is one of the nation's largest construction projects. The first phase was com-

SHANG HAI

The new Pudong Road (South).



pleted in September 1985. The second phase includes six main projects. After the completion of the cold rolling, hot rolling and continuous casting projects and, after reaching the required standards, the Baoshan Iron and Steel Complex will change its product mix and produce steel plates and tubes, no longer limiting itself to steel billets. Its output of cold-rolled steel sheets alone will exceed the nation's current total output. The cold-rolled steel sheets of various varieties and specifications are in great demand at home and will alleviate the shortage of steel products in China.

The Baoshan Iron and Steel Complex was put into operation five years ago and has entered a new stage of development today. It takes 45 minutes to travel around the large complex. In this iron and steel city, however, there is no noise of machinery and no black smoke. Everywhere is quiet and the streets are wide and flanked by trees, though inside every workshop, people are bustling with activity.

Since 1986, Baoshan's steel output has increased at an average annual rate of 400,000 tons, equivalent to the production capacity of a medium-sized iron and steel plant. In the last few years, the profits and taxes have increased by 100 percent every

year to reach 900 million yuan in 1990. In the five years since it was put into operation, it produced a total of 14.92 million tons of pig iron, 15.78 million tons of steel ingots and 650,000 tons of steel tubes.

In 1987, the Baoshan Iron and Steel Complex started to export its steel products and, at present, it exports more than 20 varieties of steel products to Southeast Asian and European countries and the United States. Its exports include cold-rolled steel plates, hot-rolled steel sheets, steel tubes for petroleum industry, steel billets, unprocessed steel tubes, steel ingot molds, and chemical and refractory materials.

The goals for the future development of the complex include the completion of the third-phase project by the end of the century in order to increase its yearly steel output to 10 million tons.

Shanghai has long had a raw material, installation and consumer goods industrial system with light and textile industries as the mainstay. With the construction of the 300,000-ton ethylene project, the second-phase project of the Baoshan Iron and Steel Complex and the first-phase project of the Shanghai Volkswagen Automobile Co., the city's industrial structure is changing, and the trend



YANG PUTAO

An optical fibre sensor for space shuttle and missile navigation was developed recently by the Shanghai No. 803 Research Institute.

is to have more technology-intensive and hi-tech industries.

Foreign Investment

When foreign-funded enterprises were first established in the city, the first foreign manager of the Shanghai Foxboro Co. bought a carved padauk turtle after he arrived in Shanghai to take up his post. He used the turtle to remind him to look around before taking any steps forward.

Time is the best touchstone of success. More than 96 percent of the Sino-foreign joint ventures, foreign-funded enterprises and solely foreign-owned en-

Shanghai's Main Social-Economic Indexes

Year	Total industrial output value (billion yuan, based on constant price for year given)	Gross national product (GNP) (billion yuan, based on constant price for year given)	National income (billion yuan, based on constant price for year given)
1952	6.806	3.666	3.345
1980	63.762	31.189	28.242
1985	86.977	46.675	40.973
1990	163.294	73.7	61.4

CHINA

Output of Shanghai's Main Industrial Products

Product	Unit	1952	1980	1985	1990
Steel	m tons	0.0714	5.2161	5.7016	9.1403
Steel products	m tons	0.1411	4.1263	4.5118	6.0981
Electricity	b kwh	1.319	20.641	25.625	28.396
Plate glass	m crates	0.0259	1.3279	1.6008	5.0305
Motor vehicles			14,675	12,166	27,800
Civilian ships	tons	4,200	172,600	401,300	374,100
Sewing machines	m	0.0591	2.2649	3.0864	3.3387
Bicycles	m	0.0401	3.7606	6.1954	9.5117
Wrist-watches	m		8.16	11.55	15.45
TV sets	m		0.7524	3.3442	4.6218
Of which:					
Colour TV sets			5,500	717,500	828,100
Household washing machines			8,100	1,138,500	952,600
Household refrigerators			4,200	204,900	553,500
Chemical fibre	tons		151,400	224,900	251,500

terprises have achieved success and both foreign managers and representatives of foreign governments stationed in the city express satisfaction with Shanghai's investment and work environment.

In the last decade, Shanghai has earmarked 20 billion yuan for improving communications, post and telecommunications, electric power and other infrastructure facilities, doubling the amount allocated in the 29 years before the economic reform and open policies were implemented. The remarkable achievements in infrastructure construction have helped to stimulate foreign investment.

By the end of November 1990, Shanghai had approved the establishment of about 900 Sino-foreign joint ventures, foreign-funded co-operative enterprises and solely foreign-owned enterprises and attracted foreign investment totalling US\$2.8 billion. Shanghai has thus been one of the most attractive areas on the west coast of the Pacific Ocean for foreign investment.

A survey of the 95 operating foreign-funded enterprises in the city shows that 70 percent of them make profits, a total of 400 million yuan last year. The Shanghai Volkswagen Automobile Co. Ltd., for example, has an annual production capacity of 60,000 cars and earned a profit of 130 million yuan last year. Also, the Shanghai Shenmei Beverage Co. Ltd., the Shanghai Ek-Chor Motorcycle Co. Ltd. and 14 other enterprises each earned more than 5 million in profits.

These good returns on investment are attractive to foreign investors. A Sino-Thai joint venture was put into operation five years ago and since then has earned US\$16 million in profit annually. The Thai side has added a total of US\$42 million of investment. In the eyes of some trans-national companies, Shanghai is the hot spot for their investment.

Shanghai is an old industrial base. It has more than 10,000 industrial enterprises which produce a variety of products in many specifications. But a great

amount of machinery, equipment and production facilities need badly to be updated and upgraded and, since it implemented the economic reform and open policies, the city has attached great importance to modernizing old enterprises with foreign investment.

For such renovation, six banking institutions raised US\$1 billion in foreign investment by issuing bonds and organizing bank loans, accounting for two-thirds of the city's foreign exchange used for importing foreign technology and equipment during the Seventh Five-Year Plan period.

The Shanghai No. 3 Iron and Steel Works is one of China's three main producers of moderate-thick steel plates. Last year, the works got a loan of US\$60 million from an international consortium. The money was used for importing equipment needed to update a production line with the capacity for 750,000 tons of moderately thick plates a year.

Shanghai has also encouraged enterprises to invest abroad. By

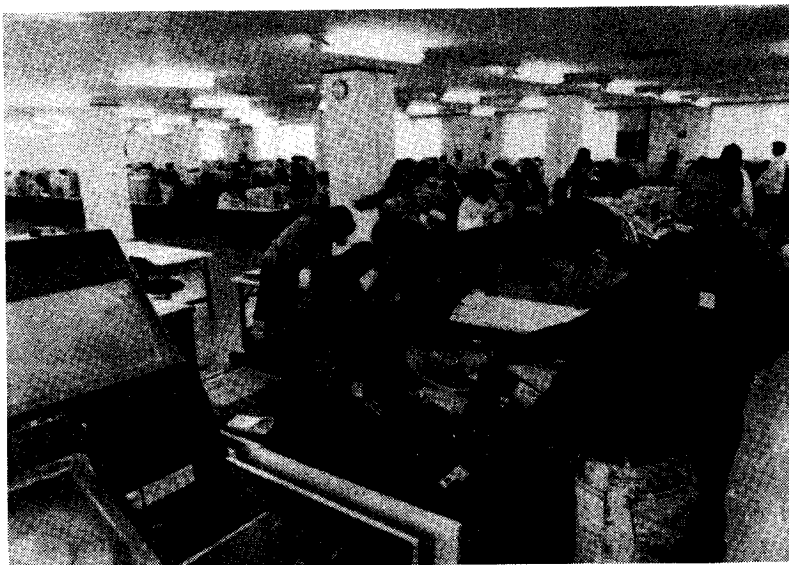
the end of last year, the city had approved the establishment of 58 enterprises in 26 countries and regions, including the United States, Japan and Hong Kong. At present, 33 are in operation and most have yielded good economic results.

Pudong New Area

On April 18, 1990, the State Council decided to develop the Pudong New Area.

Some progress has been made since then. The construction of infrastructure facilities is in full swing and a group of foreign-funded projects are under discussion and others are being implemented.

In the financial arena, a dozen Chinese banks and financial companies have established branches in the area, including the Bank of China, the Industrial and Commercial Bank of China, the Bank of Communications, the People's Construction Bank of China, the Agricultural Bank of China, the China Merchants' Bank in Shenzhen and the Shanghai Investment and Trust Corp. At the same time, some foreign and foreign-funded banking institu-



YANG PUTAO

A Sino-Japanese data-processing company in Shanghai produces software for export.

tions have set up branches in the area. As of now, the area has approved the establishment of two Sino-foreign financial companies and a Sino-foreign international bank, accepted applications from six foreign banks, including the First National City Bank of the United States, the Industrial Bank of Japan and the Credit Lyonnais of France, to open branches. More than 20 other foreign banks have also applied to open

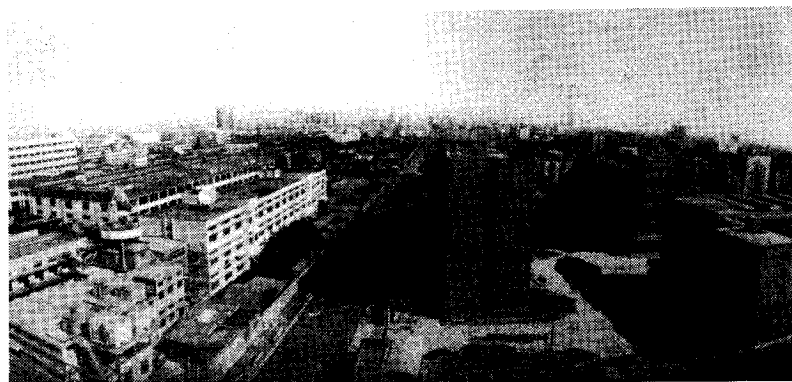
branches in the area.

The establishment of these domestic and foreign bank branches has facilitated the development of the Pudong New Area. In the next five years, the Industrial and Commercial Bank of China will grant 5 billion yuan in loans and the People's Construction Bank of China 2.5-3 billion yuan in loans for the construction of the area. The Agricultural Bank of China will grant an additional 2.5 billion yuan in loans and use the profits generated thereby for additional development of the Pudong area.

Since May of last year, Pudong has received 15,000 overseas businessmen in 3,000 groups. At present, 168 construction projects with a total investment of US\$3 billion, including US\$1.5 billion foreign investment, are under negotiation. Of these, 36 construction projects have been approved, increasing the number of Sino-foreign joint ventures, foreign-funded enterprises and solely foreign-owned enterprises to 73 in the Pudong New Area. ■

The Caohejing Technological Development Area.

YANG PUTAO



In 1990, film directors focused their cameras on the daily life of ordinary citizens and turned out a series of productions highly acclaimed by movie goers.—Ed.

Movie Cameras Scan Daily Life

by Our Staff Reporter Hong Lanxing

At the National Film Production Conference held in February, Teng Jinxian, director of the Film Department of the Ministry of Radio, Film and Television, affirmed China's achievements in the film industry in 1990, saying that the year marked a good beginning for China's film industry in the 1990s. Last year, he said, "China produced more than 120 movies, 30 of them above average in quality. The many productions which portrayed China's modernization and the daily life of people represented the main theme of China's film industry."

Trivialities & Life on the Street

The movie, *Mammy, Love Me Once More*, produced in Taiwan is run-of-the-mill in every sense. It did, however, create quite a sensation when first screened on the mainland in 1989 and, since then, 390 copies have been distributed. In Shanghai, movie fans stood in long queues in front of the theatres as early as 5 am each morning. Theatres had to repeat the showing nine times a day from 6:30 am to 11:50 pm and the price of tickets in the black market was eight times that of the normal ticket price. The movie set box-office records in

Qingdao, Shandong Province and the manager of the Capital Theatre in Beijing said that the movie was the most successful in Beijing, second only to *the Shaolin Temple*.

The family movie was sensational because it touched a chord in everyone's heart with its story about the joys and sorrows of a mother and son.

Chinese movie directors who had sought something new and original in forms of expression and subject matter have come to realize that a cordial, unsophisticated approach towards ordinary people and their everyday life might be just right for current audiences. After they focused their cameras on the trivialities of the common man, the result was a group of top-notch movies in 1990.

Two movies, *Hello, the Pacific Ocean*, directed by Chen Jialin, and *Metropolis in 1990*, directed by Sun Sha, tell of two city mayors who always put the people's interests above everything else. Set against the backdrop of modern cities teeming with an economic boom during a time of reform and opening, the movies describe how the two mayors managed to deal with such "hot topics" as housing, traffic, eating, women job-seekers and the issuing of stocks. Unlike their

A scene from *Hello, the Pacific Ocean*.



CHINA



A scene from *Offspring of the Police*.



A scene from *Cock Fight*.

former counterparts entangled in power struggles, or putting on long faces as they indoctrinate the public with political jargons, the two mayors don't hesitate to face problems head on and resolve a myriad of difficulties on the strength of the people. These two movies were particularly well received by audiences.

Female Workers in the Special Economic Zone, tells of seven country girls from a poverty-stricken area who go to work in a special economic zone in search of a new life. Exposed to a dazzling city life, however, some succeed and others go astray because of their different backgrounds.

The movie, *Jiao Yulu*, named after a well-known Party cadre who devoted his entire life to serving the people in the 1960s,

was considered the best production in 1990. In the past 20-odd years, many directors have attempted to portray, through various art forms, this news-maker of the 1960s. They failed until 1990, when a talented director and a well-accomplished actor succeeded in bringing the model cadre to the screen and, along with him, the history of hardship and struggle which many underwent in the 1960s. Many people were moved to tears when they saw the movie (For details, see *Beijing Review*, issue No.13, 1991).

The movie, *Good Morning, Beijing* is a story about a public bus driver and two conductors (See *Beijing Review* issue No. 17, 1991) and the movie, *Old Restaurant*, about the love story and hardship endured by the founder

of the famous Roast Duck Restaurant in Beijing in the early 1980s (See *Beijing Review*, issue No.51, 1990), have both been highly acclaimed by audiences for their penetrating description of the characters' inner feeling and their strong human interest flavour.

Children's Movies

New breakthroughs have been made in the production of children's movies. The movie, *My September*, tells of how a primary school pupil who wants to participate in a *wushu* (martial art) demonstration at the Asiad's opening ceremony becomes mentally fit and strong. The movie, *Offspring of the Police* describes how the children of policemen help police arrest a gang of

A scene from *Police in the Year of the Dragon*.



A scene from *Li Lianying*.



Photos by Ying Gong

thieves. The movie, *No Tears, Mother*, portrays how a small child cures the broken heart of his mentally disordered mother after his parents get divorced. An accurate description of the life of children, these movies dig deep into the cause of social problems.

The movie, *One Girl Too Many* conducted by Zhang Gang, tells how a six-year-old girl manages to survive the emotional stress imposed upon her by the separation of her parents. Structurally compact, vivid in interpretation, and with a well-knit plot, this movie highlights the fact that China's production of children's movies has reached new heights.

The production of comedies and farces has also made much headway. The movie, *All Present Are Guests* shot by the Emei Film Studio, Sichuan Province is a relentless and pungent satire on the craze of feasting at public expense, helping the audience better understand its harm amidst an atmosphere of laughter.

Gongfu Movie Production

Gongfu movies have always been well received by Chinese theatre goers, but now directors have begun to pay more attention to plot development and character portrayal. The *gongfu* movie, *The Swordsman*, elaborates the character of a swordsman and the theme of good conquering evil through a concise yet penetrating expression of his swordsmanship instead of providing lengthy and dazzling scenes of fights and tussles as has been common in past movies of this genre. The movie, *Story of Cavaliers* portrays how the Xinjiang people heroically fight the reactionary rulers before the Xinjiang Uygur Autonomous Region was liberated in 1949 by the use of hair-raising horseman-

ship, an indication of the artistic maturity of Xinjiang directors and actors. The movie, *On the Ice*, exposes the inner world of its characters while giving vivid expression to the characters' flawless roller-skating and skateboarding skills, thus making it highly appealing to a wide audience.

The Beijing Film Studio

When discussing China's film production in 1990, we should not forget to mention the Beijing Film Studio. The Beijing Film Studio, 42 years old and supported by 1,800 directors, actors and actresses, is one of four movie-making giants in China (in addition to the Shanghai Film Studio, the Changchun Film Studio and Zhujiang Film Studio). Although deep in debts, the studio managed to dish out a group of good movies in 1990, some 90 percent of which paid off. On average 153 copies were made for each film. The newly appointed director of the Beijing Film Studio, Cheng Zhigu, attributed his success to the motto of quality first.

Last year, the Beijing Film Studio produced a total of 18 movies, 12 of which focused on modern subjects. The movie, *Police in the Year of the Dragon* depicts how policeman Fu Dong deals with his work and his relations with his wife, colleagues and girlfriend. His character portrayal reflects a love for his job, a strong sense of responsibility and selfless devotion to defending people against criminals and a serious responsible attitude towards love and family life. Critics said that, in recent years, as other movies pursued thrilling scenes, the director of this movie focused on real life and tried to separate the unusual from the usual.

The movie, *Cock Fight*, tells people, through an elaborately conceived plot, how an honest

man was ruined by gambling.

The movie, *Caught in Passion*, is a love story between a young man and a young girl suffering from cancer (See Beijing Review, issue No.19, 1991). Director Xia Gang spices the seemingly stereotyped story with exquisite rendering of everyday trivia.

The movie, *Li Lianying*, is named after the arch eunuch of Dowager Empress Ci Xi of Qing Dynasty. In the previous movies about court life, the eunuch was described as an ingratiating man who nonetheless browbeated his inferiors using his boss' authority. In this new production, however, Li Lianying was pictured as a man deserving sympathy and as one who had to live by his wits. Director Tian Zhuangzhuang said, "Li Lianying is not a man that can be described in simple concepts. Rather, he was a complicated man of flesh and soul." Probably because of its strong human interest flavour and the excellent performance by the movie's stars, Jiang Wen and Liu Xiaoqing, the film was one of the studio's big money-makers.

Sweet and Sour

However, there's still much to be desired in the movies of 1990. Poor quality, said Teng Jinxian, was perhaps the biggest problem. Some movies were vulgar, others artistically poor. Some were of overly simplistic plots and others were presented too childishly and unable to clearly express their stories. It is thus not uncommon to hear some movie goers say that "China-made movies are not worth watching." Teng called on Chinese movie makers to draw lessons from the failures of the 1990s. Directors should go into thick of life to find their responsibility for society and their artistic conscience, working hard to breathe new life into China's movie industry. ■

New Oil Projects for Foreign Co-operation

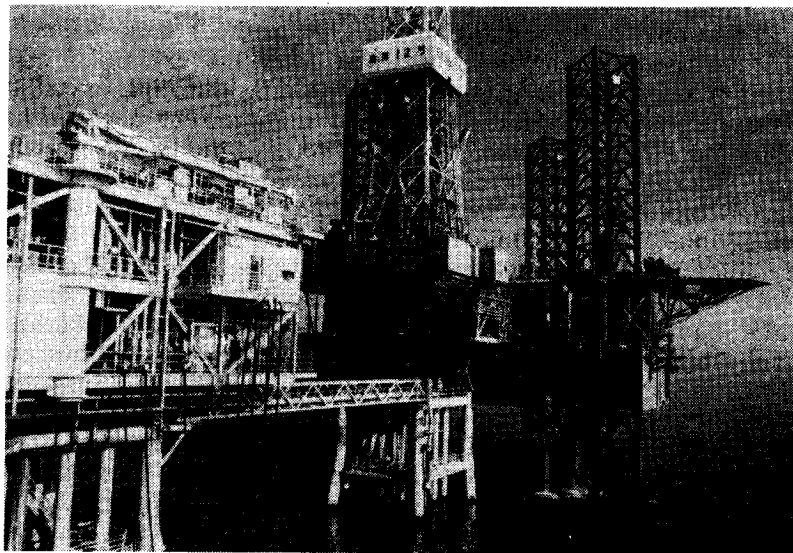
Wang Tao, general manager of the China National Petroleum and Natural Gas Corp., recently announced the general programme for foreign co-operation in the coming decade.

According to Wang, China's petroleum industry will advance in big strides in co-operation with foreign firms on the basis of mutual benefit. The co-operation will be conducted in the following six forms:

- **Funding co-operation.** During the Seventh Five-Year Plan period (1986-90), China used foreign loans provided mainly by Japan to boost the development of its petroleum industry. These loans have all been repaid as schedule. The State Council decided that foreign loans would be used to build oilfields in the Tarim Basin and could be repaid with oil. This aroused the strong interest of quite a few Japanese businessmen.

- **Risk prospecting.** Since China sought foreign investment in offshore oil exploration and development, foreign co-operation has also been invited for the development of land oil in south China's 11 provinces and autonomous regions. Altogether, 1.8 million square km and 167 basins have been opened. In the last six months, for example, three firms from the United States and New Zealand jointly undertook the risk prospecting of Hunan's Dongting Lake Basin and a foreign company signed an agreement with China to explore and research four basins.

- **Development of existing oilfields.** To tap the potentials of large oilfields, China will introduce foreign advanced technology and equipment and managerial expertise, and invite for-



DING JIANZHO
Bozhong 34—2/4E Oilfield, co-developed by China and Japan, is located in Bohai Sea 100 nautical miles from Tanggu.

eign companies to raise their recovery ratio so as to increase production. Repayment may be made with oil.

- **Ground engineering technology.** Domestic engineering projects in some newly built oil and gas areas will co-operate with foreign companies in an all-round way, from programme design and technique to construction, production and management. China has concluded a letter of intent for construction of an oil pipeline with a Canadian firm. Meanwhile, China held talks with several large US firms on the possibility of co-operation in building a 3,000-km pipeline for Tarim crude oil.

- **Operation services.** China plans to set up companies to co-operate with foreign engineering technological service firms in order to provide domestic oilfields with advanced technology and operational and engineering services. The foreign side will supply technology and equipment while China provides labour.

- **More foreign experts will be**

invited to work in China. ■

Hebei to Lease Land-Use Rights

In late May, Hebei Province offered to lease domestic and overseas businesses 24 pieces of state-owned land.

According to an official from the Hebei provincial government in charge of opening to the outside world, the 24 pieces of land, located in the Qinhuangdao-Tangshan-Cangzhou Bohai Bay Economic Development Zone and places near Beijing and Tianjin, have favourable economic and geographical conditions. Qinhuangdao has eight pieces covering 386.43 hectares, Tangshan 11 covering 720 hectares, Cangzhou two covering 200 hectares, Langfang two covering 93 hectares and Zhuozhou one covering 70 hectares.

Of the 24 pieces of land, the majority are cultivated areas; some are unused. The land is flat and has adequate water and electricity supply. Close to high-

way and railway lines, the land may be used for the development of scientific research projects, electronics, foodstuffs and other industries and goods storage. For example, an eight-hectare piece to be leased out by the Shanhaiguan Economic and Technological Development Zone is 3 km to the east of the Shanhaiguan district of Qinhuangdao City, 6.5 km from the city's airport and 4 km from the railway station and the Beijing-Shenyang Highway is nearby. Given its convenient transport facilities and sufficient water and electricity supply, the land is suitable for the development of such clean industries as arts and crafts, souvenirs, electronics and meters, light industry, textiles and machinery processing-industries.

Prior to leasing out the 24 pieces, Hebei Province promulgated the Methods on the Lease and Transfer of the Land-Use Right of Urban and Rural State-Owned Land, which stipulate that the lease of the land-use right should be carried out through negotiation, public bidding and auction. The longest term for the land used for flats and residences is for 70 years, industry and communications 50 years, education, science and technology, culture, medical service and sports 50 years, commerce, tourism and recreation 40 years, and comprehensive and other purposes 50 years.

According to the stipulation, the lease of the land may be conducted either at home or abroad. The rights to use land may also be used as mortgage for debts and for obtaining loans from banks and other financial institutions. The term of the mortgage, however, shall not surpass the period stipulated in the original contracts on the lease of transfer of the land.

The methods also stipulate that after the expiration of a lease, at the municipal or county land management departments will recover the land-use rights. Leaseholders who apply for using the land continuously, shall enjoy the priority.

One of north China's most developed provinces, Hebei surrounds Beijing and Tianjin municipalities and enjoys exceptional advantages. Since the province announced the lease of the first batch of state-owned land last August, businessmen from the United States, Japan, Singapore, Hong Kong and Taiwan have come to hold talks, and some have signed letters of intent with the province. This predicts bright prospects for the province's foreign co-operation and development.

by Yao Jianguo

Hebei Announces Co-operative Projects

At a news briefing on foreign economic and technological projects of Hebei Province held at the end of May, Cheng Weigao, governor of Hebei Province, announced the 439 economic co-operative projects with other countries.

Cheng said that these projects involve nine trades including metallurgy, building materials, chemical, medicine, textile, machinery, electronics and light industries. Some 356 projects would use foreign investment and 83 projects involved the purchase of advanced technological equipment with spot exchange.

Among the foreign-funded projects, there are 49 large and medium-sized ones, including an annual production capacity of 3 million sets of kinescopes for colour televisions, an annual production capacity of 50,000

tons of caprolactam, and an annual production capacity of 140,000 tons of ethylene in Shijiazhuang, the establishment of an export base for the Shengli Ceramics Group in Tangshan City, a nodule cast iron pipe of the Xingtai Iron and Steel Plant, an annual production capacity of 15,000 tons of white titanium powder and an annual production capacity of 35,000 tons of soft packaged almond juice in Chengde. They are all among the projects listed for the state and provincial Eighth Five-Year Plan period.

Of the projects, 18 would use foreign investment to conduct technical upgrading of the existing industrial enterprises and were listed among the state and provincial Eighth Five-Year Plan period. They include the import of production equipment of high-grade porcelain in Tangshan City, the import of high-speed spinning machine in Baoding City, equipment for a pulp paper mill in Qinhuangdao City and the import of production equipment for lining cloth of high-quality garments and for a gallium arsenide device in Shijiazhuang City.

Cheng also noted that the forms of co-operation could include joint ventures, co-operative enterprises and wholly foreign-funded enterprises, compensation trade and processing of imported materials and use of imported spare parts. He said that China and foreign countries could negotiate any existing or new projects as long as the two sides have a genuine interest in the project.

Hebei is an economically developed province in north China which surrounds Beijing as well as the industrial city of Tianjin. By the end of 1990, the province had approved 610 projects using foreign investment with a contract value of US\$1.1 billion.

The news briefing on the projects was part of the province's effort to expand its foreign economic and technological co-operation. Between September 1-10, the province will hold its eighth trade talks on foreign economic and technological co-operative projects in its capital city of Shijiazhuang.

by Yao Jianguo

Sino-US Nantong Company in Good Shape

The Sino-US Nantong Cellulose Fibres Co. Ltd., with a total investment of US\$35.17 million for the first stage project, is flourishing, thanks to genuine co-operation between sides on the principle of mutual benefits.

During six months of trial production, the company's output in 1990 was 29 percent higher than the designed production capacity. Its output in the first four months of this year increased 13 percent compared with the same period last year.

The Nantong company is a joint venture between the US Hoechst Celanese Corp. and the Jiangsu Provincial Tobacco Co. It was established in March 1987. Construction began in May the same year and was originally expected to be completed and the company put into operation within three years. However, all work was completed eight months ahead of schedule. Trial operation proved successful.

David Jill, general manager representing the US side, said that his business co-operation with the Chinese partner is "very pleasant."

Yao Guishen, deputy general manager representing the Chinese side, was also satisfied with bilateral co-operation. "China and the US conducted 24 rounds of negotiations on the establishment and construction

of the project," he said, "and the board of directors held 14 meetings. All produced positive results."

The products of the Nantong company are all sold in China. Its annual production accounts for only a small part of China's annual import volume. The Chinese and the US side have decided to go ahead with the second-phase of the project ahead of schedule. Involving an additional investment of US\$96.65 million, the project is expected to double the company's production capacity. ■

Farm Exports Expand

Despite a marked drop in the export of China's traditional produce, soya beans, agricultural exports last year hit at 2.82 billion yuan (approximately equal to US\$540 million), an increase of 4.1 percent over the previous year. Liu Chengguo, the new department head of agricultural reclamation under the Ministry of Agriculture, said an overall bumper harvest in agriculture last year was favourable for a growth in exports this year.

Last year, the total industrial and agricultural output value turned out by agricultural departments was 29.3 billion yuan, a rise of 7.1 percent over the previous year. Of this output, industrial output value was 17.6 billion yuan, an increase of 6 percent and agriculture was 11.7 billion yuan and a rise of 8 percent. Last year the output of grain and soya beans was 11 million tons, 12 percent more than the previous year; the cotton output made a 44 percent jump over the previous year; and oil- and sugar-bearing crops, fruit, tea, meat, poultry, eggs and milk also increased to varying degrees.

Liu said the reform and the open door policy has enabled China's farm industry to develop both domestically and internationally. At present, a group of Sino-foreign joint ventures has been set up and more offices and enterprises have been established abroad. The Shanghai Bureau of Farms has opened an office in San Francisco, USA, and a woollen sweater factory in Argentina; the Jiangsu Agricultural Reclamation Bureau has established a vegetable farm overseas; and eggs and vegetables from Guangdong have been available in Hong Kong supermarkets.

In addition, the exports of industrial goods produced by agricultural departments have increased year by year.

China now has over 2,000 state farms employing over 5 million workers and staff. These farms are distributed mainly in border areas and coastal beaches which are suitable for agricultural and animal husbandry development, as well as around densely populated large cities and industrial and mining enterprises. At present, agricultural departments manage over 4.4 million hectares of farmland, over 13.17 million hectares of grassland, more than 1.74 million hectares of forest area and 540,000 plus hectares of water area. Since the founding of New China in 1949, agricultural reclamation departments have become important state sources of commodity grain, cotton and other agricultural and agricultural by-products. Since unified management of agriculture, industry and commerce in farming was carried out in 1979, both industry and domestic international trade in the agricultural field have made tremendous strides forward.

by Han Baocheng

Census Reveals Shifts

ZHONGGUO TONGJI XINXIBAO
(China Statistical Information)

The development of China's cities and towns quickens under the impact of the deepening economic reform and openness to the outside world. With the rapid increase of developing towns and cities, the population figures have changed.

The third census in 1982 revealed changes in the division of administrative regions. Many counties and townships became cities and towns. The number of cities increased from 244 to 456 during these eight years, up 86.9 percent and that of townships under the jurisdiction of counties from 2,660 to 9,322, up 250.5 percent. The population multiplied as the number of cities and towns increased.

China's fourth census (July 10, 1990) data show a large number of the rural residents now living in new budding towns and cities.

The fourth and most recent census-taking showed districts' population of municipalities divided into districts, neighbourhoods population of municipalities not divided into districts, the population of neighbourhoods committees of towns under the jurisdiction of cities not divided into districts and the population of neighbourhoods committees of towns under the jurisdiction of counties. According to this calculation, the proportion of the city population accounted for 26.23 percent of the country's total population.

China is a country of mainly rural residents, the proportion of city and town population is still very low compared to the world's average level, only accounting for 17.4 percent of the country's total population in 1970. By the 1980s, as China's economy developed, urban population rose quickly: 19.4 percent in 1980,

20.6 percent in 1982, 23.5 percent in 1983. This census method rules out the influence of the new administrative divisions. The proportion of the population in cities and towns reached 26.23 percent, indicating that the development of China's population in cities and towns has increased stably.

(Mar.4,1991).

Occupation of Teacher: From Cool to Hot

WENHUI BAO
(Wenhui Daily)

Formerly looked down upon, the occupation of teacher has become one of the coveted positions in China.

A short time ago, one district education bureau in Shanghai advertised for some junior middle and primary school teachers, which attracted the interest of many young people. One official said, "This is the outcome of respecting knowledge and talent." A female candidate named Li, who graduated from a famous university in Shanghai, commented, "I have been longing for this career, and even dreaming about it. In spite of the fact that some people complain about the profession, I think that it brings both honour and practical benefits as every day I can make contact with young people, which can enrich my life and keep me young. Besides, I can have holidays twice a year. It is indeed a fortunate choice." One applicant named Qin noted that he was good at English, Japanese and French and formerly gave up many opportunities to go abroad for further study and to enter joint venture enterprises. Instead he opted firmly for the career of a junior middle school foreign language teacher.

Why has this once unfashion-

able ordinary profession become in vogue? There are three reasons. 1) The status of teachers has risen along with a new mood of respect for educators and attachment of importance to learning in society, affected by policy on intellectuals. 2) Teachers' incomes and housing conditions have begun to improve, and their work and living conditions are stable. 3) As people's material conditions improve, they are placing more value on the acquisition of knowledge to enrich their lives.

(March 3, 1991)

Six Characteristics of The 8th Five-Year Plan

XINXI RIBAO
(Information Daily)

China's Eighth Five-Year Plan (1991-95) has the following six characteristics, according to Sun Shangqing, deputy director of the State Council's Development and Research Centre.

1. Of the eight five-year plans, the eighth was drafted after the longest period of discussion.

2. The plan and the Ten-Year Programme were drafted on the principle of organically combining reform with economic development and promoting the economic development with reform and opening up.

3. Agriculture holds an important position in the plan.

4. The plan gives top priority to the development of basic industries and infrastructure construction.

5. The plan emphasizes technical transformation in fixed asset investment.

6. The plan calls for efforts to achieve stable and harmonious development of the economy through co-ordination.

(Dec.26, 1990)

Population Quality: A Focal Point

XINXI RIBAO
(Information Daily)

The key to China's economic development in this decade lies in the improvement in the population quality rather than the establishment and expansion of factories and assembly lines, says Zhou Guangzhao, president of the Chinese Academy of Sciences.

In China, the per-capita share of natural resources is very low. Only by improving the quality of the whole nation can China use natural resources more economically and protect the environment for subsistence more effectively.

(Dec.3, 1990)

Main Points on Rural Economic Reform

JINGJI CANKAO BAO
(Economic Reference)

The outline of China's rural economic reform for the Eighth Five-Year Plan period (1991-95) has been spelled out by the Ministry of Agriculture. It includes the following five points:

—Stabilization of all basic policies on the countryside. The fundamental household contract responsibility system with remuneration linked to output will be perfected and remain unchanged for a very long time. Efforts will be made to develop the socialized rural network of services, amplify the dual management system which encompasses unified and independent management and expand collective economic strength step by step.

—Implementation of a system containing diverse economic sectors with public ownership as the

main body. During this process the rural economy will cooperate with urban economy in order to set up a trans-regional and trans-department economy which combines various economic sectors.

—A breakthrough in the reform of circulation system for agricultural products. Efforts will be made to narrow the gap between the purchasing and market prices of grain and to form several regional farm produce market networks, with wholesale market as the main body. Farmers' private households and commercial co-operative groups should be developed and multi-tier circulation networks built in most rural areas.

—The state's macro-economic control of rural areas will shift step by step from an administrative mode to economic and legislative. The state will effectively macro-control part of the main agricultural products.

—According to the state industrial policy, efforts will be made to steadily readjust the rural industrial infrastructure, develop diversified economy and non-agricultural production, promote the tertiary industry and augment the number of non-agricultural endeavours.

(March 5, 1991)

Xian Has a Foreign 'Huifang'

JINGJI CANKAO BAO
(Economic Reference)

While people were excitedly discussing the TV series "Expectations," the ancient capital of Xian was spreading the poignant story of a young foreign lady who has followed the example of Liu Huifang, the heroine of the series. In the programme, Liu Huifang didn't hesitate to divorce her selfish hus-

band Wang Husheng in order to foster an adopted baby girl.

The foreigner in question is a 28-year-old American, Carona, who speaks fluent Chinese and is teaching in an institute in Xian.

It was on the afternoon of January 13, when Carona was obtaining medicine from Xian Hospital, that an old lady came up and put a baby girl in her arms. "Please hold this infant a while for me, I'm going to see the doctor," she implored. The tot was wrapped in a coloured quilt.

Carona did not realize that the old lady was not going to return. She waited for her for a long time until she discovered a piece of paper inside the quilt which read "Her mother died of childbirth. Please help her find another mother (born on December 17, 1990)." A wave of affection immediately welled up in Carona's heart and she took the baby back to her single dormitory.

Like all mothers, she nursed, diapered, watched, and played with the baby. She named her Anna.

A lot of people around Carona asked several times that she gave the baby to them since they worried that she could not manage all by herself. But Carona was loath to do so and she telephoned her parents in America about the affair. Her parents were so pleasantly surprised when they heard the news. Her mother promised to come to Xian this summer holidays to take care of her new granddaughter.

A correspondent tried to make fun of Carona since she is unmarried. "Will your adopted baby have any affect on your getting a suitor?" he inquired. Carona kissed Anna, then said with a smile, "Of course, this might put a man off, but my boyfriend should be someone who loves the baby first. I will never get a sweetheart like Wang Husheng."

(March 9, 1991)

'Pizhen'—A New Acupuncture Therapy

Meng Xianhui, 47, is director of the Acupuncture Department of the Erlonglu Hospital in Beijing.

He has made several creative adaptations on *pizhen* (a sword-shaped needle) therapy, an ancient form of traditional Chinese acupuncture, and successfully applied it to the treatment of acne, nervous disorders and endocrine and digestive problems with remarkable results. Because of the simplicity and effectiveness of the therapy, an increasing number of patients have come to Meng for treatment. Although the therapy lasts less than one minute, patients have to wait in long line for their turn.

An ancient Chinese medical instrument used to cut the pustula and drain the pus, *pizhen* was first described in *Huang Di Nei Jing* (The Yellow Emperor's Canon of Internal Medicine), the earliest Chinese medical work which appeared sometime around 475 BC to 221 BC. Using the theory of acupuncture, Meng Xianhui adapted the *pizhen* and used it in ear-acupuncture therapy. The new *pizhen* is over ten centimetres long and contains two separate parts, a handle and a replaceable blade, to prevent cross infection.

In actual practice, the doctor first uses *pizhen* to cut a small opening on a chosen ear-point and presses the point with his hand until a tiny spot of blood appears. Wiping out the blood with a cotton ball, the doctor adheres a cotton ball containing medical powder on the spot. The whole process lasts less than one minute.

Traditional Chinese medical theory claims that the ear is

closely associated with the channels and collaterals throughout the human body. Each point on the body will find a corresponding point on the ear. Therefore, *pizhen* ear therapy can be applied to a great number of diseases. Based on medical materials and his clinical experiences, Meng has decided to concentrate his efforts on the following diseases:

—Facial diseases, including acne, flat wart, macula lutea, ephelis, brandy nose and anaphylactia.

—Simple obesity.

—Constipation and neurasthenia.

—Abnormal menstruation and menalgia.

—Exhaustion syndrome

—Smoking, drinking and drug-taking.

—Deficiency of libido.

Although the therapy is effective on a large scope of diseases, Meng's patients at present are mostly those with facial diseases among whom young women make up the overwhelming majority. Meng said that this is not surprising as facial diseases are common among young people and people are now paying more attention to appearance.

Meng said that acne was largely the result of a disorder in the endocrine system whereby the level of androgen increases. Traditional Chinese medical theory says that acne, a kind of skin disease, is related to the lung which is believed to be associated with the skin, pores and sweat glands. Most of these patients have other symptoms such as constipation and abnormal menstruation. So, in clinical treatment, Meng chooses the lung

acu-points and the acu-points corresponding to the endocrine system as major acu-points, and the large intestine and kidney acu-points as supplementary points. After treatment, the patient first notices a decrease in oil secretions of the face, and gradually the acne is brought under control.

Macula lutea is also a common facial disorder resulting from hyperpigmentation. Meng calls this disease macula lutea syndrome, for most of the patients also suffer, to various degrees, from disorders of the nerve, digestive and re-productive systems. For this disease the main acu-points on the ear are those corresponding to the lung, kidney, liver, spleen and stomach. Other points may be used as supplementary points for those who have relative symptoms. After readjustment of the heart and internal organs, the cause of the disease is removed and the related symptoms naturally disappear. Results have shown that this therapy not only eliminates the symptoms but also produces a remarkable improvement in the patient's overall physical fitness.

Patients are generally required to have two treatments a week. Most of the patients feel better after one month, and the symptoms subside remarkably after two or three months of treatment.

Meng said that according to his records of more than 1,000 acne patients, 95 percent of them have experienced remarkable results and 85 percent have totally recovered. The success rate of the treatment of macula lutea and flat wart is close to that of

acne. The effectiveness rate on freckles, brandy nose, hydrocystoma is 85 percent.

To strengthen the medical effects of his *pizhen* therapy, Meng also prepares some herbal medi-

cines for internal and external use. He has also done profound theoretical research. Several of his papers have been read at academic seminars both in China and abroad. One of his papers

concerning the treatment of acne with his ear-acupuncture therapy won second prize for scientific and technological achievements in Beijing. **by Han Baocheng**

A Land Mass From the Southern Hemisphere

In an unprecedented large-scale survey, Chinese scientists have come to the surprising conclusion that the 560,000-square-kilometre Tarim Basin in northwest China, is a land drift from the Southern Hemisphere.

According to scientists of the Lanzhou (Gansu) Institute of Geology, a member of the Chinese Academy of Sciences, the four years of fieldwork and studies in prehistoric geomagnetism have resulted in satisfactory scientific information about the land's movement.

Before the Sinian Period about 800 million years ago, the Tarim Basin was a geosyncline on the sea bed near the South Pole. At the time, the earth's crust was active and mantle substances gushed from geosynclines and splits to form new lands.

Tarim, a land mass transformed from a geosyncline, began its "northward march," starting from the ocean south of Australia, from the Sinian Period. During the process, the land drifted in accordance with changes in the earth's magnetic pole. Most of the time, it moved clockwise and simultaneously revolved left. However, due to changes of the magnetic pole, at one stage it rotated to the right. In the Silurian Period, it edged from latitude 49.2°S to a lower northern latitude. Once in the northern hemisphere, Tarim revolved left in line with the

earth's magnetic pole. First, it moved to latitude 14.4°N, then to 33°N and 25.2°N in the Tertiary Period about 60 million years ago.

The speed of Tarim's movement varied from time to time. As the earth's magnetic pole shifted northward from the Devonian Period 400 million years ago to the following Carboniferous Period, Tarim moved 2,370 kilometres northward. From the Triassic Period 230 million years ago to the Tertiary Period, the land drifted another 2,560 kilometres. But when the magnetic pole changed or when blocked by the also northward-moving Siberian land mass, Tarim usually remained stationary.

At the end of the Tertiary Period 5 million years ago, the Indian and Eurasian plates collided numerous times. Caught between the two land plates, Tarim was contracted by 1,700 kilometres and changed from a platform into a basin, due to the pressure from north and south. Later, in the process of the building of the Himalayas in the Quaternary Period two million years ago, Tarim was lifted up and pushed from latitude 25°N to 45°N, where it ended its northward march in the hinterland of Asia.

During the inspection, the Chinese experts measured precisely when, where and how the land mass moved. It also discovered that the drift of Tarim and the related land blocks was close-

ly connected with changes in the earth's magnetic pole. This was of great significance.

Previously geology considered that the earth's rotation and tidal attraction were the applied forces causing plate drift. The study of ancient geomagnetism dates only from the late 1950s. Through analyzing residual magnetism preserved in rocks formed in ancient times, scientists have gained valuable information about the earth's movement. Since magnetism is constant in direction and strength, its study enables scientists to induce the position of a land block in remote antiquity. The new research verifies the theory on land plates drift. However, questions concerning the relationship between changes of magnetic poles and the exact movement of plate still puzzles the scientists.

The expedition to the Tarim Basin carried out by Chinese scientists undoubtedly marks a new era in geology since it confirms the unique phenomenon of the land's drift. Organized by the Chinese Academy of Sciences, the Tarim survey was a key research project of state stature. It was participated in by 144 scientists in 13 major fields from the Lanzhou Institute of Geology, the Nanjing Institute of Geology and Palaeontology, the Institute of Geochemistry Guangzhou Branch, and the Institute of Geophysics. ■

Fengdu—A 'Ghost City'

A few hours sail down the Changjiang (Yangtze) River by tourist ship from Chongqing brings tourists to Fengdu, "Ghost City," an area with a history of over 1,000 years.

During the long years of feudal society, people superstitiously believed that people who had done evil would die and go to hell. Hell's ruler and king, Satan, would sentence them according to their wrongdoings before they died. Likewise, Fengdu was said to be a kind of hell. According to documents and relics, the legend was begun more than 1,000 years ago at the time of the Tang Dynasty (618-907). Calling Fengdu the "Ghost City" became more popular in the Ming (1368-1644) and Qing (1644-1911) dynasties. Temples for offering sacrifices to the thousands of painted statues of ghosts, gods and Bodhisattvas reached as many as 75.

After 1979, the local government renovated and reconstructed the original temples on a large scale, returning the "Ghost City" to its original looks and transforming it into a famous tourist spot for domestic and foreign tourists.

Through the "Gate of Hell," the gate tower to "Ghost City," people can go to "Hell Government." A more than 10-metre-high Satan sits erect in the hall together with various folklore ghosts, monsters and officials that flank him on both sides. At the rear of the palace is the chamber of horrors where ghostly guards mete out such torture as snake-biting, sawing off limbs, crushing bodies, walking on a

stack of knives and throwing people into a cauldron of boiling oil. The painted statues of ghosts and monsters all have fierce, life-like faces that appear even more ghastly and horrifying under coloured lights. The "Ghost City" with its long history has a group of temples unparalleled in China.

Fengdu, however, not only has its famous "Ghost City," but also its scenic spots. It lies at the confluence of the Changjiang River and its tributary the Wujiang River. On the banks of the Wujiang River are continuous rolling mountains covered with luxuriant bamboos, trees and mountain flowers. The peaks

are beautiful but dangerous and the river water of a deep green colour. Pleasure boats and wooden boats often sail down the river.

Since 1988, a five-day "Ghost City" temple fair has been held in April each year. At the festival, folk customs attract both tourists and local traders to the grand gathering.

At last year's temple fair, over 300,000 people came for sightseeing and businesses. Among them were over 1,600 tourists from Hong Kong, Macao, Taiwan and foreign countries. During the festival, a variety of folk art and sports performances were held. Tourists also take part in shooting, horse racing, boating, outdoor barbecues, camping and other activities.

by Han Baocheng

International Tourism Co-operation

China's tourist industry will co-operate on a wide scale with other countries in the world, particularly in the Asian-Pacific region, announced Liu Yi, head of the National Tourism Administration at an international tourist conference in late April.

Liu said that, based on the present situation, he believed there were bright prospects for co-operative promotion and organization of regional tour routes involving two or more countries.

Liu Yi added that there are also possibilities for co-operation between countries in construction of China's tourist infrastructure, international market promotion,

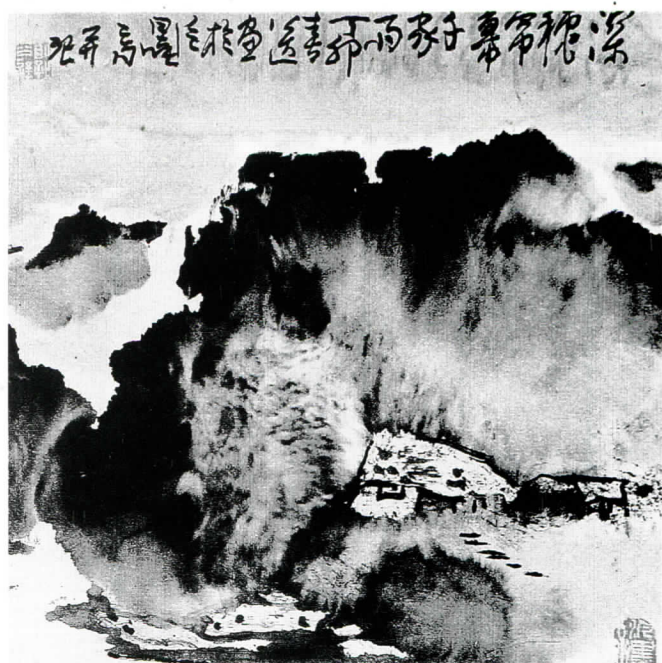
training of tourist personnel and other spheres. China hopes that various levels of co-operation between governments, trade organizations and enterprises, through funding, information or personnel exchange will take place.

China is a developing country, Liu said, and its tourist resources are being developed in an all-round way. As its initial tourist infrastructure facilities are imperfect, its variety of tourist products need to be developed and its level of administration of tourist enterprises to be improved. China hopes its foreign counterparts will co-operate in a variety of tourist fields.

by Kou Zhengling



A Mountain Village.



Raining.

Chinese Paintings by Guo Gongda

Guo Gongda, born in Anhui Province in 1931, is a teacher at the Art Training School of Anhui Province and vice-chairman of the Anhui Provincial Artists' Association. He has devoted himself to the research, teaching and creating of traditional Chinese paintings. These are some of his landscape paintings.



Secluded Woods.

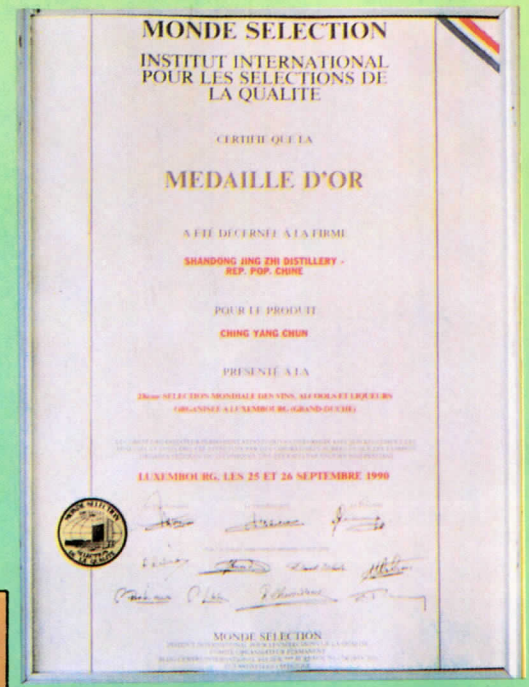


Sunset.

Jingzhi Winery in Shandong Province

The Jingzhi Winery of Shandong Province, a well-known enterprise with a history of over 600 years, specializes in high-quality Jingyangchun wine and special-class Jingzhi white spirit. The liquor, strong scented, sweet, tasty and refreshing as well as attractively packed, is well received by customers in many countries and regions. They won the gold prize for export earnings, the national gold wine-vessel prize for low-alcohol content white wine, the gold prize at the first international food fair and the gold prize at the 28th Brussels world commodities' quality competition.

Li Furen, director of the Jingzhi Winery of Shandong Province, wants Jingyangchun wine to be a bond of friendship to all corners of the world and welcomes wine dealers to contact him.



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