

# Beijing Review

北京周报

199

## MD AND CHINA EXPAND AIRCRAFT CO-OPERATION

Public Opinions Sought  
On Draft Macao Basic Law





"Hope" (selected works from the Black-Diamond Photo Competition).

*Photo by Jing Qiang*

# HIGHLIGHTS OF THE WEEK

## MD and China Plan to Create a New Tomorrow

□ With the Sino-American joint assembly of MD-82 planes progressing smoothly, the McDonnell-Douglas Co. of the United States and China's Shanghai Aircraft Manufacturing Plant have plans for further co-operation (p. 12).

## Prevention of Mountain Disasters

□ China has long been plagued by mountain disasters, especially mud-rock flows and landslides. The Chengdu Mountain Disaster and Environment Research Institute under the Chinese Academy of Sciences has, since its founding in 1963, analysed potential disaster sites and achieved remarkable social, economic and environmental results (p. 15).

## Commodity Inspection Boosts Imports and Exports

□ Chinese commodity inspection departments constantly improve their work skills and do their utmost to protect the rights and interests of the state and the benefits of consumers. China's inspection techniques are now recognized worldwide and its inspection instruments are up to the international level of the 1980s (p. 18).

## G-7 Cautious on Aid to Moscow

□ At their annual summit meeting in London, leaders of the world's seven major industrial nations promised some technical and moral assistance to the Soviet Union but not large sums of money as the Soviets expected (p. 8).

## Draft Basic Law of Macao

□ Upholding national unity and territorial integrity, benefiting the social stability and economic development of Macao, and taking into account its history and realities, the People's Republic of China has decided that upon China's resumption of the exercise of sovereignty over Macao in 1999, a Macao Special Administrative Region will be established in accordance with the provisions of Article 31 of its Constitution. Published in this issue of *Beijing Review* is the Draft Basic Law of the Macao Special Administrative Region (for Solicitation of Opinions).

## CONTENTS

### EVENTS/TRENDS

4-7

World Dips Deep to Aid Flood Victims

Handicapped Get More Help  
Mount Huangshan: Business as Usual

More Couples Forgo Parenthood  
China Breaks With Central Africa

GNP Picks Up, Prices Stable

### INTERNATIONAL

Soviets Gain Little at G-7

Summit 8

Yugoslavia in Danger of a Split 9

Dawn of Cambodian National Reconciliation 10

### CHINA

MD and China Creating a New Tomorrow 12

Prevention of Mountain Disasters 15

Commodity Inspection Boosts Foreign Trade 18

Life Insurance in China Developing 20

Crackdown on Abduction of Women and Children 23

### DOCUMENTS

The Draft Basic Law of the Macao Special Administrative Region of the People's Republic of China (for Solicitation of Opinions) I-XVI

**BUSINESS/TRADE** 27-29

**FROM THE CHINESE PRESS** 30

**TOURISM** 31

**CULTURE/SCIENCE** 32-34

**COVER:** The workshops for the MD-82 jumbo jet passenger planes jointly manufactured by the Shanghai Aircraft Manufacturing Plant and the McDonnell-Douglas Co. of the United States.

Photos by Zhang Ping and Zhou Youma

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

Subscription rates (1 year):  
**Australia**.....A.\$33.60  
**New Zealand**.....NZ.\$45.00  
**UK**.....18.00  
**USA**.....US\$33.80  
**Canada**.....Can.\$33.80

## World Dips Deep To Aid Flood Victims

As residents of China's flood-stricken areas pull together against the worst floods in a century, people around the world have hurriedly come to their aid by dipping deep into their purses.

By July 20, the National Committee for the International Decade for Natural Disaster Reduction had received donations totalling more than 80 million yuan (about US\$16 million) from domestic sympathizers, among whom were individuals, enterprises and institutions.

At the same time, donations from overseas amounted to more than US\$65.7 million, 80 percent of which were from Hong Kong residents. Compatriots in Macao and Taiwan have also contributed a sizeable portion to the total sum.

Meanwhile, large quantities of relief food, medicines and other materials have come pouring in since the government appealed for international assistance.

According to Yang Zhen-



DONG YUGUO

Beijing Residents donate generous sums for their disaster-stricken fellow countrymen.

huai, deputy head of the State Flood Control Headquarters, the flooding in major parts of the country since June has killed 1,781 people. Still more have been injured.

Leaders of the State Council have repeatedly inspected the worst flooded areas. Medicines and other relief goods have been rushed to disaster victims. And more than 32,000 medical workers have been sent to control the spread of diseases resulting from water

pollution.

The flood control official said the most urgent work for the government was to provide the millions of stranded people with enough food and medicine.

About 20 percent of China's summer crops have been ruined and the direct losses caused by the floods have hit more than 40 billion yuan (about US\$7.5 billion), according to sources.

The governmental flood-control office warned that large parts of the country will remain in the grip of severe floods as the main flood season continues. The mainstreams of the Yangtze and six other major rivers, such as the Yellow, Haihe, Songhuajiang, Liaohe and Zhujiang, still face possible flood disaster.

The water level of the Yangtze River, the longest in China, remains high in its middle and lower reaches although the rainbelt is moving northward.

"Severe situation will occur if storms and floods appear in the near future along the river," Yang said.

Fortunately, floodwaters in

Flood made traffic in Changzhou, Jiangsu Province, a travel in water.

XU CHEN





cities such as Suzhou, Changzhou and Wuxi have been receding.

Scientists attribute this year's abnormal weather, which is characterized by a prolonged rainy season and excessive precipitation, to the green-house effect, sunspots, volcano eruptions and the el nino phenomenon.

Professor Tu Qipu with the Nanjing Institute of Meteorology said that the globally abnormal high temperatures in 1990, resulting from a high dioxide content in the atmosphere, has led to more rains in the country's coastal areas.

Jiangsu Province had a total rainfall of about 1,500 mm in the first half of this year, the highest amount since 1911, which has led to the devastating floods, Professor Tu said.

by Staff Reporter Shuang Yu

## Handicapped Get More Help

**L**iang Xiaokun was excited when he was told he had won a first-class prize at a children's competition for poetry recitation in Beijing.

Only a few years ago, he was a deaf-mute who could only communicate in sign language. After receiving aural-oral training, he can now speak and attends a regular school in Beijing, studying with other healthy children.

According to Shang Yingchun, an official from the China Disabled Persons Federation, marked progress has been achieved in helping rehabilitate, educate and employ the handicapped since the nation unveiled its first five-year programme for China's handicapped people in 1988.

Under the programme a total of 830,000 disabled people will have received rehabilita-

tion treatment by the end of September, 1993. Of this number, 500,000 cataract sufferers will receive operations to restore their eyesight, 300,000 polio victims will be given orthopaedic treatment and 30,000 deaf-mute children taught to speak.

Shang said that in the past three years, 600,000 handicapped people, including 140,000 polio victims and 10,000 deaf-mute children, have been treated at the cost of 200 million yuan. By the end of June, 500,000 cataract sufferers have been operated on.

Statistics show that China has 5.3 million people who suffer from cataract-caused blindness and poliomyelitis while more than 1.8 million children under 14 are deaf-mutes.

According to Shang, the country's rehabilitation plan for these disabilities is not without problems.

Aural-oral training of deaf-mute children, for example, has been slow due to the lack of skilled trainers, facilities and training materials.

The government has planned to establish 430 special training centres for the deaf-mutes at the provincial and city levels in the next few years, for the purpose to serve 30,000 children born deaf-mute every year. These centres will be well equipped and manned with more skilled trainers.

According to statistics from the federation, since 1988 the number of primary and middle schools for the handicapped has increased from 577 to 820, and the number of special training classes for such children run by regular schools has increased from 599 to 2,651. At present, 105,000 disabled children are receiving compulsory education with specially designed curricula.

But there is still room for improvement, Shang said. The special education for the handicapped children should be regarded as a part of the country's compulsory education system.

In coming years, the rate of blind, deaf-mute and retarded children attending school could reach 60 percent in urban and developed areas, and 30 percent in less developed areas.

Vocational training for the disabled has been a weak point, Shang said. In accordance with the five-year programme,<sup>1992</sup> each province, municipality and autonomous region should set up at least one vocational training centre before 1992. By far there are only 23 job training centres for the handicapped across the country.

Shang said that the country's regular colleges and universities will soon start enrolling the handicapped young people who pass state entrance examinations. The State Education Commission also plans to set up a special college for the handicapped in the Eighth Five-Year Plan period (1991-95).

Since 1988, Shang said, 750,000 handicapped people have found jobs. The number of enterprises for the handicapped increased to 42,000, with a 30 billion yuan output value last year.

However, the pace to help the handicapped still lags far behind the country's economic and social development. To improve the situation, Shang said, after the completion of the first five-year programme in 1992, there will be three years of readjustment to make way for the institution of a second programme.

by Staff Reporter Yanjuan

## Mount Huangshan: Business as Usual

**T**ourism in the Huangshan Mountain, a world-famous tourist attraction in China's Anhui Province, has quickly returned to normal after a short hiatus caused by unprecedented torrential rainfall that has affected much of east China.

Since July 12, the mountain area has received an average of 1500 visitors a day. A Japanese tourist said, "The heavy rain has made Huangshan look more beautiful." He added that he would come again next summer. More than 200 foreign tourist groups will be sightseeing in Huangshan as scheduled.

Since early this month, China's Anhui, Jiangsu and some other provinces have been severely hit by flooding. Torrential rain made travel to and from Huangshan impossible for a time. With the effort of hosting organizations in Huangshan, the airlines, railways and highways were reopened on July 15. Passenger cableways were restored to normal operation on July 13. Domestic and overseas communications for tourists have also been linked up. There is ample supply of water and electricity.

The partially damaged Taoyuan (Peach Blossoms) Hotel has reopened to receive a Japanese touring party. Local travel agencies have kept normal reception hours and provided tourists with satisfying services.

During the flood-stricken period from July 1 to 8, a total of 8,651 tourists visited Huangshan, including 316 foreigners and 1,188 Taiwan Compatriots. No accidents were reported despite the huge

volumes of water rushing down the mountain. All visitors left Huangshan safely.

Furthermore, there has not been a single case of epidemic disease reported in Huangshan.

During the Huangshan International Tourism Festival and the International Seminar on Tourist Environment sponsored by the United Nations in October, some new services including Karaoke clubs and dancing parties and night markets will be arranged for tourists in Huangshan's scenic spots.

by Correspondent Hu Ning

## More Couples Forgo Parenthood

**F**orty-year-old He Ying is an engineer and a career minded wife. In order to further her career she and her army officer husband opted to be childless. When He Ying discovered she was pregnant, she decided on an abortion rather than sacrifice her job.

He Ying and her husband are not alone in choosing to be childless. In big cities all over China couples forgo parenthood by choice. The traditional family philosophy which values big families is now being challenged.

According to ancient Chinese custom, a man fails his parents most if he is unable to have a child to continue the family lineage. The less educated farmers and older people are still influenced by this custom. However, the younger generation, urban yuppies and white collar workers in particular, feel otherwise.

A recent survey of voluntarily childless couples in Beijing shows that 73.7 percent of them were officials and intellectuals and about 67 per-

cent had at least a college education.

Several years ago voluntary sterilization was suggested in China in an attempt to control the overgrowing population. A no-birth for five years was proposed by some people with no success.

The childless phenomenon appeared mainly due to the population explosion. The survey indicates that this explosion, considered serious, was reason enough for couples to remain childless. "Giving no birth to a baby means bringing benefit to our society," one sterilization volunteer said when answering the questionnaire. A middle-aged woman echoed on another occasion, "Our country is full of people. It seems to me that three is a crowd in a family. So why don't we advocate two-face home? You can't get the population down simply by carrying out one-child policy."

In addition, this childlessness, as some people say, is a product of the reform and opening to the outside world, so it bears some modern ideological brands. More and more new couples now give priority to their career. They no longer treat parenthood as their bounden duty, neither do they intentionally perpetuate a family name.

He Ying said, "I don't understand why the Creator endows a woman with so many responsibilities and obligations, such as a nine-month pregnancy, rearing children and managing household affairs. I wish that I were a superwoman with three heads and six arms, so I can gain something in my career while being a good wife and mother."

Also childlessness has an added bonus. A woman can be free from pregnancy and the couple need not be concerned about the economic burden of



raising a child.

Moreover, other childless couples regard having a child as an added chore. Rather than spend time washing diapers and milk bottles they prefer to enjoy their own company. They feel that romantic love would die with the responsibility of bringing up a child.

While many childless couples are happy with their decision, they have to contend with the traditional assumption that "those who didn't have a child, couldn't" and "it was almost evidence of a physical or mental deficiency." A woman forgoing her motherhood can be labelled as "a hen that can't give eggs." Some observers maintain that a childless family, although appearing comfortable from the outside, is in many ways unstable.

by Staff Reporter Li Haibo

## China Breaks With Central Africa

The Chinese government suspended diplomatic relations with the Republic of Central Africa as of July 8 because of the Central African government's decision to resume "diplomatic relations" with the Taiwan authorities.

Li Eh, charge d'affaires ad interim of the Chinese Embassy in Central Africa, said that such a decision violated principles endorsed in 1964 and 1976 on the establishment of diplomatic relations between the two countries.

Li noted that the government of the People's Republic of China is the sole legal government representing China and that Taiwan is an inalienable part of the Chinese territory.

By openly "resuming diplomatic relations" with the Taiwan authorities in disre-

gard of this principled position of China, the government of Central Africa has jeopardized friendship between the people of China and Central Africa and the cause of China's reunification, Li Eh added. ■

## GNP Picks Up, Prices Stable

Gross national product in the first six months rose 6.1 percent to 820.7 billion yuan (US\$153.27 billion), but the flood disaster in East China is threatening continued economic growth, according to the State Statistical Bureau.

The buoyant first half compared favourably with last year's GNP growth rate of 2.1 percent, said bureau spokesman Zhang Zhongji on July 22.

However, he said that despite the healthy increase, China's economy was still beset by problems of low economic efficiency, debt defaults and budgetary imbalance.

The floods which have ravaged 18 provinces and regions in the last month would further compound these economic ailments, he said.

Preliminary estimates put the total output of summer grain at 98.2 billion kilograms, 1.9 percent below last year's record harvest.

Furthermore, at least 10 percent of grain stored in the flood-hit areas was rotting because of the damp conditions.

He said the overall economic impact of the floods remained to be seen, but the government had no plans to alter industrial and agricultural production because of the disaster.

Zhang said the budgetary situation would continue to get worse as the government pumped billions of yuan into flood relief.

The growth of government revenues had been slower than the growth of industrial production because of low economic efficiency, soaring production costs and bulging debt defaults.

Reviewing the overall economic development in the first half, Zhang said that the economy had seen an improved relationship between supply and demand.

Statistics showed that investment in fixed assets grew 14 percent to 174 billion yuan (US\$32.52 billion), with the state-owned enterprises accounting for 21.4 percent of the total.

Retail sales increased 12.8 percent to 458.1 billion yuan (US\$85.63 billion), of which urban sales rose 16.9 percent and rural sales were up 9.4 percent.

Industrial output went up 13.4 percent to 1,126 billion yuan (US\$210.47 billion).

Zhang said prices remained stable although the government had lifted prices of grain and edible oil, among other price increases in the first half.

The general price level of retail sales—one of the important indicators for inflation—rose 1.8 percent.

He said that he did not foresee any big price fluctuations in the near future but warned of a resurgence in inflation.

People continued to enjoy good incomes, with a workers' average salary rose 11.6 percent to 1,039 yuan for the first half of this year and a farmer's average cash income stood around 328 yuan, up 10.7 percent.

By the end of June, he said, the savings accounts of urban and rural residents were 122.3 billion yuan more than the figure at the beginning of this year. ■

# Soviets Gain Little at G-7 Summit

by Zhong Xin

**T**he leaders of the world's seven major industrial countries (Group of Seven) agreed to grant some technical assistance to the Soviet Union. But, as expected, no large sums of money were dispensed.

The package reflected the G-7's desire to encourage President Mikhail Gorbachev to continue perestroika, economic and democratic reform. The G-7 also fears that cash given now could be wasted or used to prop up the old-style Soviet economic system.

Another reason for the G-7 to act so prudently was the plight of the Western economies. Beginning last year, Western economies, headed by the United

States, have been struggling in a recession.

This year's summit meeting of the G-7 concluded on July 17 in London with an apparent difference from previous summits—Soviet President Mikhail Gorbachev was added to the picture.

It is the first time that a Soviet president has been invited to meet the G-7 leaders immediately after their summit. This fact testifies to the Soviets' desire to participate in the G-7 club and in global economic and political affairs and to the West's willingness to support Gorbachev in order to maintain co-operative relations with Moscow.

Gorbachev's presence added a strong political touch to the an-

nual summit meeting of the seven industrial nations—the United States, Canada, Japan, Germany, Britain, France and Italy. The question whether or not to provide financial assistance to Moscow was one of the central topics at the summit.

After the summit meeting was over, Gorbachev met with leaders of the seven nations and briefed them on Soviet plans for further economic and political reforms.

In a joint press conference, Gorbachev said he had not discussed assistance to his country but discussed how to make the Soviet Union an integral part of the world economy. He said his country would overcome the current difficulties irrespective of whether the West provides aid or not.

British Prime Minister John Major, who was the host of the G-7 summit meeting, said that although outside assistance could contribute in some way, it was the Soviet Union itself which the Soviets must rely on.

Under a six-point agreement an aid package programme was adopted at the summit, including special status for the Soviet Union at the International Monetary Fund, promotion of trade, technical assistance on energy and switching defence plants to civilian use.

A final communique issued by the G-7 expressed concern over the deterioration of the Soviet economy, saying that it creates severe hardship for all the countries of Central and Eastern Europe.

The new face: Mikhail Gorbachev talks with George Bush after G-7 leaders conclude their summit meeting.

LIU YU





"We support the moves towards political and economic transformation in the Soviet Union and are ready to assist its integration into the world economy," the document said.

The G-7's economic declaration said that monetary and fiscal disciplines were needed and that Moscow must act to create the fundamentals of a market economy. The communique also said that economic and political reforms depended on clear definitions of the respective responsibilities of the Soviet Union's central government and its republics.

The communique mentioned the importance of shifting Soviet resources from military to civilian use.

The participation by the Soviet Union in the G-7 summit has been discussed for quite a long time. When the G-7 gathered in July 1989 in Paris, Gorbachev wrote to the host of that meeting, French President Francois Mit-

terrand, saying that the Soviet Union wanted to have "constructive dialogues" with G-7 leaders concerning economic cooperation. However, the Soviet request at that time was turned down.

At last year's Houston summit, the Soviet request was again rejected because the seven countries, citing the excuse that "Soviet reforms until now have not gone far enough," held diversified positions on the matter.

In May this year, while visiting the United States, Gorbachev's special envoy Yevgeny Primakov discussed with President George Bush Gorbachev's possible participation in the London G-7 meeting. After consulting with other leaders, John Major on June 13 officially extended a formal invitation to Gorbachev to be a guest of the London summit.

At a news conference on July 12, Gorbachev, in response to allegations that his main goal in

London was to seek Western aid, said he was not going to London to kneel down and beg for aid from the seven wealthiest Western nations.

The final communique also mentioned the Uruguay Round of world trade talks. "No issue has more far-reaching implications for the future prospects of the world economy than the successful conclusion of the Uruguay Round," it said.

The communique committed G-7 members to policies that would lead to lower interest rates. Cheap money would help stimulate business activity and trade. It said the seven favoured close co-operation on foreign exchange markets and working to improve the function of the international monetary system. It also covered a range of other issues, including aid to famine-plagued African countries and support for freer trade. But the leaders said they had to work harder to resolve their differences on trade issues. ■

## Yugoslavia in Danger of a Split

by Zhang Xiaodong

The fighting in Yugoslavia has temporarily calmed down after representatives of the Slovenian, Serbian and Croatian Republics signed an agreement with the federal leaders on a peaceful settlement to the crisis under the mediation of a European Community mission on July 8.

The agreement stated that only the Yugoslavian people could decide on their future. It called for the immediate start of negotiations on every aspect of Yugosla-

via's future with no preconditions, and stressed that the federal collective presidency of Yugoslavia had full power over its armed forces.

In addition, it appealed to all parties to maintain restraint to avoid any unilateral actions.

The Yugoslav news agency Tanjug called the agreement a step in the right direction towards the settlement of the crisis.

Yugoslavia is a multi-national state composed of six republics and two autonomous provinces.

The two secessionist republics of Slovenia and Croatia are the most prosperous republics of Yugoslavia. Historically, these two republics have close ties with Western Europe and religiously belong to the Roman Catholic Church.

The seeds of ethnic feud were planted when Nazi Germany occupied the country during World War II, and national contradictions had been successfully eased, though not completely resolved, when Yugoslavia was un-

# Dawn of Cambodian National Reconciliation

by Zhou Qingchang

Leaders of Cambodia's four factions met in Beijing on July 16-17 to exchange views on how to bring peace to their country.

The two-day working meeting of Cambodia's Supreme National Council (SNC), the first in China, was chaired by Prince Norodom Sihanouk and brought together leaders of all four of Cambodia's conflicting factions, including Hun Sen, Khieu Samphan, Prince Norodom Ranariddh and Son Sann. The meeting ended with the election of Sihanouk as the SNC president and a number of other decisions.

The final communique issued at the end of the meeting states that the SNC reiterates its acceptance of the framework document of the five permanent members of the UN Security

Council in its entirety.

Immediately after the meeting Chinese Premier Li Peng met with SNC President Sihanouk and other members, congratulating them on the success of the two-day working meeting and the election of Sihanouk as president. Li said he was pleased at the emergence of the dawn of national reconciliation in Cambodia.

Li said the framework document worked out by the five permanent members of the UN Security Council provided a basis for the political settlement of the Cambodian issue and the final goal should be realized by the Cambodian people.

Li stressed that the Chinese people will, as always, support the national reconciliation efforts in Cambodia.

In order to fully implement his role as president of the SNC, Sihanouk decided to resign all his positions as president of the Cambodian National Resistance and as president of the National Government of Cambodia. He said he has decided to stand neutral acting as a conciliator without belonging to any faction or political party.

The SNC decided to hold its next formal meeting in Bangkok, Thailand, from August 26-28, and to send a delegation to the 46th session of the United Nations General Assembly.

The SNC agreed at the meeting to request that the United Nations send a survey mission to evaluate the modalities of control and send an appropriate number of UN personnel to control the ceasefire and the cessa-

der president Josip Broz Tito.

In the 1970s, Yugoslavia reformed its leadership system by establishing a collective one. The President was rotated among representatives of the six republics and the two autonomous provinces. In this way, local governments strengthened their power.

During the post-Tito period, the central government was further weakened and the economy worsened.

Leaders of the League of Communists of Yugoslavia (LCY) worked in favour of their own republics, aggravating conflicts among the republics. Since the 14th national congress, the LCY has been on a downhill slide, los-

ing its position as a leader to maintain national unity. As a result, new political forces advocating Western-style parliamentary democracy came to power in Slovenia and Croatia. The non-communist parties modified the constitutions and removed "socialist" from the names of the two republics. The nationalists and separatists of the two republics asked the federal government of Yugoslavia to change Yugoslavia into a loose grouping of sovereign states. They also organized their own armed forces.

Disputes on the state's political system led to an expanding difference between the republics. On June 25, the parliaments of

Slovenia and Croatia declared their independence from Yugoslavia.

After an emergency meeting, the federal government declared the move illegal and invalid, and federal troops were dispatched to intervene, but were attacked by the Slovenian militia. The skirmishes left 43 people dead and 84 wounded.

On the morning of June 28, the federal government called for a cease-fire and a settlement to the crisis in a peaceful and democratic way. An agreement to the cease-fire was reached that evening.

The next day, leaders of Serbia, Croatia, and Slovenia



tion of foreign military aid in co-operation with the SNC military working groups.

The SNC members also agreed:

— To send a delegation to participate in the special meeting of the Mekong Committee in mid-August 1991, as well as the full session from November 4-6, 1991;

— To appoint six officials to the SNC secretariat. The secretariat shall begin its work one week prior to the forthcoming SNC meeting in Bangkok, Thailand, in August 1991, pending the installation of the SNC headquarters in Phnom Penh;

— To set up an operational SNC working group to draft the procedural rules, the principles of the new constitution of Cambodia, as well as the electoral laws, and to examine the modalities related to the installation of the SNC headquarters in Phnom Penh;

— To request assistance from the UN secretary-general to facilitate the repatriation of Cambodian refugees.

In a related development, a



Prince Sihanouk at the press conference in Beijing telling why he resigned as leader of the Cambodian National Resistance. *CHEN ZONGLIE*

communiqué issued by the five permanent members of the UN Security Council and the co-chairmen of the Paris Conference on Cambodia who met in Beijing on July 18 said, "these developments have created a new

situation and a new opportunity to bring lasting peace to Cambodia. The five and Indonesia thus urge the now operational SNC to accelerate efforts to overcome the remaining difficulties and to reach consensus, in a continuing spirit of national reconciliation, on a comprehensive political settlement — based on the draft agreements of November 26, 1990 — at its forthcoming meeting in Bangkok on August 26-28, 1991. Such consensus would make possible the early reconvening of the Paris Conference on Cambodia to adopt and endorse a comprehensive political settlement which would be referred to the United Nations for approval and implementation."

Observers of Cambodian affairs noted that as long as the warring factions value the interests of the Cambodian nation and forget their past hatred among themselves, they will increase mutual understanding, confidence and co-operation and resolve the 12-year-old conflict in a comprehensive, just and reasonable way. ■

reached an agreement with a European Community mission demanding on an immediate truce and elected Stipe Mesic of the Croatia Republic as head of the collective presidency, which had been inoperative since May 15th, when Serbia blocked the election as its chairman for one year of a Croat, Mesic.

The Yugoslav crisis aroused great concern among the EC countries. They feared that the deterioration of the Yugoslav conflicts would escalate to a civil war and thus threaten the security and stability of Europe. Leaders of the EC met in Luxembourg on June 28 and a peace mission was sent to Yugoslavia to

break the crisis.

On July 3 and 4, 35 countries of the Conference on Security and Co-operation in Europe (CSCE) held emergency consultation meetings to discuss the Yugoslav situation. Meanwhile, the EC held a special meeting and once again sent a delegation to mediate and monitor the truce in Yugoslavia. At the same time, it suspended economic and financial assistance to Yugoslavia and imposed a weapons embargo.

With the development of the Yugoslav situation, some Western countries subtly changed their attitude towards the crisis. They no longer stressed support for Yugoslavia's unity, but asked

for a peaceful settlement to the problem. Yugoslavia warned that the attempt to legalize Slovenia and Croatia by some Western countries wantonly violated the principles of the CSCE and the norms of international law and could lead to civil war.

At present, the Yugoslav situation remains complicated and unstable. There is still the danger of civil war in the country. The United Nations and some other international organizations and regional groups have expressed support for the unity and territorial integrity of Yugoslavia and called on parties concerned to settle their disputes through peaceful means. ■

# MD and China Creating a New Tomorrow

by Our Staff Reporter Li Ming

*The Sino-American joint assembly of McDonnell-Douglas planes, a mutually beneficial venture, is being followed up by a co-operative project already in the pipeline.*

Last April, the Chinese Ministry of Foreign Economic Relations and Trade approved an agreement for the joint development of four-wheel landing gears for the MD-90 airplane by the Shanghai Aircraft Manufacturing Plant and the McDonnell-Douglas Co. of the United States. This marked a major new co-operative venture for Sino-American aircraft industry following the joint assembly of MD-82 jumbo planes. The agreement is the basis for the joint development of trunk route airplanes in the 1990s. Prior to this, the two sides jointly assembled 22 passenger planes. The remaining three of a batch of 25 will be commissioned for service in the

China Civil Aviation Co. in August. By working together, a senior manager of the American company noted, McDonnell-Douglas and China are creating a new tomorrow.

## The First to Arrive

When China's door finally was opened to the outside world in the late 1970s, foreign investors discovered a potentially enormous market, a market where aircraft design and manufacture were almost non-existent. The possibilities cast a spell on them.

Among the new-comers to China were the Boeing and McDonnell-Douglas companies of the United States. Although both

companies had a strong interest in developing co-operative ventures with China, McDonnell-Douglas beat all rivals because of its flexibility and sincerity, becoming in the process China's only partner in the joint production of jumbo passenger planes.

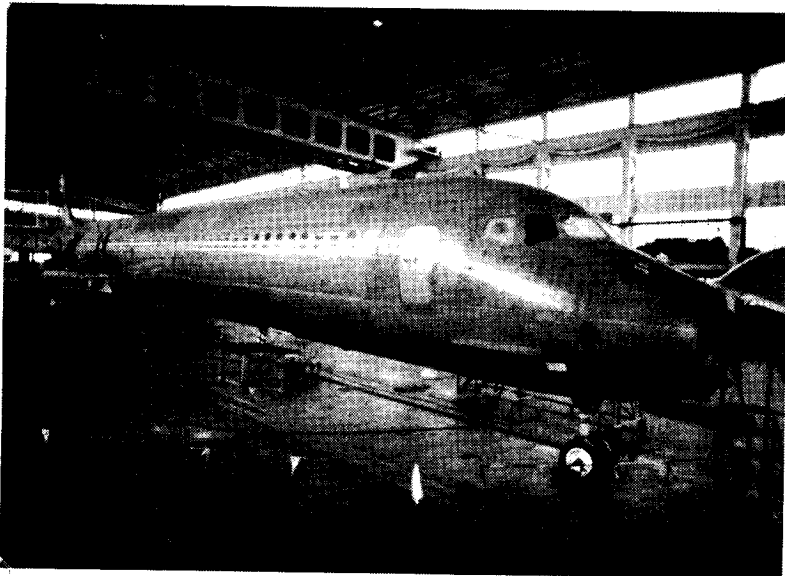
McDonnell-Douglas began to cast an eye on the China market as early as 1975. That year, it delivered a written proposal for the joint production of MD-80 aircraft to the Chinese government. However, as the "cultural revolution" begun in 1966 didn't end until a year later, the proposal was shelved.

The initial failure did not stop McDonnell-Douglas. It later proposed in 1979 the joint production of its newest model, the MD-82. The company's vice-president led a group of specialists to the Shanghai Aircraft Manufacturing Plant, where they were briefed on the factory's development of China's first passenger plane, the Yun-10. They also investigated the production capacity, production costs and other related matters concerning aircraft production. The investigation reinforced the US company's confidence that the Shanghai plant was technically strong enough to assemble the entire aircraft, had the potential to produce wings and large parts and would have a comprehensive production capacity in five years. They decided to join with the factory in a co-operative project.

McDonnell-Douglas flew its

An MD-82 being assembled at the Shanghai Aircraft Manufacturing plant under a contract signed with McDonnell-Douglas Co. of the United States.

ZHOU YOU MA



test balloon in October 1979 during negotiations with China by asking the Shanghai factory to process 100 landing gear cabins for MD-82 aircraft. The Shanghai factory completed the consignment in February 1981. With product quality up to standard, McDonnell-Douglas issued a test-free certificate for the landing gear cabins. Following this, the Shanghai factory completed another satisfactory consignment of front landing gear cabins for MD-80 aircraft. The initial production success paved the way for future co-operation.

On March 31, 1985, the General Agreement on the Joint Production of MD-82 and Associated Planes, the Joint Development of Advanced Feeder Line Planes and Compensation Trade was officially signed in Shanghai. The general agreement had the following five major contents.

- The transfer of technology and of the production licence for the assembly of 25 MD-82 planes;

- China's purchase of 15 planes;

- The joint development of next-generation commercial planes;

- Conducting compensation trade at a rate of 30 percent and counter trade to reduce China's foreign exchange expenditure; and

- The transfer of a management system and the training of Chinese managers.

The signing and implementation of this general agreement turned McDonnell-Douglas into China's first production partner for passenger planes and made it possible for the company to expand, for the first time, its production of large passenger planes from the United States to a foreign country.

### Successful Co-operation

The successful Sino-American production of MD planes lay in



LI MING  
Jorge A. Prado (second left) from the McDonnell-Douglas Co. and Chinese workers.

mutual benefits which both sides received. For the American side, the co-operation is an "open sesame" to the China market and will result in the sale of 25 MD-82 planes. For China, the planes were available at low cost and, moreover, the co-operation offered a chance to study advanced technology and managerial expertise as well as to gain the experience needed for international co-operation.

The McDonnell-Douglas is a sincere and co-operative partner with China. From the very beginning, it offered the Chinese side blueprints for the manufacture of entire planes in the Shanghai factory as well as management processes. Later, in accordance with China's concrete situation, the US company and the Shanghai factory jointly worked out a new process on the basis of McDonnell-Douglas's management system and trained 200 Chinese workers at McDonnell-Douglas's Long Beach base. All of the workers trained received qualification certificates.

In the Shanghai factory, this reporter met Jorge A. Prado, the FAA designated manufacturing inspection representative. Jorge, married to a Chinese woman who

speaks fluent English, was about to leave China for the United States. He spoke highly of the MD-Shanghai co-operation, saying that the success of the project was the direct result of bipartisan work for a common goal. "The Chinese workers and technicians are of high quality," he said. "Through these initial years of co-operation, they have been able to master McDonnell-Douglas' production technology and management processes, and even surpass us in some fields."

The successful co-operation has yielded tangible results. According to Wu Zuoquan, director of the Shanghai Aircraft Manufacturing Plant, his factory assembled two MD-82 passenger planes in 1987, four in 1988, seven in 1989, seven in 1990 and two of a scheduled five this year. The 22 MD-82 passenger planes which have been put into service now serve 65 international and domestic routes. They have flown 70,000 hours in all and taken off and landed 50,000 times. There have been no major problems. The Shanghai factory now has the annual assembly capacity for 14 MD-82 jumbo passenger planes.

### FAA Confirmation

The US Federal Aviation Administration made a comprehensive survey of the Shanghai Aircraft Manufacturing Plant beginning in April 1986. If the FAA, the most authoritative aircraft inspection organ in the world, did not issue a certificate to the MD-82 planes jointly produced by the Shanghai factory and McDonnell, they would not be allowed to fly outside China.

As the Shanghai factory had difficulties adapting to the management mode and processes of McDonnell-Douglals, the FAA found that only 88 of the required 588 processes had been set up and, after a seven-day inspection, the agency announced a suspension of the inspection.

The FAA decision meant the termination of the joint production contract, an action which would bring immeasurable economic losses to the Shanghai factory because it had already paid in advance for the purchase of bulk parts for 25 MD-82s. Even more important, China's plan to produce jumbo planes would have to be put on the shelf.

In order to turn the tide and earn the production licence, McDonnell-Douglas and the Shang-

hai factory set up 13 special groups, formulated 1,414 rules for reorganization and improvement and conducted evaluation and improvement in 16 fields including quality control, technical data, manufacturing techniques, damage testing, disqualification examination and storage.

After another round of strict inspection, on November 7, 1987, the FAA did issue the MD-Shanghai factory its first licence for the production of aircraft outside the United States, thus turning the Chinese city into the company's fourth jumbo aircraft manufacturing base after Seattle, Los Angeles and Toulouse, France.

When James Connelly and Patrick Dyioy from FAA paid a one-week inspection visit to the Shanghai factory between April 20 and 26, the tenth of its kind since 1986, they expressed satisfaction with the high-level of Sino-American co-operation.

### For a New Tomorrow

McDonnell-Douglas speaks highly of the co-operation and production capacity of its Chinese partner. In March 1990, the company signed a contract with the Shanghai factory for the

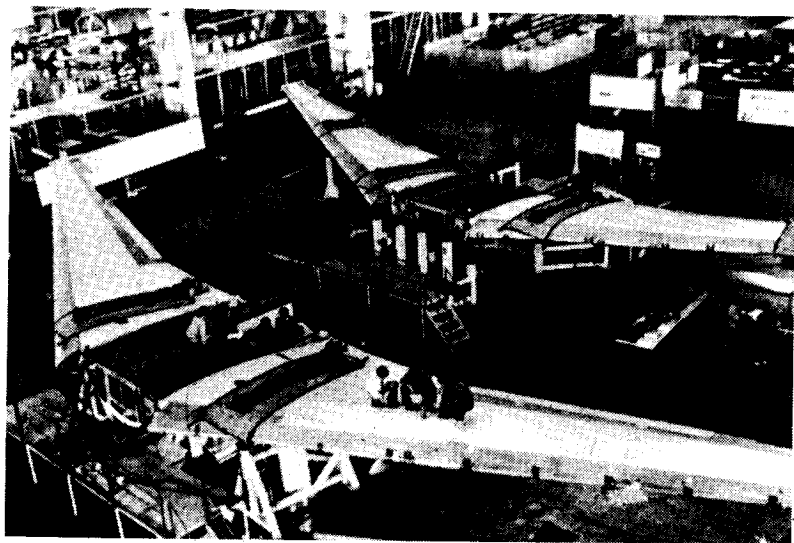
joint production of 20 more MD-82s, including ten officially ordered and ten intentionally ordered. Of the officially ordered ten planes, five will be resold to the United States. Thus, a new round of co-operation has begun.

During the Fourth Session of the Seventh National People's Congress in April 1991, the secretariat received a motion for trunk air route development in the 1990s. It was signed by some 130 deputies, more than any other motion brought to the session. The development blueprint has now been incorporated into the Eighth Five-Year Plan (1991-95). As McDonnell-Douglas continues to prove itself a successful partner in aircraft production, China will invite it to join the new aircraft programme, creating with China a more beautiful tomorrow.

Zhang Zhenzhong, president of the Asian-Pacific Branch of McDonnell-Douglas, has full confidence in the future and said that McDonnell-Douglas plans to upgrade its joint production with the Shanghai factory to the level of a joint venture. Of the 150 MD-82s to be produced with other countries in the form of joint venture, more than 50 percent of the work will be done in China. In addition, 50 percent of the parts for MD assembly lines in the United States will be turned out in Shanghai, Xian, Chengdu and Shenyang.

Mr. Zhang highlighted the fact that McDonnell-Douglas does not have a time limit on its co-operation with China. Open-ended co-operation not only helps China raise the overall level of its aircraft industry and meets the need of the Chinese market, but also helps McDonnell-Douglas further reduce its production costs, thus enhancing its competitiveness in the international market. ■

The MD-82 aircraft assembly workshop in Shanghai.





# Prevention of Mountain Disasters

by Our Staff Reporter Lou Linwei

*China is plagued by serious mountain disasters, especially mud-rock flows and landslides. To overcome them, the Chengdu Mountain Disaster and Environment Research Institute under the Chinese Academy of Sciences has, since its establishment in 1963, done a lot of work.*

**O**n July 9, 1981, a mud-rock flow suddenly broke out at Ganluo County's Lizi Yida Gully. Mud and rock rumbled down the mountain at a velocity of 13.8 metres per second. The flow, averaging 2.3 tons per cubic metre, destroyed the Chengdu-Kunming Railway, overturning a passing passenger train. More than 300 people died and the train service was halted for 370 hours. Economic loss amounted to 10 million yuan.

According to incomplete statistics, since 1949 mud-rock flows have overturned trains more than ten times, suspended train services on some 300 occasions, and buried 33 train stations 41 times.

Such disasters are found in 24 out of the mainland's 30 provinces, municipalities and autonomous regions that have a total of 8,500 dangerous mud-rock flow gullies. Each year they inflict a human death toll of 1,000 and destroy 300 million yuan worth of properties. What is even more disturbing is that Fujian and other places, where no historical records show any mud-rock discharges, have begun to experience these catastrophes in recent years.

China is a country with many mountains. Disasters such as mud-rock flows, landslides, floods, water and soil erosion, and avalanches are very serious. They



The Red Flag Canal, the 1,500-km-long irrigation ditch which farmers in Linxian County, Henan Province built over a ten-year period, provides water for crops even during dry spells in the mountainous area.

endanger economic development and the safety of people in the stricken areas.

The Chengdu Mountain Disaster and Environment Research Institute (CMDERI) under the Chinese Academy of Sciences was set up in 1963 on the Chengdu Plain, Sichuan Province, well known in China as the Land of Plenty. CMDERI chose the location because the 120-odd counties ranging from the highlands in western Sichuan to hilly areas in eastern Sichuan are exposed to serious mountain disasters, making it a good place to study these disasters plaguing Sichuan, Yunnan, Guangxi and Guizhou in southwest China.

Thus far, CMDERI has undertaken 360 research projects focusing on mountain tragedies and made breakthroughs in 165 of them. Sixty-eight research achievements have been awarded prizes by the Chinese Academy of Sciences and Sichuan Province.

### Comprehensive Control

The Jiuzhaigou Nature Preserve in Nanping County, western Sichuan Province, is referred to as a "fairy world" because of its numerous lakes, waterfalls and primitive forests. It was among the first group of scenic spots brought under state protection. This dreamland, however, is potentially endangered by mud-rock flows.

Geographically speaking, the lakes unique to Jiuzhaigou resulted from mud-rock flows. The same flows in recent years are threatening the very existence of these lakes. A few years ago, the Heyeba Lake was covered up by the flow, which also destroyed local traffic, ruined local scenery and endangered the lives of local people. Heavy rainfall, loosely structured limestone strata and steep slopes combine to cause mud-rock flows at Jiuzhaigou.

CMDERI set up in 1984 a la-

boratory for the comprehensive study and control over the mud-rock flows at Jiuzhaigou. It was equipped with automatic recording geothermometers, ombrometers and fluviographs the following year. In 1986, a wooden structure laboratory building, covering an area of 150 square metres, was built. With the completion of these projects, CMDERI and the Jiuzhaigou Nature Preserve Administration began joint control of mud-rock flows by planting grass and trees and construction of mud-rock flow stemming dams.

At the No.2 Rize Gully, where mud-rock slides often blocked traffic in the past, a high concrete dam was built in 1987 to stem the fall of boulders. Small rocks and mud which pass through can be blocked by another dam built a dozen metres further down. The presence of these dykes has minimized damage. Of the 33 mud-rock flow gullies, 11 serious ones have been brought under control.

The basic experience CMDERI has gained from engineering and natural control measures which have saved Jiuzhaigou from destruction is being enriched by projects geared to save railways, highways and key construction projects. As early as the 1970s, CMDERI spent eight years to harness a mud-rock flow gully notoriously known as the Black Sand River at the Liangshan Tibetan Autonomous Prefecture in Sichuan together with local government departments. Mudslides from the gully had buried five villages and 200 hectares of cultivated land. They threatened the safety of the Chengdu-Kunming Railway, Sichuan-Yunnan Highway and a power plant in Xichang which is the launching site for China's satellites. The strategy has proved successful, since two-thirds of the buried cultivated land has been recovered. And no slides have hit that area for ten consecutive years.

Over the last 20 years, with the close co-operation of local governments, CMDERI has brought under control 18 dangerous gullies, including the above-mentioned Black Sand River and Jiuzhaigou as well as those in Yunnan and Henan. The social, economic and biological results are encouraging.

### Field Observation

The Xiaojiang river valley in northeast Yunnan Province is a typical mountainous area in southwest China facing mudslide problems. During the monsoon season between May and October each year, the Jiangjiagou Gully sees ten to 20 such slides. Each flow, with a volume of up to 1,000 cubic metres of mud and rock per second, lasts three to four hours, with the longest enduring for dozens of hours. As the flow at Jiangjiagou Gully shows all the stages associated with such disaster, it is regarded as a natural museum for study of mud-rock slides.

To facilitate long-term field observation, CMDERI set up an observation station at Jiangjiagou in the late 1960s, and it became semi-automated in the 1980s. Opened to domestic and foreign experts in 1988, it is the oldest facility of its kind in China.

The field observation station has large cables to collect mud and rock for study when the area is hit by disastrous flows. The static laboratory is furnished with instruments and meters such as radar velocity meters, remote-control impact force meters and dynamic cameras to facilitate the observation and study of the movement of the slides. Mud-rock flow warnings are possible due to the installation of remote-control rainfall monitoring devices, which boast an accuracy of over 85 percent, as well as Chinese-made NJ-2 alarms and DFT-1 warning devices, with

over 90 percent accuracy. Trees and grass have also been planted since the 1960s to stem the slides.

In the last two years, Chinese and foreign experts have used the observation station to study 18 mud-rock slides and obtained data concerning flow movement, rain and five other areas.

Although staffed with only 20 people, the station has become a showcase for the study of mud-rock flows and a centre for personnel training, attracting both domestic and foreign experts.

CMDERI has also set up a landslide observation station at the Jinlongshan mountain area. Located close to the Sichuan Ertan Hydraulic Power Station, the area is threatened by serious slides.

## Indoor Simulation

Between 1985 and 1989, CMDERI established a 3,000-square-metre simulation laboratory in Chengdu for the study of mud-rock flows. It has simulation testing grounds, and physical and chemical analysis sections.

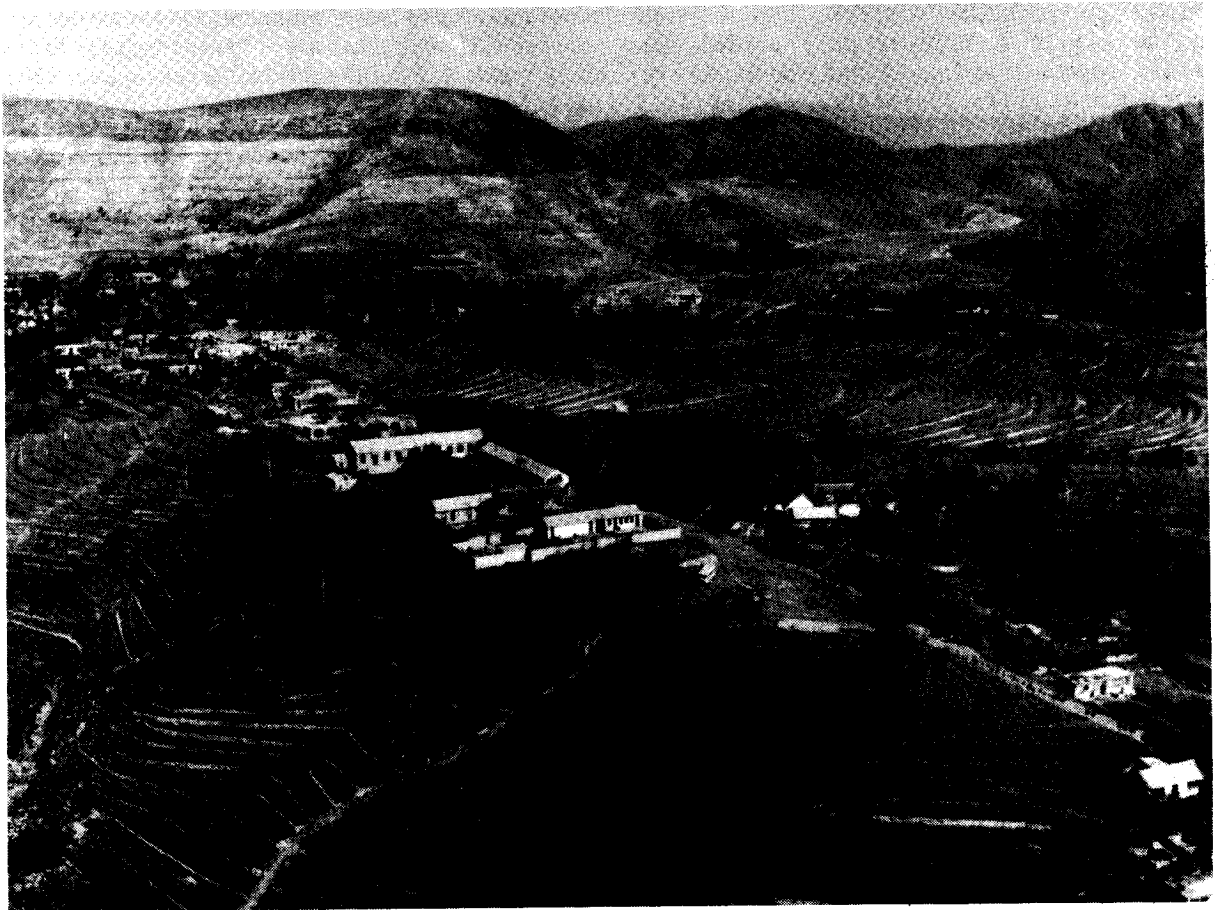
The simulation equipment stands 18 metres high. Chuck bucket elevator brings mud and rock (the largest with a diameter of 100 mm) to a height of 14 metres through a 300 x 0.5 square metre conveyor with a changeable slope of 0-17 degrees. With a flowing volume of 540 cubic metres per hour, this equipment solves technical problems hampering mud-rock flow dynamic study, saves energy and cuts the

use of materials by half. It is a new creation internationally.

The lab has been officially put into service. Between October 1990 and April 1991, it completed simulation tests for the Xichang satellite launching site. Based on data thus collected, a more economical and reliable mud-rock flow prevention and control scheme has been worked out to the satisfaction of the State Science and Technology Commission.

Terashima, director of the Rainfall Laboratory of the Japanese National Research Centre for Disaster Prevention Science and Technology Agency, holds that the Chinese station offers testing conditions of the world's advanced class. ■

Shashiya in Zunhua County, Hebei Province, used to be a poor mountain village where stones were more plentiful than soil. Farmers removed stones and carried soil from other places to create farmland.



# Commodity Inspection Boosts Foreign Trade

by Our Staff Reporter Li Rongxia

*Chinese commodity inspection departments are constantly updating their work skills and doing their best to protect the rights and interests of the state and the interests of consumers.*

One of the many cases these departments have handled is the following. The Tianjin-based North China Goods and Materials Supply Department of the Ministry of Petroleum Industry discovered some defects in the appearance of a batch of casing pipes it ordered from Argentina. A check by the Tianjin Administration for the Inspection of Import and Export Commodities showed the goods were below the required standard for the rolled steel structure and also heating. The department claimed compensation for the losses. The Argentine side turned down the claim but agreed to inspect the products together with the Chinese. The facts revealed that the Tianjin commodity inspection administration was in the right and the department received US\$1.6 million as compensation.

As foreign trade has developed and the volume of imports and exports increased over the last few years, the commodity inspection departments in China have done their best to protect the rights and interests of the country and the interests of consumers. During the Seventh Five-Year Plan from 1986 to 1990, these inspection departments examined 5,147,096 batches of import and export goods, valued at US\$176.3 billion. Of the 4,559,-

490 batches of export goods they inspected, which are valued at US\$95.85 billion, they discovered 110,453 lots, or 2.42 percent of the total, to be under the required standards. The goods were exported only after the substandard ones were replaced and, as a result, claims were avoided and the state's reputation safeguarded. They viewed 587,606 containers of import goods valued at US\$80.49 billion and found 65,207 batches, or 11.1 percent of the total, did not meet standards. They enabled China to claim US\$100 million for losses each year.

## Techniques Improved

Early last year, the Food and Drug Administration of the United States asked China to examine meat and other foods to be exported to the United States for pesticide residues. Scores of data on eight points from four selected sections on each of ten selected pigs were printed out by computer. The Tianjin commodity inspection administration finished the job within the fixed time. The US counterparts were satisfied with the results and surprised at the level of Chinese inspection meters and instruments.

Last year, the United States sent personnel to look over Chinese meat product factories

and test laboratories. After visits they concluded that the inspection data were credible and reported to the US Congress on their agreement on import of the Chinese meat products scrutinized by the Tianjin Administration for Inspection of Import and Export Commodities.

Chinese inspection techniques have been recognized overseas and the inspection machinery and techniques have been up to the international levels of the 1980s. China has constantly improved its inspection methods since the founding of the People's Republic in 1949. In the 1950s China inspected commodities in sensitive and chemical ways. The number of inspection items increased year by year. Outdated methods have been replaced by advanced equipment.

At present, Chinese inspection departments have 20,000 pieces of equipment. Of these, 40 percent are imported and up to the international level of the 1980s. They include nuclear magnetic resonance spectrometers and gas chromatography/mass spectrometry meters. Of the domestically produced meters and instruments, half are as good as their counterparts in other countries.

A total of 900 varieties of goods from more than 20 industries require inspection using various meters and instruments. Since China's economy is underdeveloped and its financial resources are limited, it is impossible for the country to purchase all this equipment. The inspection departments have made extensive use of the machinery available in society and at the same time developed many simple but effective inspection methods.

Cashmere is a product with high export value and some people try to make money by exporting imitations of it. The Inner Mongolian commodity inspection administration developed an



# The Draft Basic Law Of the Macao Special Administrative Region Of the People's Republic of China

(for Solicitation of Opinions)

## Contents

### Preamble

Chapter I General Principles

Chapter II Relationship between the Central Authorities and the Macao Special Administrative Region

Chapter III Fundamental Rights and Duties of the Residents

Chapter IV Political Structure

Section 1 The Chief Executive

Section 2 The Executive Authorities

Section 3 The Legislature

Section 4 The Judiciary

Section 5 Municipal Organizations

Section 6 Public Servants

Section 7 Swearing Allegiance

Chapter V Economy

Chapter VI Cultural and Social Affairs

Chapter VII External Affairs

Chapter VIII Interpretation and Amendment of the Basic Law

Chapter IX Supplementary Provisions

Annex I Method for the Selection of the Chief Executive of the Macao Special Administrative Region

Annex II Method for the Formation of the Legislative Council of the Macao Special Administrative Region

Annex III National Laws to Be Applied in the Macao

### Special Administrative Region

Decision of the National People's Congress on the Method for the Formation of the First Government and the First Legislative Council of the Macao Special Administrative Region (Draft)

Proposal by the Drafting Committee for the Basic Law of the Macao Special Administrative Region on the Establishment of the Committee for the Basic Law of the Macao Special Administrative Region Under the Standing Committee of the National People's Congress

### Preamble

Macao, including the Macao Peninsula, Taipa Island and Coloane Island, has been part of the territory of China since ancient times; it was gradually occupied by Portugal after the mid-16th century. On 13 April 1987, the Chinese and Portuguese Governments signed the Joint Declaration on the Question of Macao, affirming that the Government of the People's Republic of China will resume the exercise of sovereignty over Macao with effect from 20 December 1999, thus fulfilling the long-cherished common aspiration of the Chinese people for the recovery of Macao.

Upholding national unity and territorial integrity, benefiting the social stability and economic development of Macao, and taking account of its his-

tory and realities, the People's Republic of China has decided that upon China's resumption of the exercise of sovereignty over Macao, a Macao Special Administrative Region will be established in accordance with the provisions of Article 31 of the Constitution of the People's Republic of China, and that under the principle of "one country, two systems," the socialist system and policies will not be practised in Macao. The basic policies of the People's Republic of China regarding Macao have been elaborated by the Chinese Government in the Sino-Portuguese Joint Declaration.

In accordance with the Constitution of the People's Republic of China, the National People's Congress hereby enacts the Basic Law of the Macao Special Administrative Region of the People's Republic of China, prescribing the systems to be practised in the Macao Special Administrative Region, in order to ensure the implementation of the basic policies of the People's Republic of China regarding Macao.

### Chapter I: General Principles

**Article 1** The Macao Special Administrative Region is an inalienable part of the People's Republic of China.

**Article 2** The National People's Congress authorizes the Macao Special Administrative Region to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication, in accordance with the provisions of this Law.

**Article 3** The executive authorities and legislature of the Macao Special Administrative Region shall be composed of permanent residents of Macao in accordance with the relevant provisions of this Law.

**Article 4** The Macao Special Administrative Region shall safeguard the rights and freedoms of the residents of the Macao Special Administrative Region and of other persons in the Region in accordance with law.

**Article 5** The socialist system and policies shall not be practised in the Macao Special Administrative Region, and the previous capitalist system and way of life shall remain unchanged for 50 years.

**Article 6** The Macao Special Administrative Region shall protect the right of private ownership of property in accordance with law.

**Article 7** The land and natural resources within the Macao Special Administrative Region, with the exception of the private land as stipulated by the previous law of Macao, shall be State property. The Government of the Macao Special Administrative Region shall be responsible for their management, use and development and for their lease or grant to individuals or legal persons for use or development. The revenues derived therefrom shall be exclusively at the disposal of the government of the Region.

**Article 8** The laws, decrees, administrative regula-

tions and other normative acts previously in force in Macao shall be maintained, save for whatever therein may contravene this Law, or subject to any amendment by the legislature or other relevant organs of the Macao Special Administrative Region in accordance with legal procedures.

**Article 9** In addition to the Chinese language, Portuguese may also be used as an official language by the executive authorities, legislature and judiciary of the Macao Special Administrative Region.

**Article 10** Apart from displaying the national flag and national emblem of the People's Republic of China, the Macao Special Administrative Region may also use a regional flag and regional emblem.

The regional flag of the Macao Special Administrative Region is

The regional emblem of the Macao Special Administrative Region is

**Article 11** In accordance with Article 31 of the Constitution of the People's Republic of China, the systems and policies practised in the Macao Special Administrative Region, including the social and economic systems, the system for safeguarding the fundamental rights and freedoms of its residents, the executive, legislative and judicial systems, and the relevant policies, shall be based on the provisions of this Law.

No law, decree, administrative regulations and normative acts of the Macao Special Administrative Region shall contravene this Law.

### Chapter II

#### Relationship Between the Central Authorities and the Macao Special Administrative Region

**Article 12** The Macao Special Administrative Region shall be a local administrative region of the People's Republic of China, which shall enjoy a high degree of autonomy and come directly under the Central People's Government.

**Article 13** The Central People's Government shall be responsible for the foreign affairs relating to the Macao Special Administrative Region.

The Ministry of Foreign Affairs of the People's Republic of China shall establish an office in Macao to deal with foreign affairs.

The Central People's Government authorizes the Macao Special Administrative Region to conduct relevant external affairs on its own in accordance with this Law.

**Article 14** The Central People's Government shall be responsible for the defence of the Macao Special Administrative Region.

The Government of the Macao Special Administrative Region shall be responsible for the maintenance of public order in the Region.

**Article 15** The Central People's Government shall

## DOCUMENTS

appoint or remove the Chief Executive, the principal officials of the government and the Procurator-General of the Macao Special Administrative Region in accordance with the relevant provisions of this Law.

**Article 16** The Macao Special Administrative Region shall be vested with executive power. It shall, on its own, conduct the administrative affairs of the Region in accordance with the relevant provisions of this Law.

**Article 17** The Macao Special Administrative Region shall be vested with legislative power.

Laws enacted by the legislature of the Macao Special Administrative Region must be reported to the Standing Committee of the National People's Congress for the record. The reporting for record shall not affect the entry into force of such laws.

If the Standing Committee of the National People's Congress, after consulting the Committee for the Basic Law of the Macao Special Administrative Region under it, considers that any law enacted by the legislature of the Region is not in conformity with the provisions of this Law regarding affairs within the responsibility of the Central Authorities or regarding the relationship between the Central Authorities and the Region, the Standing Committee may return the law in question but shall not amend it. Any law returned by the Standing Committee of the National People's Congress shall immediately be invalidated. This invalidation shall not have retroactive effect, unless otherwise provided for in the laws of the Region.

**Article 18** The laws in force in the Macao Special Administrative Region shall be this Law, the laws previously in force in Macao as provided for in Article 8 of this Law, and the laws enacted by the legislature of the Region.

National laws shall not be applied in the Macao Special Administrative Region except for those listed in Annex III to this Law. The laws listed therein shall be applied locally by way of promulgation or legislation by the Region.

The Standing Committee of the National People's Congress may add to or delete from the list of laws in Annex III after consulting its Committee for the Basic Law of the Macao Special Administrative Region and the government of the Region. Laws listed in Annex III to this Law shall be confined to those relating to defence and foreign affairs as well as other matters outside the limits of the autonomy of the Region as specified by this Law.

In the event that the Standing Committee of the National People's Congress decides to declare a state of war or, by reason of turmoil within the Macao Special Administrative Region which endangers national unity or security and is beyond the control of the government of the Region, decides that the Region is in a state of emergency, the Central People's Government may issue an order applying the rele-

vant national laws in the Region.

**Article 19** The Macao Special Administrative Region shall be vested with independent judicial power, including that of final adjudication.

The courts of the Macao Special Administrative Region shall have jurisdiction over all cases in the Region, except that the restrictions on their jurisdiction imposed by the legal system and principles previously in force in Macao shall be maintained.

The courts of the Macao Special Administrative Region shall have no jurisdiction over acts of state such as defence and foreign affairs. The courts of the Region shall obtain a certificate from the Chief Executive on questions of fact concerning acts of state such as defence and foreign affairs whenever such questions arise in the adjudication of cases. This certificate shall be binding on the courts. Before issuing such a certificate, the Chief Executive shall obtain a certifying document from the Central People's Government.

**Article 20** The Macao Special Administrative Region may enjoy other powers granted to it by the National People's Congress, the Standing Committee of the National People's Congress or the Central People's Government.

**Article 21** Chinese citizens who are residents of the Macao Special Administrative Region shall be entitled to participate in the management of state affairs according to law.

In accordance with the assigned number of seats and the selection method specified by the National People's Congress, the Chinese citizens among the residents of the Macao Special Administrative Region shall locally elect deputies of the Region to the National People's Congress to participate in the work of the highest organ of state power.

**Article 22** No department of the Central People's Government and no province, autonomous region, or municipality directly under the Central Government may interfere in the affairs which the Macao Special Administrative Region administers on its own in accordance with this Law.

If there is a need for departments of the Central Government, or for provinces, autonomous regions, or municipalities directly under the Central Government to set up offices in the Macao Special Administrative Region, they must obtain the consent of the government of the Region and the approval of the Central People's Government.

All offices set up in the Macao Special Administrative Region by departments of the Central Government, or by provinces, autonomous regions, or municipalities directly under the Central Government, and the personnel of these offices shall abide by the laws of the Region.

For entry into the Macao Special Administrative Region, people from the provinces, autonomous regions or municipalities directly under the Central Government must apply for approval. Among them,

the number of persons who enter the Region for the purpose of settlement shall be determined by the competent authorities of the Central People's Government after consulting the government of the Region.

The Macao Special Administrative Region may establish an office in Beijing.

**Article 23** The Macao Special Administrative Region shall enact laws on its own to prohibit any act of treason, secession, sedition, subversion against the Central People's Government, or theft of state secrets, to prohibit foreign political organizations or bodies from conducting political activities in the Region, and to prohibit political organizations or bodies of the Region from establishing ties with foreign political organizations or bodies.

### Chapter III

#### Fundamental Rights and Duties of the Residents

**Article 24** Residents of the Macao Special Administrative Region ("Macao residents") shall include permanent residents and non-permanent residents.

The permanent residents of the Macao Special Administrative Region shall be:

(1) Chinese citizens born in Macao before or after the establishment of the Macao Special Administrative Region;

(2) Chinese citizens who have ordinarily resided in Macao for a continuous period of not less than seven years before or after the establishment of the Macao Special Administrative Region;

(3) Persons of Chinese nationality born outside Macao of those permanent residents listed in categories (1) and (2);

(4) The Portuguese who were born in Macao before or after the establishment of the Macao Special Administrative Region and have taken Macao as their place of permanent residence;

(5) The Portuguese who have ordinarily resided in Macao for a continuous period of not less than 7 years before or after the establishment of the Macao Special Administrative Region and have taken Macao as their place of permanent residence;

(6) Other persons who have ordinarily resided in Macao for a continuous period of not less than 7 years before or after the establishment of the Macao Special Administrative Region and have taken Macao as their place of permanent residence;

(7) Persons under 18 years of age born in Macao of those residents listed in category (6) before or after the establishment of the Macao Special Administrative Region.

The above-mentioned residents shall have the right of abode in the Macao Special Administrative Region and shall be qualified to obtain permanent identity cards.

The non-permanent residents of the Macao Special Administrative Region shall be persons who are qualified to obtain Macao identity cards in accordance with the laws of the Region but have no right of abode.

**Article 25** All Macao residents shall be equal before the law, and shall be free from discrimination, irrespective of their nationality, descent, sex, race, language, religion, political or ideological belief, educational level, economic status or social conditions.

**Article 26** Permanent residents of the Macao Special Administrative Region shall have the right to vote and the right to stand for election in accordance with law.

**Article 27** Macao residents shall have freedom of speech, of the press and of publication; freedom of association, of assembly, of procession and of demonstration; and the right and freedom to form and join trade unions, and to strike.

**Article 28** The freedom of the person of Macao residents shall be inviolable.

No Macao resident shall be subjected to arbitrary or unlawful arrest, detention or imprisonment. To cope with arbitrary or unlawful detention or imprisonment, residents have the right to apply to the court for the issuance of a writ of habeas corpus to prevent the arbitrary use of power. Unlawful search of the body of any resident, deprivation or restriction of the freedom of the person shall be prohibited. Torture or inhuman treatment towards any resident shall be prohibited.

**Article 29** Macao residents shall not be punished by law, except for those whose acts are prescribed as a crime in accordance with the provisions of the law and shall be punished.

When they are charged with criminal offences, Macao residents shall enjoy the right to be tried by the court as early as possible and, before convicted, shall be presumed innocent.

**Article 30** The human dignity of Macao residents shall be inviolable. Any means of humiliation, slander and false accusation against residents shall be prohibited.

Macao residents shall enjoy the right to personal honour and the privacy of the private and family life.

**Article 31** The homes and other premises of Macao residents shall be inviolable. Arbitrary or unlawful search of, or intrusion into, a resident's home or other premises shall be prohibited.

**Article 32** The freedom and privacy of communication of Macao residents shall be protected by law. No department or individual may, on any grounds, infringe upon the freedom and privacy of communication of residents except that the relevant authorities may inspect communication in accordance with the provisions of the law to meet the needs of public security or of investigation into criminal offences.

**Article 33** Macao residents shall have freedom of



movement within the Macao Special Administrative Region and freedom of emigration to other countries and regions. They shall have freedom to travel and to enter or leave the Region, and shall, in accordance with law, have the right to obtain travel documents. Unless restrained by law, holders of valid travel documents shall be free to leave the Region without special authorization.

**Article 34** Macao residents shall have freedom of conscience.

Macao residents shall have freedom of religious belief and freedom to preach and to conduct and participate in religious activities in public.

**Article 35** Macao residents shall have freedom of choice of occupation and work.

**Article 36** Macao residents shall have the right to resort to law, to have access to the courts, and to get help from lawyers for protection of their lawful rights and interests, and to obtain judicial remedies.

Macao residents shall have the right to institute legal proceedings in the courts against the acts of the executive authorities and their personnel.

**Article 37** Macao residents shall have freedom to engage in education, academic research, literary and artistic creation, and other cultural activities.

**Article 38** The freedom of marriage of Macao residents and their right to form and raise a family freely shall be protected by law.

The underaged, the aged and the disabled shall be taken care of and protected by the Macao Special Administrative Region.

**Article 39** Macao residents shall have the right to social welfare in accordance with law. The welfare benefits and retirement security of the labour force shall be protected by law.

**Article 40** The provisions of international labour conventions as applied to Macao shall remain in force and shall be implemented through the laws of the Macao Special Administrative Region.

**Article 41** Macao residents shall enjoy the other rights and freedoms safeguarded by the laws of the Macao Special Administrative Region.

**Article 42** The interests of residents of Portuguese descent in Macao shall be protected by the Macao Special Administrative Region in accordance with law, and their customs and cultural traditions shall be respected.

**Article 43** The rights and freedoms enjoyed by Macao residents shall not be restricted unless as prescribed by law. Such restrictions as prescribed by law shall be limited to those necessary for safeguarding the state security, social order, public sanitation and morality as well as others' rights and freedoms.

**Article 44** Persons in the Macao Special Administrative Region other than Macao residents shall, in accordance with law, enjoy the rights and freedoms of Macao residents prescribed in this Chapter.

**Article 45** Macao residents and other persons in

Macao shall have the obligation to abide by the laws in force in the Macao Special Administrative Region.

## Chapter IV Political Structure

### Section 1: The Chief Executive

**Article 46** The Chief Executive of the Macao Special Administrative Region shall be the head of the Macao Special Administrative Region and shall represent the Region.

The Chief Executive of the Macao Special Administrative Region shall be accountable to the Central People's Government and the Macao Special Administrative Region in accordance with the provisions of this Law.

**Article 47** The Chief Executive of the Macao Special Administrative Region shall be a Chinese citizen of not less than 40 years of age who is a permanent resident of the Region and has ordinarily resided in Macao for a continuous period of not less than 20 years.

**Article 48** The Chief Executive of the Macao Special Administrative Region shall be selected by election or through consultations held locally and be appointed by the Central People's Government.

The specific method for selecting the Chief Executive is prescribed in Annex I: "Method for the Selection of the Chief Executive of the Macao Special Administrative Region".

**Article 49** The term of office of the Chief Executive of the Macao Special Administrative Region shall be five years. He or she may serve for not more than two consecutive terms.

**Article 50** The Chief Executive, during his or her term of office, shall not have right of abode in any foreign country and shall not engage in any activities for his or her personal gains. The Chief Executive, on assuming office, shall declare his or her assets to the President of the Court of Final Appeal of the Macao Special Administrative Region. This declaration shall be put on record.

#### **Article 51**

The Chief Executive of the Macao Special Administrative Region shall exercise the following powers and functions:

- (1) To lead the government of the Region;
- (2) To be responsible for the implementation of this Law and other laws which, in accordance with this Law, apply in the Macao Special Administrative Region;
- (3) To sign bills passed by the Legislative Council and to promulgate laws;

To sign budgets passed by the Legislative Council and report the budgets and final accounts to the Central People's Government for the record;

- (4) To decide on government policies and to

## DOCUMENTS

issue executive orders;

(5) To formulate the executive regulations and promulgate them for implementations;

(6) To nominate and to report to the Central People's Government for appointment the following principal officials: Secretaries of Departments (equivalent to Assistant-Secretary), Commissioner Against Corruption, Director of Audit, the principal officers of the Police and the Customs; and to recommend to the Central People's Government the removal of the above-mentioned officials;

(7) To appoint partial members of the Legislative Council;

(8) To appoint or remove members of the Executive Council;

(9) To appoint or remove presidents and judges of the courts at all levels and procurators in accordance with legal procedures;

(10) To nominate and report to the Central People's Government for appointment of the Procurator-General and recommend to the Central People's Government the removal of the Procurator-General in accordance with legal procedures;

(11) To appoint or remove holders of public office in accordance with legal procedures;

(12) To implement the directives issued by the Central People's Government in respect of the relevant matters provided for in this Law;

(13) To conduct, on behalf of the Government of the Macao Special Administrative Region, external affairs and other affairs as authorized by the Central Authorities;

(14) To approve the introduction of motions regarding revenues or expenditure to the Legislative Council;

(15) To decide, in the light of security and vital public interests, whether government officials or other personnel in charge of government affairs should testify or give evidence before the Legislative Council or its committees;

(16) To confer models and titles of the honour of the Macao Special Administrative Region in accordance with law;

(17) To pardon persons convicted of criminal offences or commute their penalties in accordance with law; and

(18) To handle petitions and complaints.

**Article 52** If the Chief Executive of the Macao Special Administrative Region considers that a bill passed by the Legislative Council is not compatible with the overall interests of the Region, he or she may give his or her reasons in written and return it to the Legislative Council within 90 days for reconsideration. If the Legislative Council passes the original bill again by not less than a two-thirds majority of all the members, the Chief Executive must sign and promulgate it within 30 days or act in accordance with the provisions of Article 53 of this Law.

**Article 53** If the Chief Executive of the Macao

Special Administrative Region refuses to sign a bill passed the second time by the Legislative Council, or the Legislative Council refuses to pass a budget introduced by the government or any other bills which he or she considers concern the overall interests of the Region, and if consensus still cannot be reached after consultations, the Chief Executive may dissolve the Legislative Council.

The Chief Executive must consult the Executive Council before dissolving the Legislative Council. In dissolving the Legislative Council, he or she shall explain the reason for it to the public.

The Chief Executive may dissolve the Legislative Council only once in each term of his or her office.

**Article 54** If the Legislative Council of the Macao Special Administrative Region refuses to pass the budget introduced by the government, the Chief Executive may approve provisional short-term appropriations according to the level of expenditure of the previous fiscal year.

**Article 55** The Chief Executive of the Macao Special Administrative Region must resign under any of the following circumstances:

(1) When he or she loses the ability to discharge his or her duties as a result of serious illness or other reasons;

(2) When, after the Legislative Council is dissolved because he or she twice refuses to sign a bill passed by it, the new Legislative Council again passes by a two-thirds majority of all the members the original bill in dispute, but he or she still refuses to sign it within 30 days; and

(3) When, after the Legislative Council is dissolved because it refuses to pass a budget or any other bill concerning the overall interests of the Macao Special Administrative Region, the new Legislative Council still refuses to pass the original bill in dispute.

**Article 56** If the Chief Executive of the Macao Special Administrative Region is not able to discharge his or her duties for a short period, such duties shall temporarily be assumed by the secretaries of the departments in the order of precedence. Such an order of precedence shall be stipulated by law.

In the event that the office of Chief Executive becomes vacant, a new Chief Executive shall be selected within 120 days in accordance with the provisions of Article 48 of this Law. During the period of vacancy, his or her duties shall be assumed according to the provisions of Article 50 of this Law and the preceding paragraph.

**Article 57** The Executive Council of the Macao Special Administrative Region shall be an organ for assisting the Chief Executive in policy-making.

**Article 58** Members of the Executive Council of the Macao Special Administrative Region shall be appointed or removed by the Chief Executive. The

term of office of members of the Executive Council shall not extend beyond the expiry of the term of office of the Chief Executive who appoints them. Before the new Chief Executive is selected, the members of original Executive Council shall be temporarily in office.

Members of the Executive Council of the Macao Special Administrative Region shall be Chinese citizens who are permanent residents of the Region.

The Chief Executive may, as he or she deems necessary, invite other persons concerned to sit in on meetings of the Council.

**Article 59** The Executive Council of the Macao Special Administrative Region shall be presided over by the Chief Executive. The meeting of the Executive Council shall be held at least once each month. Except for the appointment, removal and disciplining of officials and the adoption of measures in emergencies, the Chief Executive shall consult the Executive Council before making important policy decisions, introducing bills to the Legislative Council, formulating administrative regulations, or dissolving the Legislative Council.

If the Chief Executive does not accept a majority opinion of the Executive Council, he or she shall put the specific reasons on record.

**Article 60** A Commission Against Corruption shall be established in the Macao Special Administrative Region and function independently. Commissioner Against Corruption shall be accountable to the Chief Executive.

**Article 61** A Commission of Audit shall be established in the Macao Special Administrative Region and function independently. Director of Audit shall be accountable to the Chief Executive.

### Section 2: The Executive Authorities

**Article 62** The Government of the Macao Special Administrative Region shall be the executive authorities of the Region.

**Article 63** The head of the Government of the Macao Special Administrative Region shall be the Chief Executive of the Region. Departments, bureaux and divisions shall be established in the Government of the Macao Special Administrative Region.

**Article 64** The principal officials of the Macao Special Administrative Region shall be Chinese citizens who are permanent residents of the Region and have ordinarily resided in Macao for a continuous period of not less than 15 years.

**Article 65** The Government of the Macao Special Administrative Region shall exercise the following powers and functions:

- (1) To formulate and implement policies;
- (2) To conduct administrative affairs;
- (3) To conduct external affairs as authorized by the Central People's Government under this Law;
- (4) To draw up and introduce budgets and final

accounts;

(5) To introduce bills and motions and to draft administrative regulations; and

(6) To designate officials to sit in on the meetings of the Legislative Council to receive opinions or speak on behalf of the government.

**Article 66** The Government of the Macao Special Administrative Region must abide by the law and be accountable to the Legislative Council of the Region: it shall implement laws passed by the Council and already in force; it shall present regular policy addresses to the Council; and it shall answer questions raised by members of the Council.

**Article 67** The executive authorities of the Macao Special Administrative Region may, when necessary, establish advisory bodies.

### Section 3: The Legislature

**Article 68** The Legislative Council of the Macao Special Administrative Region shall be the legislature of the Region.

**Article 69** The Legislative Council of the Macao Special Administrative Region shall be composed of the permanent residents of the Region. Apart from Chinese citizens, no more than 20 percent of the members of the Legislative Council of the Region may also be permanent residents of the Region who are not of Chinese nationality.

**Article 70** The majority of members of the Legislative Council of the Macao Special Administrative Region shall be selected by election.

The specific method for forming the Legislative Council is prescribed in Annex II: Method for the Formation of the Legislative Council of the Macao Special Administrative Region.

**Article 71** The term of office of the Legislative Council of the Macao Special Administrative Region shall be four years, except the first term which shall be stipulated otherwise.

**Article 72** If the Legislative Council of the Macao Special Administrative Region is dissolved by the Chief Executive in accordance with the provisions of this Law, it must, within 90 days, be reconstituted in accordance with Article 70 of this Law.

**Article 72** The Legislative Council of the Macao Special Administrative Region shall exercise the following powers and functions:

- (1) To enact, amend, suspend or repeal laws in accordance with the provisions of this Law and legal procedures;
- (2) To examine and approve budgets introduced by the government; examine the report on audit introduced by the government;
- (3) To decide on taxation according to government motions;
- (4) To receive and debate the policy addresses of the Chief Executive;
- (5) To debate issues concerning public interests;
- (6) To receive and handle complaints from Ma-

cao residents;

(7) If a motion initiated jointly by one-fourth of all the members of the Legislative Council charges the Chief Executive with serious breach of law or dereliction of duty and if he or she refuses to resign, the Council may, after passing a decision for investigation, give a mandate to the President of the Court of Final Appeal to form an independent investigation committee to carry out the investigation. If the committee considers the evidence sufficient to substantiate such charges, the Council may pass a motion of impeachment by a two-thirds majority of all its members and report it to the Central People's Government for decision; and

(8) To summon, as required when exercising the above-mentioned powers and functions, persons concerned to testify or give evidence.

**Article 74** The President and Vice President of the Legislative Council of the Macao Special Administrative Region shall be elected by and from among the members of the Legislative Council. The President and Vice President of the Legislative Council shall be Chinese citizens who are permanent residents of the Region and have ordinarily resided in Macao for a continuous period of not less than 15 years.

**Article 75** In the event that the office of President and Vice President of the Legislative Council of the Macao Special Administrative Region becomes vacant, new President and Vice President shall be elected.

In case of absence of the President of the Legislative Council of the Macao Special Administrative Region, the Vice President shall act as President.

**Article 76** The President of the Legislative Council of the Macao Special Administrative Region shall exercise the following powers and functions:

(1) To preside over meetings;

(2) To introduce the agenda, giving priority to government bills for inclusion in the agenda on the request of the Chief Executive;

(3) To decide on the time of meetings;

(4) To call special sessions during the recess;

(5) To call emergency sessions or to call emergency sessions on the request of the Chief Executive; and

(6) To exercise other powers and functions as prescribed in the rules of procedure of the Legislative Council.

**Article 77** Members of the Legislative Council of the Macao Special Administrative Region may introduce bills in accordance with the provisions of this Law and legal procedures. Bills which do not relate to public expenditure or political structure or the operation of the government may be introduced individually or jointly by members of the Council. The written consent of the Chief Executive shall be required before bills relating to government policies are introduced.

**Article 78** Members of the Legislative Council of the Macao Special Administrative Region shall have the right to raise questions about the government work in accordance with legal procedures.

**Article 79** The quorum for the meeting of the Legislative Council of the Macao Special Administrative Region shall be not less than one half of all its members. Except otherwise prescribed by this Law, bills and motions shall be passed by more than half of all the members of the Council.

The rules of procedure of the Legislative Council shall be made by the Council on its own, provided that they do not contravene this Law.

**Article 80** A bill passed by the Legislative Council of the Macao Special Administrative Region may take effect only after it is signed and promulgated by the Chief Executive.

**Article 81** Members of the Legislative Council of the Macao Special Administrative Region shall be immune from legal action in respect of their statements and voting at meetings of the Council.

**Article 82** Members of the Legislative Council of the Macao Special Administrative Region, excluding active criminals, shall not be subjected to arrest without the permission of the Council.

**Article 83** The President of the Legislative Council of the Macao Special Administrative Region shall declare, according to the decision of the Council, that a member of the Council is no longer qualified for the office under any of the following circumstances:

(1) When he or she loses the ability to discharge his or her duties as a result of serious illness or other reasons;

(2) When he or she assumes posts which he or she is not permitted to hold concurrently by law;

(3) When he or she, with no valid reason, is absent from meetings for five consecutive times or for 15 times at intervals without the consent of the President of the Legislative Council;

(4) When he or she violates oath; and

(5) When he or she is convicted and sentenced to imprisonment for 30 days or more for a criminal offence committed within or outside the Region.

#### **Section 4: The Judiciary**

**Article 84** The courts of the Macao Special Administrative Region shall exercise the judicial power.

**Article 85** The courts of the Macao Special Administrative Region shall exercise judicial power independently, only subordinated to the law, free from any interference.

**Article 86** The primary courts, intermediate courts and Court of Final Appeal shall be established in the Macao Special Administrative Region.

The power of final adjudication of the Macao

Special Administrative Region shall be vested in the Court of Final Appeal of the Region.

The structure, powers and functions as well as operation of the courts of the Macao Special Administrative Region shall be prescribed by law.

**Article 87** The primary courts of the Macao Special Administrative Region may, when necessary, establish special courts.

Former courts of criminal prosecution shall be maintained.

**Article 88** Administrative Courts shall be established in the Macao Special Administrative Region. They shall be the courts to govern administrative and taxing procedures. Anyone who refuses to accept the arbitration of the administrative courts may appeal to the intermediate courts.

**Article 89** Judges of the courts of the Macao Special Administrative Region at all levels shall be appointed by the Chief Executive on the recommendation of an independent commission composed of local judges, lawyers and noted public figures. Judges shall be chosen by reference to their professional qualifications. Qualified judges of foreign nationalities may also be invited to serve as judges.

A judge may only be removed for inability to discharge the functions of his or her office, or for behaviour incompatible with his or her post, by the Chief Executive on the recommendation of a tribunal appointed by the President of the Court of Final Appeal and consisting of not fewer than three local judges.

The removal of the judges of the Court of Final Appeal shall be decided upon by the Chief Executive on the recommendation of a review committee consisting of the members of the Legislative Council of the Macao Special Administrative Region.

The appointment and removal of the judges of the Court of Final Appeal shall be reported to the Standing Committee of the National People's Congress for the record.

**Article 90** The presidents of courts of the Macao Special Administrative Region at all levels shall be chosen from among judges and appointed by the Chief Executive.

The President of the Court of Final Appeal of the Macao Special Administrative Region shall be a Chinese citizen who is permanent resident of the Region.

The appointment and removal of the President of the Court of Final Appeal shall be reported to the Standing Committee of the National People's Congress for the record.

**Article 91** The judges of the Macao Special Administrative Region shall exercise judicial power according to law, not be subjected to any order or instruction, except for the ruling of the higher court over an appealing case and those prescribed in the third paragraph of Article 19 of this Law.

Judges shall be immune from legal action for

his or her ruling except for those that law stipulates.

During the term of his or her office, a judge shall not concurrently assume other public or private posts, nor assume any post in political bodies.

**Article 92** The procuratorates of the Macao Special Administrative Region shall exercise procuratorial functions as vested by law, independently and free from any interference.

The Procurator-General of the Macao Special Administrative Region shall be a Chinese citizen who is permanent resident of the Region, shall be nominated by the Chief Executive and shall be reported to the Central People's Government for appointment.

Procurators shall be nominated by the Procurator-General and appointed by the Chief Executive.

The structure, powers and functions as well as operation of the procuratorates shall be prescribed by law.

**Article 93** The system previously in force in Macao for appointment and removal of supporting members of the judiciary shall be maintained.

**Article 94** On the basis of the system previously operating in Macao, the Government of the Macao Special Administrative Region may make provisions for local lawyers and lawyers from outside Macao to practise in the Region.

**Article 95** The Macao Special Administrative Region may, through consultation and in accordance with law, maintain judicial relations with the judicial organs of other parts of the country, and they may render assistance to each other.

**Article 96** With the assistance or authorization of the Central People's Government, the Macao Special Administrative Region may make appropriate arrangements with foreign states for reciprocal judicial assistance.

### Section 5: Municipal Organizations

**Article 97** Municipal organizations which are not organs of political power may be established in the Macao Special Administrative Region, to be authorized by the government of the Region to provide services in such fields as culture, recreation and environmental sanitation, and to be consulted by the government of the Region on the above-mentioned affairs.

**Article 98** The powers and functions of the municipal organizations and the method for their formation shall be prescribed by law.

### Section 6: Public Servants

**Article 99** Public servants serving in all government departments of the Macao Special Administrative Region must be permanent residents of the Region, except for the public servants as prescribed by Article 100 and 101 of this Law and except for the professional and technical personnel and the

primary public servants invited by the government of the Macao Special Administrative Region.

**Article 100** Upon the establishment of the Macao Special Administrative Region, public servants serving in all previous Macao government departments, including the police, and the supporting members of the judiciary serving in previous Macao judicial organs may all remain in employment, continue service and retain their seniority with pay, allowances, benefits and conditions of service no less favourable than before.

The Government of the Macao Special Administrative Region shall pay to the above-mentioned public servants who retire after the establishment of the Macao Special Administrative Region, or to their dependants, all pensions and allowance due to them on terms no less favourable than before, and irrespective of their nationality or place of residence.

**Article 101** The Government of the Macao Special Administrative Region may employ Portuguese and other foreign nationals previously serving in the public service in Macao, or currently holding permanent identity cards of the Region, to serve as public servants in government departments at all levels, except where otherwise provided for by this Law.

The Government of the Macao Special Administrative Region may also invite Portuguese and other foreign nationals to serve as advisers to government departments and to hold professional and technical posts in the government departments.

The above-mentioned persons shall be employed only in their individual capacities and shall be responsible to the government of the Macao Special Administrative Region.

**Article 102** The appointment and promotion of public servants shall be on the basis of their qualifications, experience and ability. Macao's previous system of employment, discipline, promotion and normal rise in rank remain basically unchanged, but to be improved in line with the development of the Macao society.

### Section 7: Swearing Allegiance

**Article 103** The Chief Executive, principal officials, members of the Executive Council, members of the Legislative Council, judges and procurators in the Macao Special Administrative Region must uphold the Basic Law of the Macao Special Administrative Region of the People's Republic of China, must be devoted to their duties, must be honest in performing official duties, must serve the Macao Special Administrative Region wholeheartedly, and must take an oath in accordance with law.

**Article 104** When assuming office, the Chief Executive, principal officials, President of the Legislative Council, President of the Court of Final Appeal and Procurator-General of the Macao Special Administrative Region must swear allegiance to the

People's Republic of China.

## Chapter V Economy

**Article 105** The Macao Special Administrative Region shall, in accordance with law, protect the right of individuals and legal persons to the acquisition, use, disposal and inheritance of property and their right to compensation for lawful deprivation of their property.

Such compensation shall correspond to the real value of the property concerned at the time and shall be freely convertible and paid without undue delay.

The ownership of enterprises and investments from outside the Region shall be protected by law.

**Article 106** The Macao Special Administrative Region shall have independent finances.

The Macao Special Administrative Region shall use its financial revenues exclusively for its own purposes, and they shall not be handed over to the Central People's Government.

The Central People's Government shall not levy taxes in the Macao Special Administrative Region.

**Article 107** The Macao Special Administrative Region shall follow the principle of keeping expenditure within the limits of revenues in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of its gross domestic product.

**Article 108** The Macao Special Administrative Region shall practise an independent taxation system.

The Macao Special Administrative Region shall, taking the low tax policy previously pursued in Macao as reference, enact laws on its own concerning types of taxes, tax rates, tax reductions, allowances and exemptions, and other matters of taxation. The taxation system for monopolized businesses shall be otherwise prescribed by a law.

**Article 109** The monetary and financial systems of the Macao Special Administrative Region shall be prescribed by law.

The Government of the Macao Special Administrative Region shall, on its own, formulate monetary and financial policies, safeguard the free operation of financial markets and all kinds of financial organs, and regulate and supervise them in accordance with law.

**Article 110** The Macao Pataca, as the legal tender in the Macao Special Administrative Region, shall continue to circulate.

The authority to issue Macao currency shall be vested in the Government of the Macao Special Administrative Region. The issue of Macao currency must be backed by a 100 percent reserve fund. The system regarding the issue of Macao currency and the reserve fund system shall be prescribed by law.

The Government of the Macao Special Admin-



istrative Region may authorize designated banks to perform or continue to perform the function of its agents in the issuance of Macao currency.

**Article 111** No foreign exchange control policies shall be applied in the Macao Special Administrative Region. The Macao Pataca shall be freely convertible.

The Government of the Macao Special Administrative Region shall safeguard the free flow of capital within, into and out of the Region.

**Article 112** The Macao Special Administrative Region shall maintain the status of a free port and shall not impose any tariff unless otherwise prescribed by law.

**Article 113** The Macao Special Administrative Region shall pursue the policy of free trade and safeguard the free movement of goods, intangible assets and capital.

**Article 114** The Macao Special Administrative Region shall be a separate customs territory.

The Macao Special Administrative Region may, using the name "Macao, China", participate in relevant international organizations and international trade agreements (including preferential trade arrangements), such as the General Agreement on Tariffs and Trade and arrangements regarding international trade in textiles.

Export quotas, tariff preferences and other similar arrangements, which are obtained by the Macao Special Administrative Region, shall be enjoyed exclusively by the Region.

**Article 115** The Macao Special Administrative Region may issue its own certificates of origin for products in accordance with prevailing rules of origin.

**Article 116** The Macao Special Administrative Region shall, in accordance with law, protect the free operation of industrial and commercial enterprises and make policies on its own for the development of industry and commerce.

The Government of the Macao Special Administrative Region shall improve the economic environment and provide legal guarantees for promoting the development of industry and commerce and for encouraging investments, technological progress and the development of new industries and new markets.

**Article 117** The Macao Special Administrative Region, on the basis of economic development, shall make labour policy and perfect labour law on its own.

The Macao Special Administrative Region shall establish social co-ordination organizations composed of representatives from the government, the employers' organizations and the employees' organizations to provide consultation for the making of labour law, social security system and economic plan.

**Article 118** The Macao Special Administrative Region shall maintain and perfect Macao's previous

systems of shipping management and shipping regulation, and make shipping policy on its own.

The Macao Special Administrative Region shall be authorized by the Central People's Government to maintain a shipping register and issue related certificates under its legislation, using the name "Macao, China."

With the exception of foreign warships, access for which requires the special permission of the Central People's Government, ships shall enjoy access to the ports of the Macao Special Administrative Region in accordance with the laws of the Region.

Private shipping businesses and shipping-related businesses and private terminals in the Macao Special Administrative Region may continue to operate freely.

**Article 119** The Macao Special Administrative Region shall, on its own, make policies on tourism and recreation based on its overall interests.

**Article 120** The Macao Special Administrative Region shall perform the protection of environment in accordance with law.

**Article 121** The Macao Special Administrative Region shall, in accordance with law, recognize and protect legal leases of land granted or decided upon before the establishment of the Macao Special Administrative Region and extending beyond 19 December 1999, and all rights in relation to such leases.

The grant or renewal of land leases after the establishment of the Macao Special Administrative Region shall be dealt with in accordance with relevant land laws and policies of the Region.

## Chapter VI

### Cultural and Social Affairs

**Article 122** The Government of the Macao Special Administrative Region shall, on its own, formulate policies on education, including policies regarding the educational system and its administration, the language of instruction, the allocation of funds, the examination system, the recognition of educational qualifications and the system of academic awards so as to promote educational development.

The Macao Special Administrative Region shall, in accordance with law, gradually institute a compulsory education system.

Community organizations and individuals may, in accordance with law, run educational undertakings of various kinds.

**Article 123** The existing educational institutions of all kinds in Macao may remain in operation. All educational institutions in the Macao Special Administrative Region shall enjoy their autonomy and, in accordance with law, enjoy teaching and academic freedom. Schools run by religious organizations may continue to provide religious education, including courses in religion.

Educational institutions of all kinds may continue to recruit staff and use teaching materials from outside the Macao Special Administrative Region. Students shall enjoy freedom of choice of educational institutions and freedom to pursue their education outside the Macao Special Administrative Region.

**Article 124** The Government of the Macao Special Administrative Region shall, on its own, formulate policies to improve medical and health services and to develop Western and traditional Chinese medicine. Community organizations and individuals may provide various medical and health services in accordance with law.

**Article 125** The Government of the Macao Special Administrative Region shall, on its own, formulate policies on science and technology and protect by law achievements in scientific and technological research, patents, discoveries and inventions.

The Government of the Macao Special Administrative Region shall, on its own, decide on the scientific and technological standards and specifications applicable in Macao.

**Article 126** The Government of the Macao Special Administrative Region shall, on its own, formulate policies on culture.

The Government of the Macao Special Administrative Region shall protect by law the achievements and the lawful rights and interests of authors in their literary and artistic creation.

The Government of the Macao Special Administrative Region shall protect by law scenic spots, historical sites and other historical relics.

**Article 127** The Government of the Macao Special Administrative Region shall, on its own, formulate policies on sports. Non-governmental sports organizations may continue to exist and develop in accordance with law.

**Article 128** The Government of the Macao Special Administrative Region shall, based on the principle of religious freedom, not interfere in the internal affairs of religious organizations or in the relations that religious organizations and believers in Macao maintain and develop with their counterparts outside Macao, or restrict religious activities which do not contravene the laws of the Region.

Religious organizations may, in accordance with law, run seminaries and other schools, hospitals and welfare institutions and to provide other social services.

Religious organizations shall, in accordance with law, enjoy the rights to acquire, use and dispose of property and the right to receive donations. Their previous property rights and interests shall be protected by law.

**Article 129** The Government of the Macao Special Administrative Region shall, on its own, establish a system for the professions and, based on the principle of fairness and reasonableness, formulate provi-

sions for assessing and issuing various professional qualifications and qualifications for professional practice in the various professions.

Persons with professional qualifications or qualifications for professional practice obtained prior to the establishment of the Macao Special Administrative Region may retain their previous qualifications in accordance with the relevant regulations of the Macao Special Administrative Region.

The Government of the Macao Special Administrative Region shall, in accordance with relevant regulations, recognize the professions and the professional organizations recognized prior to the establishment of the Region, and may, as required by social development and in consultation with the parties concerned, recognize new professions and professional organizations.

**Article 130** On the basis of the previous social welfare system, the Government of the Macao Special Administrative Region shall, on its own, formulate policies on the development and improvement of the social welfare system in the light of the economic conditions and social needs.

**Article 131** Local organizations providing social services in the Macao Special Administrative Region may, on their own, decide their forms of service, provided that the law is not contravened.

**Article 132** The Government of the Macao Special Administrative Region shall, when necessary and possible, gradually improve the policy previously practised in Macao in respect of subventions for non-governmental organizations in fields such as education, science, technology, culture, art, sports, recreation, medicine and health, social welfare and social work.

**Article 133** The relationship between non-governmental organizations in fields such as education, science, technology, culture, art, sports, recreation, the professions, medicine and health, labour, social welfare and social work as well as religious organizations in the Macao Special Administrative Region and their counterparts in other parts of the country shall be based on the principles of non-subordination, non-interference and mutual respect.

**Article 134** Non-governmental organizations in fields such as education, science, technology, culture, art, sports, recreation, the professions, medicine and health, labour, social welfare and social work as well as religious organizations in the Macao Special Administrative Region may maintain and develop relations with their counterparts in foreign countries and regions and with relevant international organizations. They may, as required, use the name "Macao, China" in the relevant activities.

## Chapter VII

### External Affairs

**Article 135** Representatives of the Government of

the Macao Special Administrative Region may, as members of delegations of the Government of the People's Republic of China, participate in negotiations at the diplomatic level directly affecting the Region conducted by the Central People's Government.

**Article 136** The Macao Special Administrative Region may on its own, using the name "Macao, China," maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organizations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural, science, technology, and sports fields.

**Article 137** Representatives of the Government of the Macao Special Administrative Region may, as members of delegations of the People's Republic of China, participate in international organizations or conferences in appropriate fields limited to states and affecting the Region, or may attend in such other capacity as may be permitted by the Central People's Government and the international organizations or conferences concerned, and may express their views, using the name "Macao, China."

The Macao Special Administrative Region may, using the name "Macao, China," participate in international organizations and conferences not limited to states.

The Central People's Government shall, in accordance with the circumstances and needs of the Region, adopt measures to ensure that the Macao Special Administrative Region shall continue to retain its status in an appropriate capacity in those international organizations of which the People's Republic of China is a member and in which Macao participates in one capacity or another.

The Central People's Government shall, in accordance with the circumstances and needs of the Region, facilitate the continued participation of the Macao Special Administrative Region in an appropriate capacity in those international organizations in which Macao is a participant in one capacity or another, but of which the People's Republic of China is not a member.

**Article 138** The application to the Macao Special Administrative Region of international agreements to which the People's Republic of China is or becomes a party shall be decided by the Central People's Government, in accordance with the circumstances and needs of the Region, and after seeking the views of the government of the Region.

International agreements to which the People's Republic of China is not a party but which are implemented in Macao may continue to be implemented in the Macao Special Administrative Region. The Central People's Government shall, as necessary, authorize or assist the government of the Region to make appropriate arrangements for the

application to the Region of other relevant international agreements.

**Article 139** The Central People's Government shall authorize the Government of the Macao Special Administrative Region to issue, in accordance with law, passports of the Macao Special Administrative Region of the People's Republic of China to all Chinese citizens who hold permanent identity cards of the Region, and travel documents of the Macao Special Administrative Region of the People's Republic of China to all other persons lawfully residing in the Region. The above passports and documents shall be valid for all states and regions and shall record the holders' right to return to the Region.

The Government of the Macao Special Administrative Region may apply immigration controls on entry into, stay in and departure from the Region by persons from foreign states and regions.

**Article 140** The Central People's Government shall assist or authorize the Government of the Macao Special Administrative Region to negotiate and conclude visa abolition agreements with relevant foreign states or regions.

**Article 141** The Macao Special Administrative Region may, as necessary, establish official or semi-official economic and trade missions in foreign countries and shall report the establishment of such missions to the Central People's Government for the record.

**Article 142** The establishment of foreign consular and other official or semi-official missions in the Macao Special Administrative Region shall require the approval of the Central People's Government.

Consular and other official missions established in Macao by states which have formal diplomatic relations with the People's Republic of China may be maintained.

According to the circumstances of each case, consular and other official missions established in Macao by states which have no formal diplomatic relations with the People's Republic of China may be permitted either to remain or be changed to semi-official missions.

States not recognized by the People's Republic of China may only establish non-governmental institutions in the Region.

## Chapter VIII

### Interpretation and Amendment of the Basic Law

**Article 143** The power of interpretation of this Law shall be vested in the Standing Committee of the National People's Congress.

The Standing Committee of the National People's Congress shall authorize the courts of the Macao Special Administrative Region to interpret on

their own, in adjudicating cases, the provisions of this Law which are within the limits of the autonomy of the Region.

The courts of the Macao Special Administrative Region may also interpret other provisions of this Law in adjudicating cases. However, if the courts of the Region, in adjudicating cases, need to interpret the provisions of this Law concerning affairs which are the responsibility of the Central People's Government, or concerning the relationship between the Central Authorities and the Region, and if such interpretation will affect the judgments on the cases, the courts of the Region shall, before making their final judgments which are not appealable, seek an interpretation of the relevant provisions from the Standing Committee of the National People's Congress through the Court of Final Appeal of the Region. When the Standing Committee makes an interpretation of the provisions concerned, the courts of the Region, in applying those provisions, shall follow the interpretation of the Standing Committee. However, judgments previously rendered shall not be affected.

The Standing Committee of the National People's Congress shall consult its Committee for the Basic Law of the Macao Special Administrative Region before giving an interpretation of this Law. **Article 144** The power of amendment of this Law shall be vested in the National People's Congress.

The power to propose bills for amendments to this Law shall be vested in the Standing Committee of the National People's Congress, the State Council and the Macao Special Administrative Region. Amendment bills from the Macao Special Administrative Region shall be submitted to the National People's Congress by the delegation of the Region to the National People's Congress after obtaining the consent of two-thirds of the deputies of the Region to the National People's Congress, two-thirds of all the members of the Legislative Council of the Region, and the Chief Executive of the Region.

Before a bill for amendment to this Law is put on the agenda of the National People's Congress, the Committee for the Basic Law of the Macao Special Administrative Region shall study it and submit its views.

No amendment to this Law shall contravene the established basic policies of the People's Republic of China regarding Macao.

## Chapter IX

### Supplementary Provisions

**Article 145** Upon the establishment of the Macao Special Administrative Region, the laws previously in force in Macao shall be adopted as laws of the Region except for those which the Standing Committee of the National People's Congress declares to

be in contravention of this Law. If any laws are later discovered to be in contravention of this Law, they shall be amended or cease to have force in accordance with the procedure as prescribed by this Law.

Documents, certificates, contracts, and rights and obligations valid under the laws previously in force in Macao shall continue to be valid and be recognized and protected by the Macao Special Administrative Region, provided that they do not contravene this Law.

Contracts signed by the previous Macao government whose term of validity extends beyond 19 December 1999 shall continue to be valid except those which the Chinese delegate to the Sino-Portuguese Joint Liaison Group or Chinese delegate to the Sino-Portuguese Land Group has publicly declared to contravene this Law or to be inconsistent with the stipulations contained in the Sino-Portuguese Joint Declaration on transitional arrangements.

## Annex I

### Method for the Selection of the Chief Executive of the Macao Special Administrative Region

1. The Chief Executive shall be elected by a broadly representative Election Committee in accordance with this Law and appointed by the Central People's Government.

2. The Election Committee shall be composed of 300 members from the following sectors:

Industrial, commercial and financial sectors 100

The professions (including education and the media) 80

Labour, social services, religious and other sectors 80

Representatives of members of the Legislative Council, representatives of members of municipal organizations, Macao deputies to the National People's Congress, and representatives of Macao members of the National Committee of the Chinese People's Political Consultative Conference 40

The term of office of the Election Committee shall be five years.

3. The delimitation of the various sectors, the organizations in each sector eligible to return Election Committee members and the number of such members returned by each of these organizations shall be prescribed by an electoral law enacted by the Macao Special Administrative Region in accordance with the principles of democracy and openness.

Corporate bodies in various sectors shall, on

their own, elect members to the Election Committee, in accordance with the number of seats allocated and the election method as prescribed by the electoral law.

Members of the Election Committee shall vote in their individual capacities.

4. Candidates for the office of Chief Executive may be nominated jointly by not less than 50 members of the Election Committee. Each member may nominate only one candidate.

5. The Election Committee shall, on the basis of the list of nominees, elect the Chief Executive designate by secret ballot on a one-person-one-vote basis. The specific election method shall be prescribed by the electoral law.

6. The first Chief Executive shall be selected in accordance with the "Decision of the National People's Congress of the People's Republic of China on the Method for the Formation of the First Government and the First Legislative Council of the Macao Special Administrative Region."

7. If there is a need to amend the method for selecting the Chief Executives for the terms subsequent to the year 2009, such amendments must be made with the endorsement of a two-thirds majority of all the members of the Legislative Council and the consent of the Chief Executive, and they shall be reported to the Standing Committee of the National People's Congress for approval.

**Annex II**

**Method for the Formation Of the Legislative Council Of the Macao Special Administrative Region**

1. The first Legislative Council of the Macao Special Administrative Region shall be formed in accordance with the "Decision of the National People's Congress of the People's Republic of China on the Method for the Formation of the First Government and the First Legislative Council of the Macao Special Administrative Region."

The Legislative Council in the second shall be composed of 27 members, including

Members directly returned	10
Members indirectly returned	10
Appointed members	7

The Legislative Council in the third term and in the subsequent terms shall be composed of 29 members, including

Members directly returned	12
Members indirectly returned	10

Appointed members 7

2. Specific methods for electing members of the Legislative Council shall be stipulated in the electoral law proposed by the Government of the Macao Special Administrative Region and approved by the Legislative Council.

3. If there is a need to amend the method for forming the Legislative Council of the Macao Special Administrative Region after 2009, such amendments must be made with the endorsement of a two-thirds majority of all the members of the Council and the consent of the Chief Executive, and they shall be reported to the Standing Committee of the National People's Congress for the record.

**Annex III**

**National Laws to Be Applied in the Macao Special Administrative Region**

The following national laws shall be applied locally with effect from 20 December 1999 by way of promulgation or legislation by the Macao Special Administrative Region:

1. Resolution on the Capital, Calendar, National Anthem and National Flag of the People's Republic of China
2. Resolution on the National Day of the People's Republic of China
3. Declaration of the Government of the People's Republic of China on the Territorial Sea
4. Nationality Law of the People's Republic of China
5. Regulations of the People's Republic of China Concerning Diplomatic Privileges and Immunities
6. Regulations of the People's Republic of China Concerning Consular Privileges and Immunities
7. National Flag Law of the People's Republic of China
8. National Emblem Law of the People's Republic of China

**Decision of the National People's Congress on the Method for the Formation of the First Government and the First Legislative Council of the Macao Special Administrative Region (Draft)**

1. The first Government and the first Legislative Council of the Macao Special Administrative Region shall be formed in accordance with the prin-

ciple of state sovereignty and smooth transition.

2. Within the year 1998, the National People's Congress shall establish a Preparatory Committee for the Macao Special Administrative Region, which shall be responsible for preparing the establishment of the Region and shall prescribe the specific method for forming the first Government and the first Legislative Council in accordance with this Decision. The Preparatory Committee shall be composed of mainland members and of Macao members who shall constitute not less than 50 percent of its membership. Its chairman and members shall be appointed by the Standing Committee of the National People's Congress.

3. The Preparatory Committee for the Macao Special Administrative Region shall be responsible for preparing the establishment of the Selection Committee for the First Government of the Macao Special Administrative Region (the "Selection Committee").

The Selection Committee shall be composed entirely of permanent residents of Macao and must be broadly representative. It shall include Macao deputies to the National People's Congress, representatives of Macao members of the National Committee of the Chinese People's Political Consultative Conference, persons with practical experience who have served in Macao's executive, legislative and advisory organs prior to the establishment of the Macao Special Administrative Region, and persons representative of various strata and sectors of society.

The Selection Committee shall be composed of 200 members in the following proportions:

Industrial, commercial and financial sectors  
60

The professions (including education and media)  
50

Labour, social services, religious and other sectors  
50

Former political figures, Macao deputies to the National People's Congress, and representatives of Macao members of the National Committee of the Chinese People's Political Consultative Conference  
40

4. The Selection Committee shall recommend the candidate for the first Chief Executive through local consultations or through nomination and election after consultations, and report the recommended candidate to the Central People's Government for appointment. The term of office of the first Chief Executive shall be the same as the regular term.

5. The Chief Executive of the Macao Special Administrative Region shall be responsible for preparing the formation of the first Government of the Region in accordance with this Law.

6. The first Legislative Council of the Macao Special Administrative Region shall be composed of 23 members, with eight members returned directly, eight members returned indirectly and seven mem-

bers appointed by the Chief Executive. If the composition of the last Macao Legislative Council before the establishment of the Macao Special Administrative Region is in conformity with the relevant provisions of this Decision and the Basic Law of the Macao Special Administrative Region, those directly returned members who uphold the Basic Law of the Macao Special Administrative Region of the People's Republic of China and pledge allegiance to the Macao Special Administrative Region of the People's Republic of China, and who meet the requirements set forth in the Basic Law of the Region may, upon confirmation by the Preparatory Committee, become members of the first Legislative Council of the Region. If there are vacancies, the Preparatory Committee shall be responsible for filling them.

The term of office of members of the first Legislative Council shall expire on 15 October, 2001.

## **Proposal by the Drafting Committee for the Basic Law of the Macao Special Administrative Region on the Establishment of the Committee for the Basic Law of the Macao Special Administrative Region Under the Standing Committee of the National People's Congress**

1. Name: The Committee for the Basic Law of the Macao Special Administrative Region under the Standing Committee of the National People's Congress.

2. Affiliation: To be a working committee under the Standing Committee of the National People's Congress.

3. Function: To study questions arising from the implementation of Articles 17, 18, 143 and 144 of the Basic Law of the Macao Special Administrative Region and submit its views thereon to the Standing Committee of the National People's Congress.

4. Composition: Ten members, five from the mainland and five from Macao, including persons from the legal profession, appointed by the Standing Committee of the National People's Congress for a term of office of five years. Macao members shall be Chinese citizens who are permanent residents of the Macao Special Administrative Region with no right of abode in any foreign country and shall be nominated jointly by the Chief Executive, President of the Legislative Council and President of the Court of Final Appeal of the Region for appointment by the Standing Committee of the National People's Congress. ■



efficient method for certifying whether cashmere products are genuine or not to maintain the reputation of the state. The method is very simple. Just drop some liquid onto the surface and it shows if a product contains genuine cashmere or some other form of yarn.

This is one of many implemented ideas. Dai Lixian from the science and technology department of the state commodity inspection administration told this reporter that the inspection departments throughout the country achieved 196 scientific and technological research results during the Seventh Five-Year Plan. Of these, 69 research results were of state level, six merited state awards for invention and 55 won the scientific and technological progress prizes of the Ministry of Foreign Economic Relations and Trade. These breakthroughs have greatly contributed to the Chinese inspection of import and export commodities.

### Up to World Standards

In 1980 China joined the International Laboratory Accredi-

Chinese inspection officials check Hunan embroidery bound for export.



A border inspector examines export commodities with his Soviet counterpart.

tation Conference and has actively participated in its activities since then. China has speeded up the construction of inspection laboratories and received international recognition for some of them.

International laboratory accreditation was developed in the 1970s as foreign trade boomed. To achieve accreditation, it is necessary to transform "international accreditation examination" into "domestic accreditation examination with international recognition." This serves to save China fees and time for accreditation abroad and also promote its foreign trade.

By the end of 1990, a total of 53 Chinese inspection laboratories had registered or were accredited by international organizations and accreditation administration organizations. Four textiles laboratories of the commodity inspection administration in Shanghai and

other cities were certified by the International Wool Secretariat as centres for inspection of import and export wool products in China. The Tianjin commodity inspection administration and its counterparts in 10 other cities were recognized by the International Wool Secretariat as centres for inspection of the appearance of wool products. The electrical appliances laboratory in Guangdong Province and four others were approved as safety inspection centres for the UL listing of the United States. Food inspection institutes in Beijing and 29 other cities were registered with the Ministry of Health and Welfare of Japan. The minerals inspection centre under the Liaoning commodity inspection administration and other two similar laboratories were listed at the American Society for Testing Materials.

In addition, China has brought the role of social inspection forces into full play. By the end of last year, 114 laboratories at the state level (including 19 laboratories of accreditation) and 254 regional ones had been granted the right to inspect import and export commodities. All these laboratories examine 20

percent of the nation's total import and export goods.

To improve inspection of import and export commodities and protect the interests of the state and its customers, the State Administration for Inspection of Import and Export Commodities published the first List of Import Commodity Quality License on August 1, 1989 in accordance with international practice. From May 1, 1990 on, the body implemented this quality license system on nine categories of commodities. It requires that these nine categories of commodities be imported only after their safety and production surroundings are up to the Chinese standards, following receipt of quality licenses and safety labels from inspection departments.

By the end of last year, China had received 450 applications for quality licenses from exporters and export goods manufacturers from 27 countries and regions including Japan, Singapore, Britain, France, the Soviet Union

and the United States. In total, Chinese inspection departments have offered 200 quality licenses and 7 million safety labels for about 600 products.

In the last few years the state commodity inspection administration has established ten wholly-owned or Sino-foreign commodity inspection institutions in Thailand, Germany, the Netherlands, Australia, Bangladesh, Singapore, the Philippines, Brazil and Venezuela.

At present, the Chinese commodity inspection departments have offered inspection certificates for more than 170 countries and regions covering trade, account balances, taxes, claims for compensation, arbitration and lawsuits. They are playing an increasingly important role in foreign trade.

During the Eighth Five-Year Plan period starting this year, China will establish and perfect an inspection system for import and export commodities which is suitable to China's national si-

tuation and fits international practice.

By the end of the period, a total of 100 domestic inspection laboratories and another ten overseas will have received international accreditation. The Chinese inspection departments will establish bilateral relations with laboratories in other countries and accreditation ties with the EC, North America, Asia and Australia, raising their prestige in the international field of inspection of import and export commodities.

At the same time, China will strengthen scientific and technological exchange plus cooperation with other countries and actively participate in international conferences, academic and training activities. Also it will promote the establishment of an international food inspection training centre to upgrade its inspection techniques for import and export commodities, and narrow its gap with advanced world levels. ■

## Life Insurance in China Developing

by Our Staff Reporter Han Guojian

*Since life insurance underwriting began a few years ago in China, public awareness about the service has gradually grown. In time, the new insurance is expected to replace the current social insurance system.*

According to statistics presented at the national life insurance conference held last April, by the end of 1990, about 220 million Chinese people had life insurance coverage. Although the figure is quite small for such a big country as China with a population of 1.1 billion, it is a tremendous change from only a decade ago.

In 1982 when the People's Insurance Company of China reinstated the life insurance business after a suspension of more than 20 years, only 100,000 people were covered and the premium income totalled only 1.58 million yuan. After eight years, the number of people purchasing insurance rose to 220 million and the premium income amounted to 5.9 billion

yuan. Life insurance has thus become a significant part of China's insurance undertakings (China's total premium income stood at 17.8 billion yuan in 1990).

According to Wang Ningjun from the People's Insurance Company, China has more than 30 life insurance services and almost every age group has the opportunity for life, death, medical and unex-

pected injury insurance. At the same time, the comprehensive insurance service combining life with death insurance has gradually expanded to include mother-infant health insurance, child insurance, student insurance, education and marriage insurance for sons and daughters and old-age insurance for the couples with family planning. Statistics show that by the end of 1990, some 20



A Chinese insurance organization staff member at work on the computer.

million people throughout the country had participated in child, education and marriage insurance, nicknamed an "investment in love," and that 50 percent of students had purchased insurance.

In addition to developing the above insurance services, a variety of new insurance coverage such as tourism, medical and customer responsibility insurance are being developed. China's life insurance service has thus grown over the years.

### Old-Age Insurance

Old-age insurance, an auxiliary measure of the reform, is one part of the life insurance service which has made rapid progress in recent years.

Previously, enterprises were responsible for old-age insurance for their workers and staff members and some enterprises were so financially burdened that they were in arrears with their retirement payments, thus affecting the stability of society. Shenyang City, for instance, is an old industrial city and the percentage of the

retired workers there accounts for a considerable proportion. One textile mill in the city with 62 workers and staff members on its payroll supports 107 retired workers. A worker thus has to support two retired workers and, as a result, the textile mill faces a heavy burden.

In August 1990, the Life Insurance Company's Shenyang branch, China's first, announced the founding.

By the end of 1990, a total of 7,000 enterprises and institutions in the city took advantage of old-age insurance. A considerable number of workers and staff members in the enterprises that did not participate in enterprise-sponsored programmes purchased insurance individually. Overall, 98 percent of the city's enterprises were part of an insurance coverage plan.

According to Gao Feng, general manager of the Shenyang Branch of the Life Insurance Company, his company draws 14 percent of total wages and 40 percent of the total retirement payment as insurance funds from participating enterprises. As a result, the risks of an enterprise are underwritten by the public and each retiree is ensured of a fixed retirement payment.

During its trial operation, the insurance company received 540.34 million yuan in insurance premiums and disbursed 530.73 million yuan in payments. Workers and staff members of the enterprises that have taken part in the insurance receive scheduled retirement payments. The previous situation wherein workers and staff members did not receive retirement payments and so they were on bad terms with factory

directors has disappeared. Disagreements between new and old workers and staff members about retirement payment, family infighting and strained relations between cadres and the masses are no longer the case. Since 1990, moreover, the insurance company has granted preferential treatment to 274 enterprises unable to make old-age insurance payments on time. Even if enterprises postpone payment of their insurance premium, workers and staff members will still receive retirement payments as usual, thus ensuring the livelihood of the 410,000 retired workers in the city. At the same time, the insurance company has issued 560,000 yuan in old-age pensions to 836 retired workers in eight enterprises that have gone bankrupt, paid 2.78 million yuan in revolving funds for 40,000



Door-to-door social insurance service is available for retirees.

households in 418 enterprises and resolved a myriad of difficulties for the enterprises.

Statistics show that enterprises presently owned by the public in 2,272 cities and counties and collectively owned enterprises in 1,015 cities and counties in China have old-age insurance. Of these, 50 million active workers and 10 million retirees of publicly owned enterprises have insurance, some 50 percent and 60 percent, respectively, of the nation's total active and retired workers.

## Rural Old-Age Insurance

The use of life insurance has also made much headway in rural areas. In recent years, the growth rate of life insurance premiums in rural areas has been 20 percent higher than in the cities, greatly surpassing the benefits provided under the urban system.

Early in 1990, Dalian, a port city located on the Liaodong Peninsula, instituted a rural old-age insurance system in prosperous Lushunkou, Gan Jingzi and Jinzhou prefectures and Changhai County. By the end of 1990, some 56,000 rural labourers or 5 percent of the city's 1.24 million labourers, had various types of old-age insurance coverage. Old-age insurance premiums totalled 14.5 million yuan.

There was profound social and economic background for Dalian City to establish an old-age insurance system in the rural areas. In 1990, the per-capita income of the city's farmers reached 1,000 yuan, or 500 percent more than 1978. After providing ample food and clothing for themselves, farmers realized they needed an old-age insurance system like the city dwellers so that their basic livelihood could be ensured after they became old. This was particularly important for Dalian because, since 1978, the city's population became quite elderly. People older than 60 years now account for 10.8 percent of the city's total population. When a couple has to support four elderly people and one or two children, they face a heavy financial burden. Therefore, there were strong economic reasons for the establishment of an old-age insurance system in the city's rural area.

Following the practice implemented in other cities, the insurance company pays out the profit of their insurance premium to insurance applicants. If a farmer died within ten years after beginning to receive an insurance and old-age pension, his or her benefi-

ciary or legal heir may obtain the remaining old-age pension.

The difference is that in rural areas individuals pay for the old-age insurance premium while the collective units provide proper allowances. The amount of the old-age pension is thus closely related to the amount of the insurance premium paid by individuals. This practice avoids a situation wherein, along with a deepening ageing trend in the population and a growth in the number of retired workers, the state and the collective economy must shoulder a growing burden. Economists are of the opinion that this practice will be the guiding orientation for the reform of China's social insurance system.

## Still a Long Way to Go

Gao Shangquan, vice-president of the State Commission for Restructuring the Economy, said that the reform of the old social insurance system and development of a new life insurance service is of utmost importance. It is estimated that by 2000 China will pay out 100 billion yuan in old-age pensions alone, an amount which the state finances can hardly bear. If no effective old-age insurance system is established quickly, a variety of problems will crop up. At present, one of the reasons for the low efficiency of large and medium-sized state-owned enterprises is that they have to support a large number of retired workers and staff members. After the publication of the Enterprise Bankruptcy Law, a few enterprises have gone bankrupt. The reason is that China is practising enterprise insurance instead of social insurance and only when a social insurance system is truly established, will the fundamental problems be resolved.

Yu Wang, vice-president of the State Family Planning Commission, said that the key to implementing family planning is to alleviate people's fear for not

having children to support them when they become old. China is now in its third baby boom period and its annual net population growth is 17 million. The nation's rural population, about 80 percent of the total, still favours large families because they believe their children will support them when they are old. Therefore, there is a great potential for the development of a life insurance service in China.

In view of this fact, Chinese insurance experts believe that although life insurance has made rapid progress in recent years, China still has a long way to go. Most people have insurance coverage for minor injuries and only a small number have major old-age and unemployment insurance, the major insurance sold in developed countries. In addition, even though state labour departments have set up an old-age and unemployment insurance system for the workers and staff members, their insurance premiums are paid for mainly by the state, enterprises and institutions. The risk factor has not been transferred to the public. The limited vision of insurance applicants and the improper use of the insurance premiums have also adversely affected the expansion of life insurance coverage. Hu Zhongwen, general manager of the Life Insurance Department under the People's Insurance Company of China, said that, before the potential market for life insurance in rural areas and in a variety of enterprises can be tapped, the situation wherein retirement and old-age pensions of workers and staff members in state institutions and state-owned enterprises are paid for by the state must be eliminated. He predicts that along with the improvement of the existing life insurance system, life insurance underwriting will ultimately become the mainstream of China's social insurance system. ■

# Crackdown on Abduction of Women and Children

by Our Staff Reporter Huang Wei

*In recent years, the abduction of women and children, a crime which was once wiped out after liberation, has again reared its ugly head in China. In response, the governments has mobilized efforts to crack down on such activity. This article describes the on-going efforts by officials in Sichuan Province.—Ed.*

The abduction of women and children is a major crime which requires severe punishment according to law. The Chinese Criminal Law stipulates, "Whoever engages in abduction for purposes of trafficking in human beings shall be sentenced to imprisonment for not more than five years or, in serious cases, to imprisonment for not less than five years." In October 1983,

the Standing Committee of the National People's Congress made a supplement to the stipulation that gang leaders involved in the abduction or trafficking in human beings and those who engage in these activities to a serious extent shall be sentenced to the highest degree of punishment as stipulated by the Criminal Law, including capital punishment.

## An Insidious Comeback

Sichuan Province in southwest China has a population of 100 million and covers an area of 560,000 square km. According to Liu Qi, an official of the provincial public security department in charge of the crackdown, soon after the nationwide liberation in 1949 the Chinese government imposed severe punishment on those who trafficked in human beings and eliminated the practice. During the ten chaotic years from 1966 to 1976, however, the insidious activity reappeared in poor mountainous areas of eastern Sichuan Province and then spread to urban areas in the last decade by way of farm markets, labour markets and other public places of entertainment.

Liu said most victims were rural women between 16 and 25 years of age, lured with false promises of good jobs, friendship, prospective spouses or who were simply

asked to be travel companions and then kidnapped and sold in other locations around the country. Children, however, were always kidnapped and taken away by force.

### Underlying Reasons

Such criminal activity is the result of a value system which puts money before everything. Yu Zhengwei, a criminal from Chongqing, Sichuan Province, was one person who abducted women. He previously lived by doing odd jobs until he happened to learn how easy it was to make several thousand yuan by trafficking in a woman.

Women in economically and culturally underdeveloped areas will do almost anything for a more comfortable life in richer areas and so can be easily deceived. When the surplus labour force, a product of the improved rural productivity, swarmed into the cities, the rural women become easy prey to abduction. They have illusions about city life and little social experience. For example, when 21-year-old Lu Mengzhen of Linshui County looked for job at a spontaneous labour market in Shangqingsi City, she met a young man who asked her to work in his pharmacy and accompany him to Beijing to buy medicines. Lu trusted him. Instead of getting a job, however, she was sold in Shandong Province to be the wife to a man she had never



Peng Yuru's daughter was freed in early 1991.

HUANG WEI

met before.

In some poor mountain villages, women were married off in order to escape the poverty of their hometown. This created difficulties for the men in the village who wanted to find spouses. In addition, some outdated customs such as betrothal gifts and banquets cost the groom at least 5,000 yuan. In comparison, buying a wife was cheaper, only 2,000-3,000 yuan.

Another problem is that childless couples or couples that have only a girl are willing to buy a child, preferably male, at a high price. These actions all contribute to the illegal trade in children.

### Crackdowns

Various levels of government and the public have bitter hate for such activity. In 1982 the Sichuan provin-

cial government, procuratorate and court organized a special office to crack down on those who abduct women and children. Chaired by Liu Qi, the office's main task is to help public security bureaus, procuratorates and courts handle cases involving abduction and rescue victims as quickly as possible.

Liu Qi said the main principle for the crackdown campaign is to deal with the gang leaders severely and quickly. All gang leaders, habitual offenders and recidivists seriously involved in such activities are sentenced either to life imprisonment or capital punishment. Li Changqing from Mianyang City was once imprisoned for abduction and released in 1987. He then kidnapped a five-year-old boy who died as he was being taken to be sold. Li was captured and sentenced to capital punishment.



Overall, the public security bureaus investigate cases in a timely manner, the procuratorates give rapid approval for the arrest of abductors and the courts try the cases quickly.

### Saving the Victims

A major task of the office in charge of the crackdown is to quickly rescue the victims from their fate and send them back to their homes.

Zhuo Dayun, head of the Chengdu office, said his office takes a serious look at all correspondence sent by victims and their families. At the end of November 1990, for example, the office learnt that Peng Yuru could not locate her five-year-old daughter. Within a month, the office discovered the girl had been abducted and sold in Anhui Province. The office arrested the abductor and quickly took the girl home soon after New Year's

Day of 1991.

Pang Jinhua from the Shuangliu County office has taken part in the rescue of victims four or five times each year. He said that the biggest problem he faced in his work, however, was the lack of legal knowledge among some rural leaders. They not only supported those who had purchased abducted women but also hampered efforts to rescue the victims. One day as he came to a village to free a 15-year-old from her buyer, he was stopped by dozens of villagers. They wanted him to compensate the buyer for his expenses before they would let him take the girl away. Together with local public security workers, Peng explained both state policies and the law to the villagers. He pointed out that it was a crime to abduct and trade in women and children. After his patient persuasion, the villagers understood their action was wrong and did not block his way to free the

girl.

In general, female victims have a hard life because their families are not well off and because they are oppressed by backward customs and discrimination.

Liu Qi said the Sichuan provincial government has called upon people not to look down upon the abducted victims and, along with the women's federation, has helped victims find employment after they are freed from their abductors. As of now, the local government has helped all of the families of victims to begin a new life.

Peng Surong, director of the Rights and Interests Department under the Sichuan Provincial Women's Federation, said it is duty of the women's federation to help former victims prosper as quickly as possible.

Li Hui, a victim from Pengshan County, had a hard life. Her parents were seriously ill. In addition to regular local government subsidies, she was sent to attend a tailoring class free of charge and was permitted to use the sewing machine of an official of the women's federation. Today, Li Hui supports both herself and her parents by tailoring. The county women's federation members frequently visit victims' families, befriend victims and encourage them to begin a new life. After coming back home, for example, Huang Suqiong felt depressed because of the township gossip about her and refused to see anyone. Learning of the situation,

Pan Chao was reunited with her family in Chengdu in May 1989. She was discovered in Yuzhou, Henan Province.

CHENG DU



the chairman of the township women's federation went to see her. At the same time, she spoke with the neighbours, telling them that they should vent their animosity on the abductors, not the victims. Before long, Huang had once again begun a normal life.

### Overall Measures

Sichuan Province is mobilizing all of its social forces to stop the spread of abductions.

**Publicizing legal knowledge.** On a shopping street in Shuangliu county town, several window displays describe in simple language and pictures an abduction case handled by the county people's court two months before. Displayed is a description of the criminal activities, the victim's private prosecution, the investigation of the case and the judgment of the court. One

passer-by noted, "I never thought abductors were so tricky. In the future, I won't trust any strangers."

The local government has also started new broadcasts and TV programmes to publicize legal knowledge and the on-going efforts by the government to attack those who abduct women and children. Chengdu city has made video tapes on some of the abduction cases in an effort to raise public vigilance against the activity.

**Administration of public places.** Starting in 1989, Chengdu authorities took actions to clean up labour markets and ballrooms and strengthen oversight of public places.

At labour markets both clients and traders must register. Ballrooms must also follow security regulations.

The local government has called on various places to strengthen public security in hotels, at wharves and bus and railway stations and adopt effective measures to

discover and put a halt to all abduction activities.

**Economic development.** The province has adopted various methods to develop the backward mountainous areas and encourage women to prosper through honest labour. This is an important means of reducing cases of abduction. Meiman Village in Changshou County, for example, was a poor area with 257 households. Before 1983, some were abducted. Since 1984, however, after the economy developed, there has been no trafficking in village women. The developed economy has allowed villagers to prosper. Today, 80 percent of all households have built their own two-storey houses while others have bought TV sets, radio, electric fans and other electric appliances.

At present, judicial departments are strengthening the education of those who abduct women and children and helping them to realize the damage they cause to society. The civil administration bureaus, women's federations and Communist Youth League organizations are also paying greater attention to the marriage needs of the rural young and recommending marriage partners for young people working outside of the province, thus eliminating the potential buyer's market for women. These functionaries have strengthened publicity and educational work and helped people to rid themselves of such feudal customs as mercenary marriages and purchasing male children in order to continue their family lineage. ■

The campaign to crack down on the abduction of women and children is on display in Chengdu.

CHENG DU



## Foreign Businessmen Keen on Beijing Area

The Beijing Zhongguancun New Technology Industrial Development Test District approved the establishment of 13 foreign-funded enterprises in the first quarter of this year, giving it top ranking in the districts and counties of Beijing. So far, a total of 72 foreign-funded enterprises have begun operation in the trial area.

During this period, talks were held about more than 120 foreign-funded projects. A total investment of US\$7.73 million was examined and approved, with registered capital of US\$6.39 million and direct foreign investment of US\$3.25 million.

By the end of 1990, the area had a total investment of US\$50 million, a registered capital of 40 million yuan and direct foreign investment of US\$20 million. These investors come from a dozen countries and regions including the United States, Japan, Hong Kong and Taiwan. They placed funds into fields such as electronic data, mechatronics, new materials, fine chemicals, biotechnology and high technology.

In the Zhongguancun district, 100 percent of foreign-funded enterprises are productive enterprises. Over the past three years, their foreign exchange income totalled US\$88.5 million, with earnings higher than expenditure. In 1990, the annual output value of each of 11 foreign-funded enterprises in Beijing, including the two in the new development area, exceeded 50 million yuan. In addition, the foreign-funded companies in the Zhongguan-

cun area ranked first in Beijing in export earnings, per capita average output value and other economic targets.

This year, the number of solely foreign-owned projects increased rapidly. This is because solely foreign-owned enterprises in the pilot area can not only enjoy a 15 percent reduction in income tax but also more preferential treatment than other enterprises. It is beneficial for such enterprises to go into operation and yield returns as early as possible.

by Zhang Ziping

## Shanghai Promotes Foreign Trade

Sha Lin, the newly appointed director of the Shanghai Commission of Foreign Economic Relations and Trade, announced that as of October 3 his commission and the Shanghai Foreign Investment Work Committee will move their offices to the new Hongqiao Mansion in the Hongqiao Development Area.

According to Sha, their aim is to promote the development of the city's foreign economy and trade and realize the functions of acting as "a window," "an organization" and "a rubber stamp" to provide foreign businessmen with more convenience.

The Ministry of Foreign Economic Relations and Trade and the Shanghai municipal government will jointly hold the 1991 China Foreign Technology Fair in Shanghai from September 9 to 15. In July and September, Shanghai will put on export commodities exhibitions in Singapore and Britain.

In the first six months of this year, Shanghai exported

US\$2,865 million worth of goods, fulfilling 65.5 percent of the state assigned plan.

Speaking of the city's introduction of foreign investment, Sha added that during this period Shanghai approved 181 projects using direct foreign funds involving US\$227 million, an increase of 135 percent and 85 percent in project numbers and overseas financing respectively. ■

## Taiwan-Mainland Accounting Seminar

More than 40 accountants and auditors from Taiwan and their mainland colleagues recently attended a seminar co-sponsored by the Yong-You Institute of Accounting and Auditing Research and the Taiwan Society for Managerial Accounting. The themes of the seminar cover the strategic management, economic performance, accounting and auditing of enterprises, the stock market and registration of accountants, a comparison between the accounting systems of Taiwan and the mainland, and developments and trends in the computerization of accounting.

Dr Stephen C. Yam of the Accounting Department of the Chinese University of Hong Kong, who promoted the meeting, noted that since China adopted its reform and opening up policy, the economic relations of the mainland, Hong Kong and Taiwan have become much closer. He said that although the accounting systems in the three places are a little different, they can all benefit by learning from each other. He hoped that through the seminar the accountants of the mainland and Taiwan could acknowledge each oth-

er's qualifications and exchange experiences.

The work of accountants and auditors has currently become a key link for Chinese enterprises to increase their economic returns. By the end of last June, in Taiwan there were 2,102 people who had acquired accounting qualifications and 591 accounting offices. On the mainland, there were 6,722 accountants and 457 accounting offices in operation.

In April 1984, seven cities including Shenyang, Xian, Beijing, Chongqing, Shanghai, Wuhan, Guangzhou and Haikou successively opened stock markets.

By the end of 1990, the People's Bank of China had approved 46 professional security companies which had issued 200 billion yuan of securities.

On December 5, 1990, Beijing opened a computer-controlled bidding network centre. Cities such as Beijing, Shanghai, Shenyang, Wuhan, Guangzhou and Haikou are now using the system, which can show the prices of state treasury bonds at any time. ■

## **New Hot Spot for Investment**

Experts predict that the Pingsha District in the Zhuhai Special Economic Zone will become a new hot spot of investment for Chinese and foreign businesses.

Located at the centre of the coastal Sanjin area on the Pearl River, the district covers an area of 257 square km. and is known as the "Treasure Land" to the west Zhuhai City. The deep-water port under construction, with a berth to accommodate 100,000-ton-

class vessels, will become a hub of the Guangzhou-Zhuhai Railway and the Zhuhai express way. At present, large-scale projects, including land reclamation and highway and port construction, are under way.

The district is one of China's largest production bases for cane sugar. In addition, there are 2,000 hectares of fish and prawn breeding farms, two lean-pork pig farms with an annual output of 10,000 head each, and a large reserve for rare animals and fowls. Pingsha is abundant in rainfall and has a long coastline. The local hot spring's temperature reaches 83 degrees centigrade and the spring has a daily discharge of 1,900 cubic metres, providing favourable conditions for convalescents and tourists.

Currently, the infrastructure construction in the district, including water and electricity supply system, highways, sewage works and land levelling, has been basically completed. About 18 projects including the representative office of Zhuhai's Gongbei Customs in Pingsha, the 6,000-kw generating set and 30,000-channel programme-controlled telephones exchanges were either completed or began construction. A number of projects using advanced technology imported from Hong Kong, Macao and the United States have been put into operation. The Huafeng Overseas Chinese Food Industrial Group Co. which possesses 18 production lines has become China's largest instant noodle production base.

The Pingsha District has divided its land into a light industrial area, a heavy and

chemical industrial area, a coastal hot spring tourism area, a processing area and a commercialized residential area. Project negotiation and land sale are under way. ■

## **Shandong Enters the World Building Market**

Shandong construction teams have contracted for 75 foreign projects in more than ten countries.

The building industry is one of the three major industrial pillars of the national economy. In Shandong Province, building teams at county level or above have 1.3 million workers and produce more than 10 billion yuan of output value a year. Early in the 1970s, they entered the world market through contracts for projects such as residences, stadiums, hospitals and embassies. In the 1980s, teams successfully tendered for the construction of more than 50 projects in Kuwait, Sudan, the United States and Lesotho. These projects include the Libyan embassy in Botswana and Chinese embassies in Sudan and four other countries.

Statistics indicate that over the past decade the province's workers completed a total of 600,000 square metres of floor space abroad and dispatched more than 5,000 engineers and technicians. ■

## **Changzhou Honours Foreign Contracts**

Changzhou, a city of Jiangsu Province, was recently hit by huge storms. The rainfall in the city proper reached 250 mm and the water level of the Changzhou section of the Beijing-Hangzhou Grand

Canal rose to 5.52 metres, a historical record. The flood caused severe disasters. Nine of the ten foreign trade storehouses were flooded, and commodities for export worth more than 100 million yuan were endangered. The city's Foreign Economic Relations and Trade Commission immediately arranged rescue operations to guarantee the export commodities and honour their foreign trade contracts.

Companies under the Foreign Economic Relations and Trade Commission organized a shock brigade to resist the floods day and night. They purchased more than 10,000 straw bags, gunny sacks, plastic bags and over 30 water pumps, heightened storehouse floors, lifted about 1,000 tons of commodities to a higher position and transferred more than 1,000 tons of goods. After a storehouse of the city's clothing import and export company was inundated, the head of the company organized its employees to work 48 hours and shifted 8,000 bales of 1.2 million metres of grey cloth to a safe place. After a few days of efforts, losses of the commodities for export were kept to a minimum.

Although the continuous storms made transport difficult, no companies fell behind in deliveries. The textile import and export company rushed to dispatch 253 tons of export commodities in 28 batches to Japan, Singapore, the United States and Canada. About 720 cubic metres of export goods in 25 containers from seven units, including the city's metals and minerals import and export company; the cereals, oil, native products and animal by-products import and export company,

the Hualida Garment Co. Ltd., were transported to the Zhangjiagang Port to guarantee the shipping of the goods in time.

## **Joint Design of Industrial District**

Huizhou City in Guangdong Province recently decided to let the Taiwan Sheji Engineering Consultant Co. and the Shenzhen Consulting Centre of the China Urban Planning and Design Research Institute jointly undertake the design of the Daya Bay Industrial Districts in the central part of the economic development zone to the south of the city.

The two companies both have extensive experience in city design and planning and enjoy high reputations both at home and abroad. At the appraisal meeting on the plans for the Daya Bay Industrial District, the scheme of the China Urban Planning and Design Research Institute proved unique and vast in scope. The blueprint of the Taiwan Sheji Engineering Consultant Co. combined western styles with traditional Chinese gardens.

The judging committee, consisted of urban planning and design experts, including Tao Songling and Huang Guangyu, agrees the two plans properly combine nature and man-made constructions and is up to international 21st century standards. If the two designs can offset each other's weakness, they will result in the best possible design for the Daya Bay industrial district. Experts from Taiwan and the mainland expressed their sincere hope for

successful co-operation and completion of the blueprints. ■

## **Hong Kong Develops Zhenshi District**

A programme to develop the Zhenshi Industrial Development District in Shishi City of Fujian Province has been examined and approved by the provincial authorities.

Located in downtown Shishi City, the district will cover an area of 11 hectares. It is a major investment project of the Hong Kong Overseas Investment Industrial Co. Fujian Province has approved a 50-year lease for the compensatory transfer of the state-owned land. The Hong Kong side will invest more than 80 million yuan in foreign exchange certificates in the construction of an export-oriented light industrial centre, which will be completed in four years.

Last November, Xu Rong-mao, chairman of the board of the Hong Kong company, signed a letter of intent on the Shishi project with the city's government. Up to now, overseas businessmen from Australia, Hong Kong and Taiwan have come to investigate. They have formally signed letters of intent for the establishment of a dozen of productive projects. The district encourages the development of industrial projects which are pollution free or cause less pollution.

The 12-storey Zhenshi Centre Mansion in the Zhenshi Industrial Development District will soon be completed. ■

## Going Abroad Becomes A Craze

XIANDAI JIATING  
(Modern Family)

Going abroad has been a craze for years. A large proportion of those who do so come from the families of intellectuals. Their parents not only have information about the political and economic situation of their children's home stay country, but also know details such as the change in temperature, time difference and even how much a micro-wave stove costs. When an earthquake took place in San Francisco in 1989, the long-distance call bureau was crowded with worried parents. Such concern for their offspring is affecting the psychology and personalities of the intelligentsia.

Intellectuals show varied responses to the change of their children abroad. A senior professor at Beijing University said that he didn't believe US education is the best. He felt deeply sorry for his son who is studying multi-cultural exchange in the United States at the expense of his original major—traditional Chinese culture.

A teacher's daughter and son-in-law went to New York where one became a master of French literature and another a master of American literature. They moved into business as soon as they graduated. The father sighed, "The more money children have, the more they treasure it. Our brood thought they had contributed a lot when they gave the family a colour TV. However, what we hope for is their success, not money."

Young people going overseas have brought some specific problems to their intellectual families. According to a Beijing University teacher, almost every storey of the building he lives in has youth who went overseas. As a result,

there are many "households with no children around the elderly." Some expatriates get their parents in China to look after their babies, which places extra burdens on the older generation who need to be attended to as well.

(Issue No. 4, 1991)

## Five Slanting Pagodas In China

ZHONGGUO CHUANTONG WENHUA  
QIGUAN  
(Traditional Chinese Cultural Wonder)

Among the hundreds of pagodas in China, the following five are famous slanting ones:

Huqiu Pagoda, or Yunya Monastery Pagoda. Located on Huqiu Hill of Suzhou City in Jiangsu Province in east China, the brick pagoda was built in 959. It is octagonal in shape with seven storeys. Since it has a 2.82 metres slant from top to bottom, some international architects call it "China's Leaning Tower of Pisa." In order to prevent the pagoda from collapsing, it has been reinforced with 44 concrete piles.

Suizhong Pagoda. Built in the Liao Dynasty (907-1125 AD) in Suizhong County, Liaoning Province, the brick pagoda has eight storeys and is ten metres high. A survey 30 years ago showed that it had a gradient of 12 degrees, over twice that of the Leaning Tower of Pisa. Today it is still standing lofty and firm.

Huzhu Pagoda. Constructed in 1079 in the Tianma Mountain in Songjiang County in Shanghai, it has a gradient of 1.5 degrees over the famous Italian tower. The pagoda has seven storeys and is octagonal in shape. The wood and brick structure remains erect.

Guilong Pagoda. Situated on the right hand island of the Zuojiang River in Chongzuo County, Guangxi Zhuang Autonomous Region, the 25-metre-high pagoda has five storeys and six protruding lines and a one-metre-

long gradient. It is called the "Zuojiang River Leaning Pagoda." According to research, workers of the period purposefully built the pagoda on an oblique angle after considering the wind force from the river and suitable foundations.

Yuquan Pagoda. Originally named Sheli Pagoda, it was built in 1061 on Yuquan Mountain in Dangyang County, Hubei Province. The base is constructed of special black bricks while the main structure is iron. The building slants 1.5 degrees and is 23 metres high with 18 storeys. ■

## China's Longevity City—Shanghai

XINMIN WANBAO  
(Shanghai Evening News)

Shanghai is now the city in China where the residents enjoy the longest life. Their average life span is 73.16 for men and 77.74 for women. There are more than 1.8 million people over 60, including half a million over 70, and 160,000 over 80.

Shanghai is a modern industrial city. With a dense population, its natural environment is not as good as in rural areas. Why can the city's inhabitants live so long? As well as the fact that they enjoy a secure life and good medical care, an important reason is that the old people are fond of physical training.

What kinds of activities are good for the elderly? Some of the long-lived persist in doing taijiquan, setting-up exercises or taking a walk everyday.

Now, Shanghai has set up more than 600 guidance places for taijiquan and exercises. The association for the elderly in Shanghai has popularized taijiquan, qigong, setting-up exercises and a total of 21 other practices. In 1991, more than 100,000 old people take part in such activities everyday.

(April 10, 1991)



## Health Tours to Baoding

Hebei Province has developed a new itinerary to Baoding this year. It includes *qigong* (deep-breathing exercises) therapy, *wushu* (Chinese martial arts), body-building, tasting of traditional Chinese herbal food, visits to the famous Anguo Chinese medicinal herb market and other features.

Baoding, located 150 km from Beijing, has a *qigong* hospital with 11 departments that provide comprehensive *qigong* therapy, a special function X-ray la-



YANG ZHIJIAN

Wang Juemin giving a patient "qigong" therapy.

boratory and acupuncture. Director Wang Juemin, a famous *qigong* master, is in charge of *qigong* therapy.

Not far from the hospital is Hebei Province's largest *wushu* school where tourists can watch performances of masterly skill acquired through intensive training. Adepts perform practices such as breaking a stone slab with a blow of the hand or pressing a long spear against the throat. Tourists can also attend classes there to learn *qigong* skills.

Anguo County, 50 km from Baoding, is the largest collection and distribution centre in China for time-honoured folk remedies. Here almost every household grows traditional herbs and manufactures Chinese medicine. At present, more than 7,000 hectares of land in the county is sown with herbs. There are over 700 Chinese medicine-processing factories that concoct over 300 kinds of Chinese ready-made tonics.

At the "medicine market," which extends for eight streets, there are four trading halls and five exhibition rooms. The average daily volume of business is 150 tons. During the annual Anguo International Traditional Chinese Medicine Festival, tourists will be able to discover 1,000-odd varieties of Chinese medicinal herbs collected nationwide.

In Anguo City's Museum of Traditional Chinese Medicinal Herbs, visitors can see herbs, photos and books on display that illustrate the history of Chinese medicine.

At the World of Traditional Chinese Medicine Hotel, guests can savour health food, enjoy a Chinese herbal bath or receive *qigong* therapy.

by Kou Zhengling

## Seaside Resort Art Palaces

The newly built Journey to the West and Globe Trot art palaces in the seaside resort area of Nandaihe in Hebei Province have opened to domestic and foreign tourists since early June.

Nandaihe and China's popular seaside resort Beidaihe are only a stone's throw from each other. The two amusement places in Nandaihe cover almost 10,000 square metres. There are 25 tableaux in the Journey to the West Palace that display the wonderful lively figures and stories of the classic fantasy tale. The Globe Trot Palace is unique, with a plain hemispherical front structure, while the other three sides are simple and plain yet bold replicas of the battlements of the Great Wall. The 24 scenes show some of the world's famous scenic spots, local customs, nature's secrets and the science fiction world of Star Wars.

The two art palaces use modern lighting facilities, electricity and sound control. They combine traditional sculpture with painting and stage art, making an overall effect that is extremely informative, interesting and artistic.

by Jing Wei

## News in Brief

- **Summer Evening Paradise:** The Beijing Friendship Hotel Guibin Lou (original Main Building) has recently opened the Summer Evening Paradise on its Roof Garden to provide nighttime entertainment. Guests can taste various local delicacies while listening to music.

- **American Pianist in Beijing:** The Jin Lang Meridien Hotel located at Chongnei Dajie, Beijing, has recently invited black American pianist Tim Davis to play and sing traditional American jazz for guests. He performs from 8:00 pm to 1:00 am, except on Mondays, in the hotel's Victor Bar on the third floor.

- **Bathing facilities** were recently completed at Gaoshaling Beach in Tanggu area, some 45 km from downtown Tianjin and 170 km from Beijing. The smooth sandy beach is a natural bathing area at high tide, while at low tide the sandy expanse is an ideal place for tourists to explore the varied seashells and marine life along the shore.

Facilities include a swimming pool supplied by water from a local hot spring deposit and high quality accommodation and service facilities. In the next five to ten years, a beach official said the area will be able to accommodate up to 1 million visitors a year.

by Li Ping

## Epic Film Tells CPC's Early History

**A**n *Epoch-making Event*, a historical film produced by the Shanghai Film Studio, shows, for the first time, the story of the founding of the Communist Party of China.

The story began in 1919, just after the end of World War I. China, as one of the victorious countries, was expecting a peaceful period to recover from the war. However, the Versailles "Peace Conference" convened by the predatory imperialist powers including Britain, the United States, France, Japan and Italy decided that Japan should take over all the privileges previously seized by Germany in Shandong Province, and the Northern Warlord government prepared to accept the humiliating clause. On May 4, 1919, the indignant students in Beijing held a grand rally at Tiananmen Square, starting the world-shaking anti-imperialist and anti-feudalist patriotic May 4th Movement. The warlord government made a bloody crackdown on the movement, only to fuel the revolutionary fire into a nationwide struggle. During this period, a group

of Chinese intellectuals began to arm themselves with Marxist ideology and decided to create a proletarian political party in China. They overcame great difficulties and finally founded the Communist Party of China in July 1921.

The name of the film is taken from a famous statement made by the late Chairman Mao Zedong, when he said, "The founding of the Communist Party of China is an epoch-making event." After seeing the film, some top leaders of the Central Committee of the CPC praised the film for giving a realistic reflection of the whole process of the founding of the Communist Party of China and vividly explaining the inevitability of the birth of the Communist Party of China. They acclaimed the film as being an important milestone in the creation of films depicting revolutionary history.

The film depicts more than 60 historical figures, including both the most influential people in the history of the CPC and those who later became traitors of Communism. Speaking of these his-

torical personages, Huang Yazhou and Ren Tainyun, the script writers of the film, said, "They were young people at that time who had suffered countless failures and mistakes, and some of them even lost their valuable lives. However, they cherished a deep love for the future of their nation and the world." Li Xiepu, director of the film, said, "In every nation that denies defeat, there are always some pioneers who march at the forefront of history to call others to arms, to encourage them and to advocate and fight for their cause. Chen Duxiu, Li Dazhao, Mao Zedong and Dong Biwu were just such revolutionary pioneers."

Chen Duxiu (1879-1942) who used to be one of the chief founders of the CPC and later gave up his belief in Communism, for the first time, becomes one of the leading heroes in this epic film. Chen, who was a leading professor of liberal arts at Beijing University, was praised as a bright star in modern Chinese ideology. He had been general secretary of the CPC for six years. Later he became pessimistic about the future of the revolution and became a traitor to the Party. In 1929, Chen was expelled from

**Left:** Chen Duxiu (right), just released from prison, is eating roast meat, his favourite dish. The man standing beside Chen is Li Dazhao; **Right:** Yang Kaihui, Mao's wife, is pregnant. One of their friends congratulates them with a pair of baby shoes.

photos by SHANG YINGGONG.



the Party.

In the film, the middle-aged Chen, was depicted as a brilliant revolutionary figure who was enthusiastic, dauntless and stubborn. Completely disregarding his own safety, Chen spread Marxism and called for workers and peasants to revolt. At the same time, the other side of his character—being both a husband and father—was also described in the film. Critics said that the character of Chen Duxiu in the film was real and believable. Because of historical reasons, most Chinese people have little knowledge about the early revolutionary activities of Chen Duxiu. For a long time, the Chinese historical circles tended to negate Chen's early contribution to the Party because of his later betrayal. The director, however, wanted the audience to know not only Chen's limitations in understanding Marxism, but also his great contribution to the founding of the Party.

Chen Duxiu was played by Shao Honglai who is popular among Chinese audiences for his successful portrayals of Li Zongren, late acting president of the Kuomintang government, in a number of historical films. In order to look physically like Chen Duxiu, who had a broad forehead and receding hairline, he asked the makeup man to pull out the hairs on the front of his head. "More important is to reflect Chen's inner personality," said Shao. For this reason he collected many materials concerning the life of Chen, visiting historians and carefully studying Chen's letters, writings and biographies about him. His efforts paid off and his performance won high praise from critics and audiences.

Li Dazhao was one of the first Chinese to introduce Marxism to China. Li, at that time, was a professor of economics and director of the library at Beijing Univ-

ersity. Li served as central committee member of the second, third and fourth national congresses of the CPC. During the first co-operation of the Kuomintang and the Communist Party of China, Li helped Sun Yat-sen reform the Kuomintang and was put in charge of the Northern Sub-committee of the Kuomintang Central Political Committee. Li was later killed by a reactionary warlord. Sun Jitang, who played Li Dazhao in the film, was successful in portraying both the outer appearance and the inner world of Li Dazhao. Unlike Chen Duxiu, Li appears as an introverted and reserved scholar, always taking into account the interests of the whole and never giving thought to personal gains or losses.

The film is the first to portray the image of young Mao Zedong. In the film, the 26-year-old Mao was not depicted as a "prophet," but the ardent youth he was at that time, from rural Hunan Province. He had a great appetite for knowledge and a strong patriotic spirit. He outshone his contemporaries for his wisdom and talents. However, he was still some distance from the mature Mao Zedong. This was not an easy task for Wang Ying who, for the first time, played Mao Zedong. He said, "The position of this great man in the heart of the people put me under a lot of pressure. At the beginning, I was very nervous and often haunted by the thought that I played someone so superior. Then the director said to me, 'You are not playing a great man, but a young man who was seeking truth.' I gradually built up my self-confidence and my performance became more natural."

Critics said that this film was one of the few films to successfully combine art with history. Without contradicting important events, the film producers created many moving and vivid de-

tails according to the natural development of the plot. For example, when Chen Duxiu was put into prison, his son comes to see him from a far-away place. Seeing his father, the son cannot help but shed tears. But the first words Chen says to his son are, "It's spineless to cry in such a place." This detail reveals Chen's persistent character and his strictness toward his son. Mao Zedong had never kowtowed before, but when he was deeply in love with Yang Kaihui, he kneels down before the portrait of Yang's father without the least reluctance to confess his love. Critics said that these details contribute a lot to the success of the film.

by Hong Lanxing

## Party Birthday Celebrated on Stage

A distinguished performance of *The Yellow River and the Sun* was recently staged in Beijing to mark the 70th anniversary of the founding of the Communist Party of China (CPC). Many renowned composers, musicians, singers and dancers participated in the planning and staging of the programme.

A cast of nearly 1,000 put on the show in the 10,000-seat Great Hall of the People. They created an imposing atmosphere that led to a fervid exchange of emotions between the cast and the audience.

The entire performance included three parts.

The first part had three items. *Boat Trackers on the Yellow River* was danced to resounding music, below an image on the stage backdrop of the roaring Yellow River, that represented the Chinese nation. The 60 dancers portrayed the vitality of the Yellow River and the fortitude of the boat trackers on the 32 metre-wide stage. The boat trackers symbolized the CPC, showing



A scene from *Boat Trackers on the Yellow River*.

YU LIE

that the CPC has for decades been pulling the boat of the Chinese revolution forward, in order to, as in the words of the song, "Bring happiness to the people."

Heroic, solemn and stirring, the dance reflected the mood of the whole performance.

The next item was a baritone solo. The familiar poem, *Snow*, of Mao Zedong was set in the 1970s to an old metrical rhythm. Liu Bingyi, a well-known singer, rendered the song with a deep and penetrating voice, which, against images of mountains, pines and snow, revealed Mao's love for the country and his confidence for the future.

The third performance was a group dance *Look to This Age*, performed by 60 male and 60 female dancers. The band's cheerful and light-hearted music mixed with the lively drum rhythm, showing the new generation is growing and New China is marching on. Hundreds of red, green and yellow silk ribbons waved by the cast symbolized a happy life.

*Bright Group Stars*, the second part, was a medley of 12 songs, solos and children's choruses. These songs, including the earlier lyric *Boat on the Nanhu Lake*, which hailed the founding of the CPC, and the modern song *On the Hopeful Field*, have been popular with generations of the Chinese people. They remind them of years gone by. The artists include some of the first per-

formers of these songs and also the new stars in China's music arena. Kai Chuan, a prominent lyric writer, said, "The songs both recall the Chinese revolution and bring back the experience of the development of literature and art of the People's Republic of China. People could enjoy listening to the different styles of various periods."

The third part, *The Yellow River and the Sun*, a newly written symphony, brought the performance to its climax. In the 24-minute production, 56 stanzas were sung non-stop by a 120-person chorus. Here, the images of the Yellow River and the sun, symbols of the Chinese nation and the CPC, were given music form. Feelings of pride moved the audience. In the finale, a red sun, eight metres in diameter, slowly rose above the stage. At this moment, all the lights were turned on and hundreds of school pupils in front of the audience waved sunflowers towards the sun shedding its rays over the land. Long and loud applause broke out in the hall and the performance drew to the end in an atmosphere of high excitement.

by Feng Jing

## Xian to Showcase Ancient Culture and Art

The First Xian Ancient Culture and Art Festival will be held from September 9 to 15, 1991, in Xian, one of the

four most famous ancient capitals in the world.

The festival offers a wide range of activities including a palace fireworks show, lion dance, a dragon-lantern performance, walking on stilts, riding a bamboo horse, and rowing a land boat, sports competitions, a beacon-fire display (used to give border alarm in ancient China), a selective exhibition of cultural relics of 12 ancient dynasties, and ancient song and dance performance. At the same time, an exhibition of famous brand and new products of Xian and trade talks will also be held in the city. Also scheduled are a tourist commodity exhibition, an exhibition of scientific and technological achievements, and a fashion show.

Xian, an ancient capital city with a history of more than 3,000 years, enjoys a reputation of being China's "cultural and artistic treasure house." The terracotta warriors and chariots of the first emperor of the Qin Oynasty, known as the eighth wonder in the world, is located at the foot of Lishan Mountain to the east of Xian.

Xian is also a modern city with a solid industrial, scientific and technological base. Now it is an important centre for aeronautics and astronautics, electrical machinery, electronics, instruments and meters, and textiles. The over 430 scientific research institutions and 40 schools of higher learning in Xian make the city one of the most important bases for science and technology and education. This year, with the approval of the state, Xian began to construct a hi-tech industrial development zone.

Xian used to be a centre for Sino-foreign exchanges in ancient China. The famous Silk Road connecting Asia and Europe started here. In the past ten years, it has established friendly relations with six foreign countries and set up 37 joint ventures.

by Jing Wei



# Sketches by Hua Kexiong

Hua Kexiong, an army painter, born in Tianjin in 1921, specializes in ink and wash painting. These landscape sketches of his were created when he travelled along areas south of the Yangtze River.



A Household by the River.



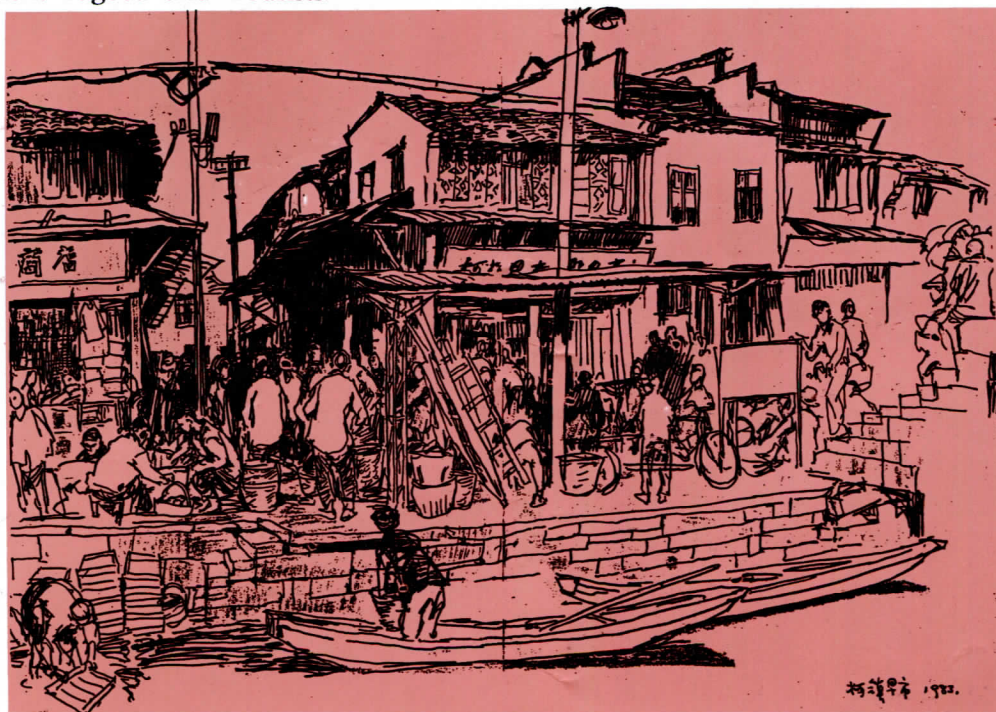
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An Ancient Pagoda and Tourists.



A Canal.

## ART PAGE



A Morning Market.

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