

A CHINESE WEEKLY OF NEWS AND VIEWS

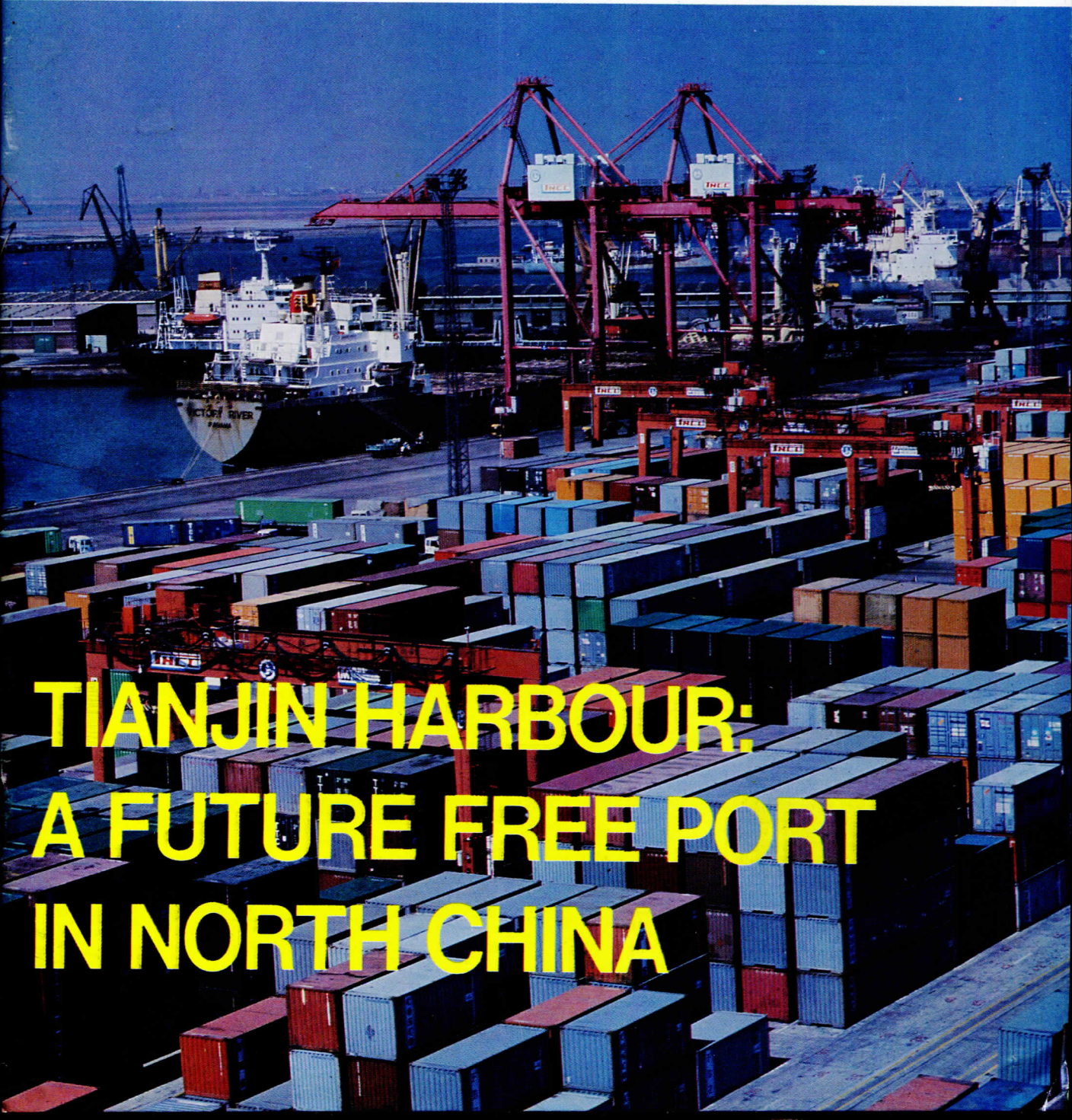
Beijing Review

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VOL. 34, NO. 33

August 19-25, 1991

Japanese Prime Minister Visits China



**TIANJIN HARBOUR:
A FUTURE FREE PORT
IN NORTH CHINA**



A street cleaner at work in the morning.
(selected work from the Black-Diamond Photo Competition)

Photo by Li Yi

HIGHLIGHTS OF THE WEEK

South Jiangsu Province After Flooding

□ Many Chinese provinces and cities were hit by devastating floods in June and July. Now the disaster has been brought under control due to the joint efforts of the government, army and people, as well as international assistance. This report describes in detail how local residents are busy restoring production and rebuilding their homes (p. 23).

Tianjin Development Zone Prospers

□ After six years of construction, the Tianjin Economic and Technological Development Zone has yielded substantial returns. A new industrial area has taken shape in the zone which has become Tianjin's open window to the outside world (p. 10).

Japanese Prime Minister in Beijing

□ Japanese Prime Minister Toshiki Kaifu visited Beijing August 10-13, thus becoming the first state leader of the G-7 industrial countries to visit China since the summer of 1989. The visit marks the full restoration of Sino-Japanese relations, and both sides vowed to further friendly ties (p. 4).

Current Situation in Northeast Asia

□ Recent years have seen positive changes in the situation in Northeast Asia. But there are also worrisome omens. While certain old turbulent and destabilizing factors still await elimination, new ones which may trigger fresh tensions have raised their ugly head. (p. 7).

Cuba Improves Relations With Other Countries

□ In face of a changing world, the Cuban government has greatly improved its relations with Latin American countries and China. This is not only conducive to the reduction of US pressure on Cuba, but it also helps to promote the process of Latin American integration (p. 9).

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COVER: The container dock in Tianjin Xingang Port.

Photo by Li Chungeng

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Kaifu Visits Beijing to Refresh Ties

When Japanese Prime Minister Toshiki Kaifu stepped down on the red carpet outside the Great Hall of the People in Beijing on August 10, he became the first state leader of the seven Western industrial countries to visit China since the June 4 Incident of 1989.

"I've expected such a day would come soon," a middle-aged Beijing resident said when he saw the motorcades with sun flags running on the city's main boulevard. "They need us, and we need them too."

"Do you mean you want more Sony and Toshiba goods?" a young man teased.

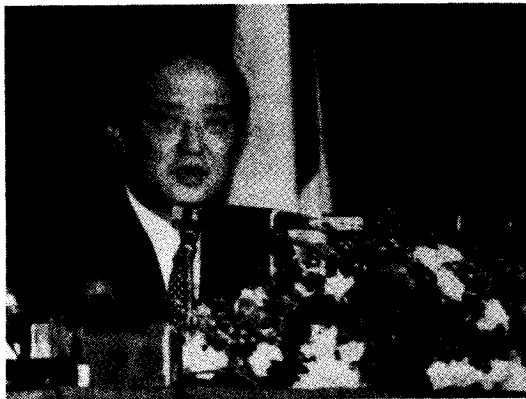
"Well, more than that. I don't think autarky and isolationism can work in today's world," he responded.

The four-day visit turned out to be "very successful," according to a spokesman of China's Foreign Ministry. The visiting Japanese leader met and had talks with Chinese leaders Jiang Zemin, Yang Shangkun and Li Peng. The two sides shared views on bilateral relations and had identical and similar approaches on some global issues, the spokesman said.

Chinese Premier Li Peng told his Japanese guests that Sino-Japanese relations have grown smoothly since the establishment of diplomatic ties in 1972. After 1989, bilateral relations experienced some setbacks. "But we are pleased to see that they have returned to normal. We hereby express our appreciation for the positive efforts the Japanese government and prime minister Kaifu have made to restore and

develop the bilateral ties," said Li.

Kaifu said Japan-China friendship has always been a pillar of Japan's foreign policy. In the current international situation, he added, it is all the more important to increase Japan-China dialogue. The steady growth of Japan-China ties is vital to stability and prosperity of the Asia-Pacific region and the



YANG LIMING
Japanese Prime Minister Toshiki Kaifu at a press conference in Beijing's Shangri-la Hotel.

world as a whole.

On bilateral economic and trade relations, Kaifu said that such relations have experienced "a steady growth" since the normalization of Japan-China relations, adding that the trade volume of the two countries has increased 20 times.

Li Peng said that economic and trade ties between the two countries have been developed well this year, with China's imports from Japan increasing markedly. The principles of equality and mutual benefit are essential to the maintenance of this trend, Li said. If Japan imports more from China, Li added, China will be able to do likewise.

Addressing a gathering of

more than 800 people at the Sino-Japanese Youth Exchange Centre on August 11, Kaifu said that Japan would continue playing an active role in world affairs, but had no intentions of becoming a military power that will threaten its neighbours. "With our sense of sincere contrition at the past war we have truly been reborn as a nation for peace. The Japanese people are determined never again to make war."

He pointed out, "There was an unfortunate period, for which Japan should deeply reproach itself, in the long history of friendship between Japan and China. It took both nations' steadfast efforts and boundless will to transform the bilateral relationship into one of true friendship and cooperation."

On his flight to Beijing, the Japanese leader saw the results of the severe flooding in east China. He expressed his sincere solicitude for the flood victims. Kaifu announced

that his government would donate another US\$1.5 million in emergency aid.

China to join nuke arms agreement. The Chinese government has agreed in principle to join the Nuclear Non-Proliferation Treaty, Li announced during his talks with Kaifu on August 10.

The decision, Li explained, was "for the purpose of promoting total prohibition and thorough destruction of nuclear weapons."

Kaifu, in his public address the next day, lauded the announcement as "an epoch step on China's part towards the common goal of the international community to strengthen nuclear non-proliferation."

by Staff Reporter Li Haibo

Billions of Yuan For Southwest China

Tens of billions of yuan are to be invested in turning the southwestern provinces of Sichuan, Guizhou and Yunnan into the country's largest hydroelectric power production bases. Projects that will be launched during the Eighth Five-Year Plan period (1991-1995) are expected to boost the country's hydropower output by 20,000 megawatts.

Sichuan, Guizhou and Yunnan, covering 1.1 million square kilometres — nearly 12 percent of the country, feed more than 190 million people, or one-sixth of the nation's total population. The area is a place where natural resources are the richest in China.

The new investment figure is expected to equal that spent during the old "Third Line Construction Campaign" in 1965-1975, when the central government invested about 170 billion yuan (US\$31.7 billion) in building more than 2,000 large and medium-sized enterprises. This is the result of the central government's industrial policy change, which pays more attention to economic development in southwest China as well as in south and east China.

Huge hydropower stations at Manwan, Yantan and Tianshengqiao, whose installation capacity exceeds 1,200 megawatts each, are well underway. More than 10 large-scale hydropower stations are to be started on the Yalongjiang and Jinshajiang rivers in Sichuan, the Lancangjiang in Yunnan and the Wujiang in Guizhou in the next 10 years.

By the end of this century, the southwest China provinces will have a total installation capacity of 20 million kilowatts, making

the area the country's largest hydropower base.

In an attempt to divert more energy to economically developed regions in south and east China, workers are stepping up installation of a 1,000-kilometre-long ultra-high-voltage power transmission line which connects Tianshengqiao Hydropower Station with Foshan and Jiangmen in Guangdong, and is scheduled for completion by 1992. The installation of another power transmission line will be finished by 1997.

Meanwhile, the central government has been expanding the construction of the largest coal base in Guizhou Province, as well as rapidly developing the raw material processing industries in the three provinces.

More than 90 percent of the country's total estimated phosphorous ore deposits are in Guizhou and Yunnan. Construction of China's largest phosphorous fertilizer and chemical industry production bases are well under way in the two provinces.

Of the ten nonferrous metal projects the state plans to construct during the 1991-1995 per-

iod, three are in the three southwestern provinces. By the end of this century, the area will be built into one of China's three gold industry bases. ■

China Sets New Goals for Children

The Chinese government has worked out a draft plan to achieve 10 new goals for its 313 million children by the year 2000.

According to the plan, the mortality rate of infants and children under five years of age will be reduced by one-third from the 1990 level. Maternal mortality and malnutrition among children under five will also be reduced.

Hao Jianxiu, vice-minister of the State Planning Commission, presented the plan to a regional consultative conference on national programmes of action held in Bangkok from July 18 to 20.

The meeting, organized by the United Nations Children's Funds Office for East Asia and the Pacific, was attended by 80 government representatives and

Three-year-old children in a Beijing kindergarten performing.

LI HAIBO



social planners from 11 Asian countries. It was a followup to the World Summit for Children held at the United Nations in New York last year during which 71 heads of state had unanimously signed a world declaration and a plan of action for the survival, protection and development of children, committing themselves to a national programme of action to be prepared by the end of 1991 for implementation in their countries.

The draft plan was worked out after Premier Li Peng signed the world declaration on March 18, 1991. It includes provision for safe drinking water to 85 percent of the rural population who currently do not have access to it (including transforming watertaps to those that can filter the fluoride content by the year 2000).

Hao said China will realize its goal to make nine-year compulsory education in towns and the developed rural areas universal and access to six-year compulsory primary education throughout the country and that 35 percent of children between the ages of three and six will be enrolled in kindergartens. She added that illiteracy between the ages of 15 to 40 will be eliminated and adult education strengthened.

According to the plan, the government is also set:

To provide children with more centres for extra-curricular activities, such as cultural, scientific and technical activities, sports and recreation.

To carry out a policy of "Children First" in poor, remote and minority-inhabited regions.

To reduce the incidence rate of childhood disability and strengthen their rehabilitation and development.

To enforce legislation for the protection of children's rights. ■

Bigger Loans, New Problems

Chinese banks have adopted favorable loan policies to bail out large and medium-sized state-owned firms. But increased loans have been generating new problems.

Yan Yi, director of the policy research department under the Industrial and Commercial Bank of China (ICBC), said that economic returns of these enterprises are lower than expected. Their debts are rising and their ability to transform and develop themselves remains low.

Before 1983, enterprises' working capital came from both state allocations and bank loans. Since then a new policy has made bank loans virtually the only source of working capital.

In 1990, the bulk of bank loans went to large and medium-sized state-owned industries to help them step up production and overcome shortage of funds.

The ICBC, the leading bank engaged in industrial investment, increased loans to the national industry by more than 68 billion yuan (about US\$13 billion) last year, 69 percent of which went to 7,000 large and medium-sized state enterprises.

As the loans helped increase industrial production and sales, they seemed to have also made things worse due to long-standing problems, such as poor management and low efficiency, Yan said.

For one thing, they have increased the debt burden on companies. Because of high tax rates, enterprises can keep only a small portion of their profits and consequently become dependent on bank loans for working capital.

An ICBC survey indicated that by the end of 1990, bank loans accounted for 80 percent

of the circulating funds of the 7,000 enterprises, compared with 58 percent in 1984.

Last year, these firms had to pay a total of 5 billion yuan (about US\$1 billion) more interest than in 1984 because of increased bank loans.

The enterprises have to borrow more money to expand production, Director Yan noted.

At the same time, increased bank loans to such enterprises have been affecting banks' credit balances and weakening their ability in further stimulating industrial activity.

The funds that banks have loaned come mainly from short-term personal savings deposits which circulate quickly. But loans to enterprises tend to be converted into long-term capital that circulate sluggishly.

According to the ICBC, loans to the 7,000 firms increased by more than 47 billion yuan or 31 percent last year, but their output value increased by only 14 billion yuan or 3.1 percent.

Loans accounted for nearly 24 percent of the output value in these enterprises in 1988, and almost 42 percent in 1990. "Obviously, the efficiency of loans was decreasing," Yan pointed out.

He noted that the state levies taxes on large and medium-sized enterprises but does not allocate funds correspondingly. "This is not reasonable."

The financial policy researcher said businesses should be allowed to keep more profits to supplement their working funds.

Meanwhile, he said, the banks should limit loans to enterprises with low efficiency, while guaranteeing funds needed by those to produce state mandatory products and profitable ones.

By adjusting loans, banks would be able to improve the country's industrial management and efficiency, Director Yan believes. ■

Current Situation in Northeast Asia

by Li Luye

The world has entered into a new transitional period today — a transition mainly away from a crumbling old world structure to a new one yet in the making. A prediction derived from current changes in power balance says it is almost predetermined that the bipolar world pattern will no longer exist, and that a global multipolar trend will further grow. During the transitional period of great changes, power imbalances and fluidity of international relations will lead to a volatile, turbulent and more complicated world. Thus, how to meet the challenge of this situation and build a new world order beneficial to world peace and common development of all nations has come to the fore as the most urgent issue confronting the international community.

Under the influence of the above-mentioned general world situation, some positive changes have emerged in Northeast Asia, but there are also some worrisome omens: while certain old turbulent and destabilizing factors still await elimination, some new ones which may trigger fresh tensions have raised their ugly head. To sustain peace and stability in Northeast Asia and create a favourable environment for fruitful economic co-operation, the following issues have to be handled satisfactorily:

(1) The existence in Northeast Asia of countries with different social systems and paths of development is an objective reality formed in history, and it cannot be altered according to the whims of certain countries or political powers. However, the dras-

tic changes in Eastern Europe and the evolution of the domestic situation in the Soviet Union have induced some Western powers to push the Asian socialist countries in the same direction by bringing pressures of all kinds to bear on them. That is why relations between China and certain Western powers were in a predicament for some time in the past.

Recently, however, some changes have taken place. Sino-Japanese relations have become normal by and large. Relations between China and West European countries are gradually returning to normality. Besides, Sino-Soviet relations have registered some progress by adhering to the principle of mutual non-interference on matters of nation-building, and mutual respect for the choice made by the people of their respective countries. Only Sino-American relations are still at a low ebb, and are now even plagued with new issues. Protraction of this abnormality in bilateral relations would not only be detrimental to peace in Asia and in the world, harmful to stability in Northeast Asia, but also boomerang on the United States itself.

To eliminate such abnormality and remove all destabilizing factors, an end should be put to the behaviour of power politics placing issues of ideology and social system above inter-state relations and wantonly interfering in other countries' internal affairs from a position of strength. All nations, major powers in particular, are required to respect the sovereignty of other countries, and adhere to the principle of respecting the right of each country to choose its own social system and path of development in light of its own spe-

cific national conditions. No country should be allowed to impose on other countries its own values, ideology and development model under any pretext.

(2) Favourable conditions abound in Northeast Asia for promoting economic co-operation: advantages in capital, technology, manpower and natural resources; vast market potentialities; rapid development of economic co-operation among major countries; and adoption of an open policy by most countries. To bring all these advantages into full play and step up economic co-operation are in accord with the interests of countries in this region, and offer bright prospects ahead. Yet one must be fully aware of the fact that there are differences in the level and stages of economic development among the sub-regional countries, and that economic development of this sub-region is inseparably linked with the economic co-operation in the broader Asia-Pacific scope. Hence, economic co-operation in Northeast Asia should be based on the principles of equality, mutual benefit, openness and common prosperity. It is appropriate for the economically advanced countries to maintain amicable relations with developing countries in this sub-region by taking active and effective measures to improve the external environment for economic development of the latter, so as to narrow down the economic gap between them. In international economic exchange and co-operation, attempts to pursue specific political gains and dominative positions through economic superiority and behaviour of power politics in the sphere of economy should be

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abandoned. The strong should not be allowed to bully the weak, nor the rich domineer the poor.

(3) Despite relaxation of their military confrontation in Northeast Asia, the United States and the Soviet Union still retain massive offensive military forces in the region. Though some military cut-downs are possible in the future, no signs are visible indicating their intentions for a large-scale arms reduction. The United States and Japan also have no intention to alter their existing arrangement of security co-operation. What merits attention is that in an atmosphere of relaxation of international tension, Japan shows a growing tendency to build up its military strength, regardless of its military expenditures already ranking third in the world. Where will an economically expanding Japan be heading for has become a universal concern for Asian-Pacific countries. If Japan embarks on the path of a major military power, new tensions would be created in Asia. Though the situation in Northeast Asia has somewhat relaxed, militarily, security is still faced with actual and potential threats. Removal of these threats demands abandonment of the notion of a Northeast Asian security mechanism premised on a foreign military presence; withdrawal of foreign troops; US-Soviet lead in large scale military cut-downs and Japan's continued adherence to the path of peaceful development. No country should seek hegemony and military expansion. Only then could it be possible to alleviate military confrontation on the Korean Peninsula and remove tensions in Northeast Asia.

(4) Tension on the Korean Peninsula is now in the process of gradual relaxation. Top-level talks have been held between North and South Korea, and the mutual exchanges between the two parts have increased. Japan and the Democratic People's Republic of Korea have started negotiations to

establish diplomatic relations. Friendly relations between China and the DPRK have incessantly been developing. China and South Korea have exchanged non-governmental trade offices. The Soviet Union has established diplomatic relations with South Korea. The continued steps towards detente on the Korean Peninsula benefits peaceful reunification of Korea, and the strengthening of peace and stability in this region. Hence, the big powers concerned should not take any action detrimental to the peaceful reunification of Korea, refrain from direct interference in intra-peninsula affairs, and let the two parts of Korea to solve their problems on their own initiative. What is more, conditions in Asia, including Northeast Asia, are vastly different from those in Europe. Any attempt to copy Europe's model of collective security or duplicate the pattern of integration of the two Germanies in Northeast Asia is unrealistic and can by no means bring peace and stability to this area.

It would be desirable to start establishing a security mechanism in the Asia-Pacific region, including Northeast Asia, on a bilateral basis. The next step should be to move gradually towards multilateral approaches through confidence-building, relaxation of tensions, settlement of disputes, and the combination of economic co-operation with promotion of regional security. In short, impatience for quick success must be guarded against.

(5) In Northeast Asia and Asia as a whole, there still exist some territorial disputes left over by history. Agreement is yet to be reached between the USSR and Japan over the issue of the four northern islands; settlement is pending over the issue of Diaoyu and adjacent islands between China and Japan despite some tentative understanding; negotiations on the unresolved section of the border are held between China

and the Soviet Union, and progress has been made in this respect. Solution of such disputes and all other international disputes should be worked out only through peaceful means and not resort to force or threat of force. Historical and contemporary lessons indicate that resolution of international disputes by force is bound to trigger new tensions, inflict untold sufferings on countries and people involved, damage good neighbourly relations and leave behind disastrous results over a long period of time.

In its modernization drive, China is now striving for realization of the second step of its strategic goal of quadrupling the 1980 gross national products by the end of this century. In the course of reform, China will make continuous explorations for perfection of the economic structure and functioning mechanism geared to the needs of combining planned economy with market regulation. Meanwhile, China will open its doors still wider to the outside world, so as to give fresh impetus to sustained, stable and harmonious growth of the national economy. For the realization of this arduous and formidable task, China needs a long-term external peaceful environment and internal political stability. China's policy of opening to the outside world is meant to orient itself to the rest of the world, needing sincere friendship and extensive co-operation from the international community. China will continue to adhere to a foreign policy of peace and independence, and take the initiative in actively proposing the establishment of a new international order based on the Five Principles of Peaceful Coexistence. China is an important force in defence of peace in the world and plays a decisive role especially in the Asia-Pacific region and in Northeast Asia. The development of China will only benefit stability in this region and peace in the world, and pose no threat to any other country. ■

Cuba Improves Its Foreign Relations

by Zhang Changji

Cuba's diplomatic initiatives in recent years have proved quite successful. It shows that the Caribbean country is not as isolated as the United States would want it to be.

The Cuban government has greatly improved its relations with foreign countries and especially with China and Latin America. In recent years high-level delegations of the Cuban Party and government have visited China. Cuban President Fidel Castro successively visited Venezuela, Brazil, Mexico, Peru and Colombia, exchanging views with leaders of these countries on major regional and international issues and exploring ways to strengthen unity and co-operation.

On July 27, 1990 Cuba restored diplomatic relations with Jamaica and signed joint accords on the restoration of consular relations with Chile and Colombia this year. With the exception of Paraguay, Cuba is in good standing with all the Latin American countries. The 11th Pan-American Games opened on August 2 in Havana, the capital of Cuba. A total of 5,200 athletes from 39 American countries and regions including the United States took part in the sports scheduled for two weeks. Public opinion in Latin American countries generally note that with the Cuban breakthrough in its diplomatic relations with Latin American countries, the US-built wall to isolate Cuba has actually collapsed.

The progress made by Cuba in its relations with other Latin American countries has resulted from its efforts to readjust its foreign policy and co-ordinate steps with them on major regional is-

ues. This has been welcomed by Latin American countries.

The Cuban government supports the efforts made by the international community and regional organizations in Latin America to peacefully and reasonably resolve the Central American conflicts. It has also agreed to withdraw its military advisors and other assistants from Nicaragua. On the debt issue, Cuba understands and supports the negotiations between Latin American countries or creditor countries or international monetary institutions. Meanwhile, Cuba notes that Latin America needs not only economic integration, but also political integration. President Castro recently expressed at the first Iberoamerican summit that his country is prepared for Latin American integration.

The improvement in Cuba's relations with other Latin American countries is also due to the common stand held by these countries that Latin American issues should be resolved by them. Although the United States still refuses to change its policy of isolating Cuba and continues its economic sanction against Havana, the Latin American countries realize that the exclusion of Cuba from the Latin American family because of different ideologies is not conducive to the settlement of regional issues and the process of Latin American integration. Through the restoration and development of ties with Cuba, these countries hope that they can maintain a regular channel of exchanging views with Cuba on regional issues. In recent years high-level Cuban and Latin American officials have ex-

changed visits, leading to a better understanding and eliminating the long-existing suspicions.

Some Latin American countries have called on the Organization of American States to restore Cuba's member status in the organization and demanded that the United States stop its economic blockade and resolve disputes with Cuba through negotiation. Brazilian President Fernando Collor de Mello recently told President Castro that the Brazilian government is ready to help Cuba boost its ties with the international community, especially with Latin America.

Trade is another factor. In face of a decline in trade with the Soviet Union and East European countries, the Cuban government has developed its trade relations with other Latin American countries. The trade volume between them in 1989 reached US\$622 million. Because of heavy debt, the economies of the Latin American countries have met with many difficulties. These countries need to restore and improve their relations with Cuba to expand their export market and rejuvenate their economies. Improved relations are also favourable to Cuba's exchange and co-operation with these countries.

Cuba was the first country in Latin America to establish diplomatic relations with China. The relations between the two countries have followed a tortuous course, but have much improved in recent years. The exchanges in trade, culture, sports, education, science, technology and other fields have been strengthened. A period of comprehensive development has begun in their relations. ■

TIANJIN PROFILE (I)

A Future Free Port in North China

by Our Staff Reporter Li Ping

Construction of the Dongtudi and Nanjiang docks will continue and a bonded zone of the type commonly established in free ports will be set up in order to boost international trade and promote the economic development of Tianjin and north China.

Tianjin's economic advantages lie, first of all, in its harbour. The development of Tianjin should thus begin with its harbour; its development strategy should be centred on the harbour." This was the conclusion of Ma Hong, general secretary of the Research Centre for Socio-Economic Development under the State Council, who led an investigation group to Tianjin in 1988.

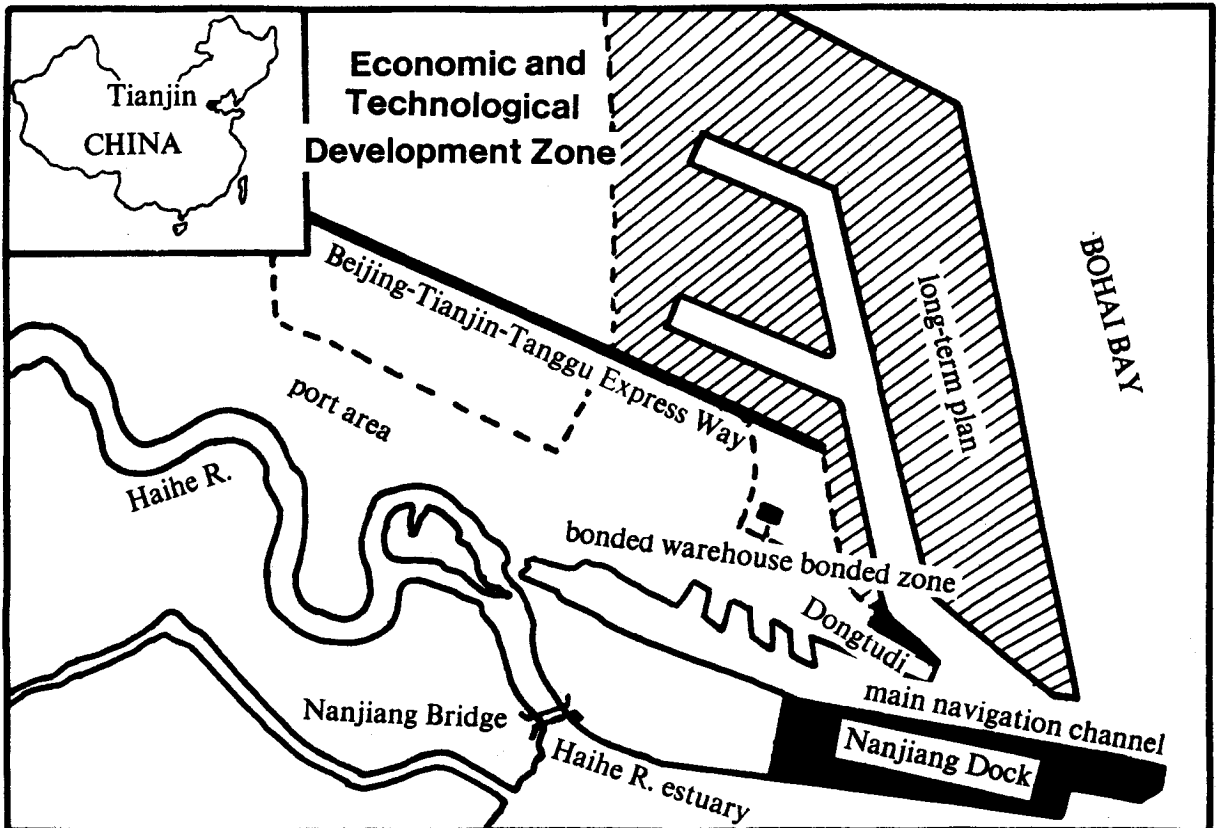
The Tianjin harbour has, indeed, played an important role in the economic development of

Tianjin and the entire north China. North China's gateway to the sea, Tianjin is 170 km from Beijing, capital of China. The Tianjin harbour has thus long shouldered the maritime import and export tasks of Beijing, Tianjin, north China and the north-western regions. Imports and exports make up 80 percent of the harbour's annual handling capacity.

Harbour Construction

The Tianjin harbour, the big-

gest man-made harbour in China, has two areas—the sea and river ports. The seaport is located at the western end of the Bohai Bay and at the estuary of the Haihe River. It is called Xingang (New Harbour). The river port is situated on the lower reaches of the Haihe River. Currently, the Tianjin harbour covers an area of 200 square km, including 18 square km of land. Some 50,000-ton-class vessels can be berthed at the seaport and 5,000-7,000-ton-class vessels can dock at the river port. The har-



bour now boasts 47 passenger and freight berths. Its four container berths, the biggest in China, have an annual capacity of 400,000 containers. In 1990, Tianjin harbour's handling capacity totalled 20.63 million tons, 70 percent of which were sundry goods.

Recent years have seen construction going on in a big way at the Tianjin harbour. Foreign funds have been utilized to renovate both the old harbour and the construction of the Dongtudi Dock covering 1 square km and the 5-square-km Nanjiang Dock (see sketch map). Both have been cited as key state construction projects. With a total construction area of 200,000 square metres, the projects started in 1986 and are expected to be completed in 1995. A total of 18 berths with an additional handling capacity of 10 million tons will be built. The completion of these projects will enable the Tianjin harbour to expand its warehouses and freight yards to over 1 million square metres and possess modern deep-water container docks so that it can accommodate third generation container ships and 50,000-ton-class sundry goods vessels. Its total handling capacity will top 30 million tons. When the newly built passenger dock is finished, the Tianjin harbour will become a multi-functional and comprehensive international trade port.

At present, construction of a 69,400-square-metre area at the Dongtudi project has been completed, using 370 million yuan in investment. Six 10,000-ton-class deep-water berths and an auxiliary power supply system to the south of the project have been constructed. The construction of six docks on the northern side of the project is continuing without a hitch.

Opposite the Dongtudi Dock is the Nanjiang project where oil, bulk chemical products and coal



The bonded warehouse jointly set up by the Tianjin harbour and the Royal Nedlloyd Group N.V. Rotterdam of the Netherlands.

ZENG ZHIJIAN

docks will be built. The oil jetty which will accommodate 50,000-ton-class oil tankers is expected to be completed by the end of this year. When two 30,000-cubic-metre oil tanks are completed at the freight yard, crude oil will be directly transported via pipelines to the Tianjin Petrochemical Corp. in Dagan. The first-phase preparations for the construction of the Nanjiang Bridge, a supporting project for the Nanjiang Dock, have been basically completed and construction will start in 1992. The bridge will span an ocean area, the first of its kind to be built in Tianjin, at the estuary of the Haihe River and outside of the Haihe River dam. The highway bridge will be 1,300 metres long and the railway bridge over 2,000 metres long. The railway will be connected with either the state truck rail line or local railways. The completion of the Nanjiang Bridge will help to attract foreign capital for the development of the Nanjiang Dock.

A telecommunication building for the Tianjin Port Office will be built. Civil engineering will be completed and programme-controlled switchboards will be

installed by the end of this year, and the project is expected to begin operation in the first quarter of next year. The Beijing-Tianjin-Tanggu Express Way, scheduled to completely open to traffic in 1992, will speed up the collection and distribution of goods passing through the Tianjin harbour. It will also play a positive role in turning the harbour into a comprehensive and multi-functional international trade port.

The Bonded Zone

With approval for the project given in May by the State Council, the first bonded zone in north China is now planned to be built at Tianjin's Xingang Harbour. This major project will not only enable the Tianjin harbour to quickly develop into a modern international commercial harbour but also promote an export-oriented economy in Tianjin and north China.

Located at the northern end of the port area, the bonded zone will be near the Dongtudi Dock of Xingang Harbour in the east. To the west will be the Tianjin Economic and Technological Development Zone. The bonded

zone will also border on the Beijing-Tianjin-Tanggu Express Way to the north and the No. 4 Highway to the south. During the Eighth Five-Year Plan period (1991-95), construction will begin on a restricted 1.4 km area. An import bond policy will be implemented in the zone and, in the light of current practices of free ports in other countries, both Chinese and foreign enterprises will be allowed to engage in import and export trade, international entrepot trade, as well as processing, packaging, transport, storage, and trade exhibitions in the zone.

The first steps to open a bonded area at the Tianjin harbour began several years ago. In March 1988, the Tianjin harbour and the Royal Nedlloyd Group N.V. Rotterdam jointly pooled funds to set up the Tianjin Port Commercial Bonded Warehousing and Services Co. Ltd., China's first commercial bonded warehouse. In the past three years, it has reaped US\$2 million in income.

The role of the bonded warehouse is widely recognized. Since foreign exchange proceeds for export commodities transacted on a FOB basis will be collected

in advance through the bonded warehouse, the circulation of funds is accelerated and the risks reduced. After processing and packaging in the bonded warehouse, the value of some export commodities has increased, so is their labour service income. With regard to imports, foreign businessmen can inventory imported goods in the bonded warehouse in advance, thus expanding the domestic material market, providing a convenient way for clients in various localities to purchase badly needed materials and reducing the use of funds. The Chinese agricultural department, for instance, needs to import a certain pesticide annually. Formerly, the period of time required from ordering the product to its final delivery was more than three months. Now, however, it can acquire the product within a week after the order is placed.

The bonded warehouse has improved conditions for conducting international entrepot trade by foreign enterprises. It has already absorbed some of the entrepot freight from Hong Kong and Singapore and opened a transport route from the Tianjin harbour to Ulaan Baatar, capital

of Mongolia, via Erenhot.

Preferential Policies

The establishment of the bonded zone has not only expanded the scale of trade operations but also spurred decision makers to be more flexible in formulating policies:

—Goods transported into the bonded zone are exempt from import tax and other taxes levied by the customs according to regulations. Goods transported into the bonded zone can, under close supervision, be transferred and commercially and industrially processed.

—There is no control of foreign exchange in the bonded zone and capital can be freely remitted. Solely foreign-owned enterprises or Chinese-foreign financial institutions and insurance companies can set up branches in the bonded zone.

—Legally acknowledged Sino-foreign joint ventures and solely foreign-owned enterprises can be registered at the zone and apply to conduct international entrepot business in the bonded zone. Domestic foreign trade enterprises that have the right to conduct import and export business can apply to conduct international trade in the bonded zone.

—Enterprises engaging in the processing, storage and transport in the bonded zone can enjoy the same tax policies as enterprises in economic and technological development zones.

These policies are aimed at turning the Tianjin bonded zone into a comprehensive and multi-functional economic area for storage, processing, entrepot transport, wholesale and marketing businesses based on the harbour trade.

According to initial plans, comprehensive trade, warehouse storage, commercial processing and oil product trade areas will be set up in the bonded zone. ■

The bonded warehouse at the Tianjin harbour handles goods for export, entrepot trade goods and foreign exhibits to be displayed in China.

ZENG ZHIJIAN



TIANJIN PROFILE (II)

Ten Key Industrial Projects

by Our Staff Reporter Li Ping

In the 1990s, as Tianjin will renovate many old enterprises and establish a number of large industrial projects, the city will become a technically advanced and comprehensive industrial base.

Tianjin's Daihatsu minibuses, Kenai refrigerators, orange Tang drinks and Dynasty grape wine are all well-known products throughout China. They show how industrial achievements can be made through the import of advanced foreign technologies and the active pursuit of technical renovation.

Tianjin, with its history of 120 years, is one of China's oldest coastal industrial bases. It now boasts 150 or so industries, including textiles, machine building, marine chemical, petrochemical, household electrical appliances, light and electronics industries. The city has more than 6,000 industrial enterprises with 1.4 million employees. In 1990, the city's gross industrial output value reached 71.7 billion yuan.

In recent years, more than half of its enterprises have been technically renovated. Over 1,000 kinds of its products including minibuses, colour TVs, refrigerators and photo copiers have reached advanced domestic level and some, advanced international level.

At present, the city's industry faces the problem of slow and sporadic development. Some products are getting outdated and although such infrastructure facilities as water, electricity, road and communication are in good shape for further development, the full potential has not

yet been reached.

Therefore, it will be a major task for Tianjin to speed up technical transformation of the existing enterprises and undertake construction of a number of major projects in the 1990s. While bringing its textile and other traditional industries into full play, the city will gradually form an industrial structure based primarily on the three large key industries of petrochemicals and marine chemicals, electronics, and automobile and mechanical equipment.

During the Eighth Five-Year Plan period (1991-95), the city will carry out ten key industrial construction projects.

The Seamless Steel Tube Project. This is Tianjin's largest project that will reach the technical level of the 1980s and mainly use foreign capital to construct. Located between the Tianjin-Tanggu Highway and the Haihe River, it is also one of China's extra-large projects to be constructed during 1986-95. There are plans to invest a total of 5.728 billion yuan, including US\$753.49 million in foreign investment. The main equipment will be imported from Germany, Italy and the United States and, after completion in 1993, the project is expected to produce 600,000 tons of steel and 500,000 tons of steel tube including 350,000 tons of petroleum casing pipes. The annual industrial output value is expected to be 2.058 bil-

lion yuan; profits and taxes, 784 million yuan; and foreign exchange earnings from export, US\$10 million.

After the project is put into operation, it will greatly ease the city's short supply of steel products and bring about obvious changes in its capacity to allocate raw materials for its industry.

The 110,000-ton Ethylene Project. This has begun to be built in the petrochemical industrial district of the Dagang Harbour area. Construction of the project will be completed in 1995 with a planned investment of 1.961 billion yuan, including US\$252 million in foreign exchange. It is expected to annually produce 110,000 tons of ethylene, 60,000 tons of linear low-density polyethylene, 60,000 tons of glycol and 40,000 tons of polypropylene. The annual income will be 1.088 billion yuan and annual profits and taxes 510 million yuan. Considering the superiority of Tianjin's petrochemical industry, and in order to further expand the production capacity of the ethylene project, land and other supplemental resources for producing 1 million tons of ethylene will be available.

The 200,000-ton Polyester Project. Undertaken jointly by Tianjin City and China Petrochemical Corp., the project will involve a total investment of 5.955 billion yuan including US\$335 million in foreign exchange. It will rely on Tianjin

Petrochemical Co. for transport facilities, public engineering, auxiliary engineering facilities and land. After the project is put into production, its annual income is expected to reach 3.8 billion yuan; its annual profits, 1.06 billion yuan; and its taxes, 335 million yuan.

Construction of Automobile Manufacturing Base. In the late 1980s, Tianjin introduced Japan's advanced Daihatsu minibus and Cherad car and also invested in a series of technical renovations in its auto industry. Currently, it has a capacity to produce 20,000 Daihatsu minibuses and 30,000 engines annually. The annual production of Cherad cars has reached 10,000.

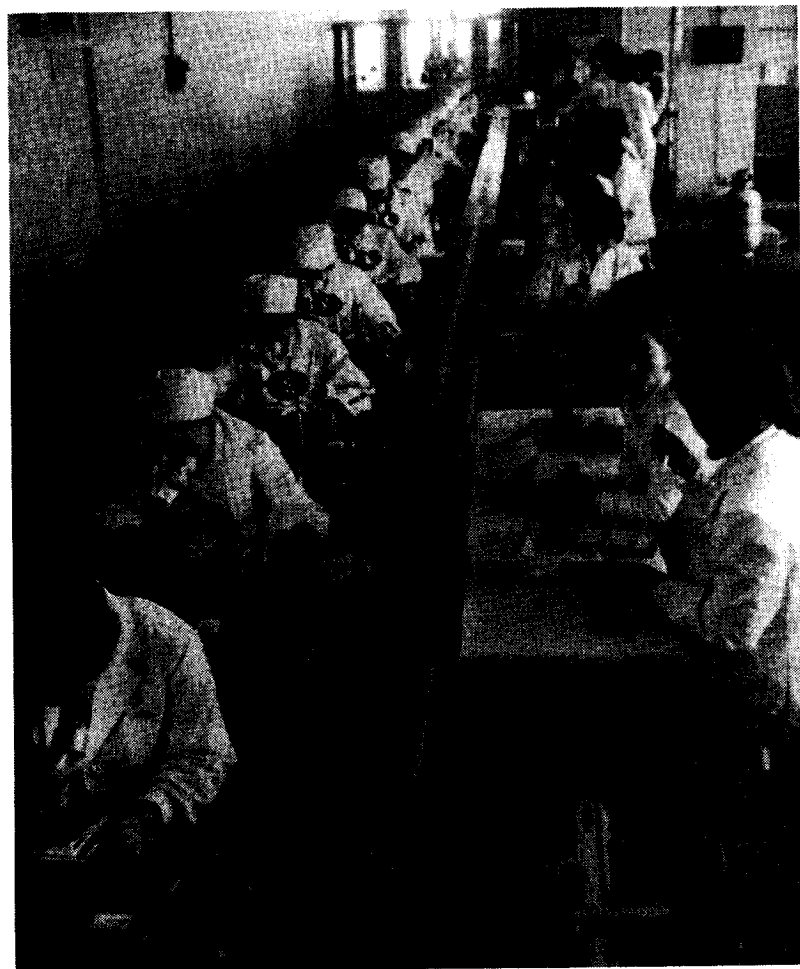
Chinese-made parts and components used for the manufacture of Daihatsu minibuses and Cherad cars respectively make up 89 percent and 40 percent of the total amount of parts and components needed. The Tianjin minibus factory, the Tianjin Passenger Bus Factory and the automobile engine factory have formed an initial automobile production base. On this basis, during the Eighth Five-Year Plan period, Tianjin plans to reinvest 1.7 billion yuan to increase production of minibuses and cars and try to produce a 170,000-set comprehensive production capacity by 1995, including 80,000 Cherad cars, with an industrial output value of 10 bil-

lion yuan and a profit of 2 billion yuan. The city is striving for a comprehensive production capacity of up to 300,000 vehicles of various types by the year 2,000.

Programme-Controlled Exchanges. The state decided, during the Eighth Five-Year Plan period, to develop and produce digital programme-controlled exchanges using Tianjin's superior electronics industry. Tianjin has signed an agreement with Japan's NEC Corp. to jointly produce the exchanges. The project is designed to turn out 300,000 lines of NEA 61 E/V5 system and related necessary equipment annually. Investment involved will total US\$64 million, US\$44.87 million of which will be made in fixed assets. Investment made by the Chinese side will account for 60 percent, while the Japanese side will provide 40 percent. After completion, the project will produce an annual output value of 196 million yuan, profits and taxes, 58.4 million yuan and foreign exchange from export, US\$20 million.

Video Recorder and Key Fitting Technology Transformation. The Tianjin Telecommunications and Broadcasting Co. is a large backbone enterprise of China's electronics industry. Three years ago, the company imported the colour video recorder production technology from Japan's Sharp Co. The project, with a total investment of 35.15 million yuan, will be completed by the end of this year. On this basis, Tianjin and the Ministry of Machine Building and Electronics Industry will list the project as a major technical transformation programme during the Eighth Five-Year Plan period. The company plans to invest another 120 million yuan to have an annual production capacity of 400,000 VC-A680T colour video recorders by 1995. The output of magnetic drums used by video recor-

The workshop of the Boda Mini-Bulb Plant jointly run by the Tianjin Boda Development Co. and the Hong Kong Huafeng Co. Ltd. YANG BAOKUN



der will be of an appropriate scale.

The Copper Smelting Plant. This project will mainly use the Tianjin Sulfuric Acid Plant's external facilities and, by way of technical transformation, to build electrolytic copper equipment having an annual capacity of 60,000 tons. The exhaust from copper smelting will be sold to the sulfuric acid plant for the production of 170,000 tons of sulfuric acid annually. Construction will begin in 1991 and the plant is expected to be put into operation in 1995. As a state key construction project, the copper smelting plant will be built with a total investment of US\$119.87 million, 30 percent of which will be foreign investment. After completion, the project is expected to produce an annual industrial output value of 945 million yuan, create 120 million yuan in profits and taxes, and have an annual export income of US\$16 million.

The 110,000-ton Urea Project. This is one of the key state chemical projects during the Eighth Five-Year Plan period. It will use the Tianjin Soda Factory's buildings, facilities and annual prod-



A crossover on the outer city road of Tianjin.

YANG BAOKUN

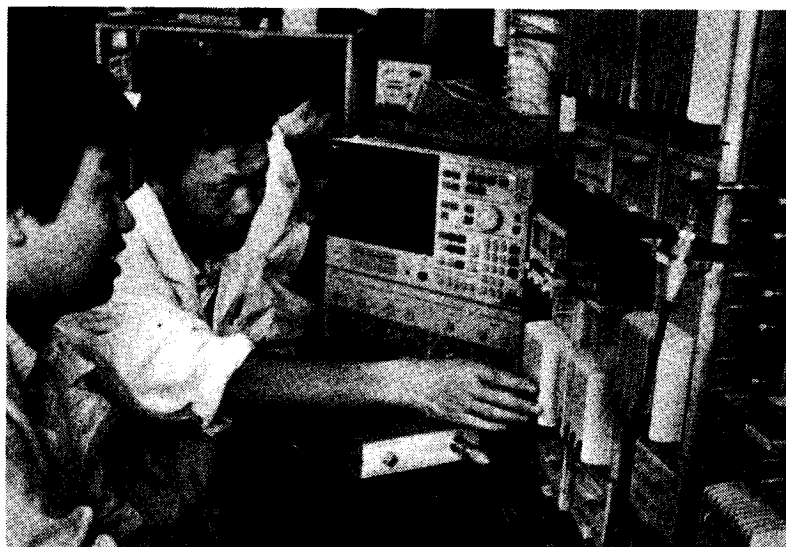
uction capacity of 600,000 tons of soda ash to build a set of production equipment with an annual capacity of 110,000 tons of urea and 60,000 tons of synthetic ammonia. The project has already begun construction and is expected to begin production in 1993.

The Zhenxing Cement Plant. The project has been listed in the state's Eighth Five-Year Plan. Currently, the city is actively seeking foreign capital, trying to make the project a Sino-foreign joint venture and an export-

oriented enterprise. By using advanced production techniques, it will produce 700,000 tons of high quality cement. Investment involved will total 400 million yuan, 50 percent of which is expected to be foreign capital. It is initially calculated that its annual output value will be 117.3 billion yuan, with over 19 million yuan in profit and US\$19 million in export income. Located in Tanggu, 20 km from the Tianjin harbour and 30 km from the city proper, the plant is expected to export part of its products.

Research personnel of the Tianjin Photoelectric Communication Co. regulate photoelectric system.

MA PING



The Steel Smelting Project. Located in the industrial area on the lower reaches of the Haihe River, in the eastern suburbs of Tianjin, the project will produce 1.5 million tons of pig iron. A raw material plant will be set up to process ore and coke and other raw materials. It will also build two furnaces of 1,260 cubic metres and two sintering machines of 132 square metres. Investment involved will total 1.65 billion yuan, including US\$26.41 million in foreign investment. Construction will begin in 1992 and be completed in 1995. Its sales volume is expected to reach 1 billion yuan and the profit and taxes 320 million yuan after it is put into production. ■

Tianjin Profile (III)

A New Industrial Area Taking Shape

by Our Staff Reporter Li Ping

The construction of the Tianjin Economic and Technological Development Zone began on an expanse of saline-alkaline land in December 1984. After six years of effort, a new industrial area has taken shape and the zone has become Tianjin's window to the outside world.

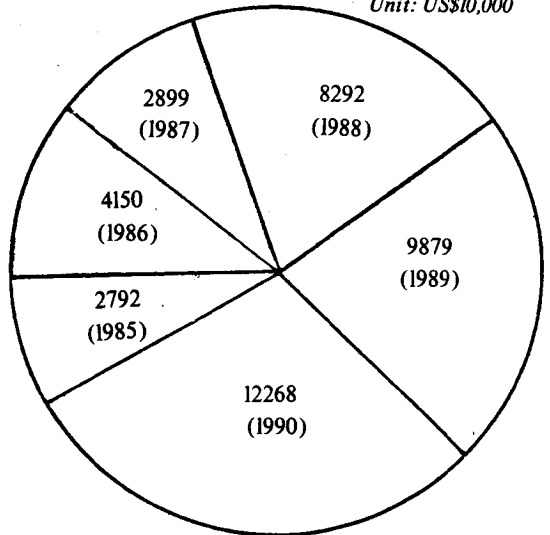
Attractive Land

On August 8, 1989, the Land Administration of the Tianjin Economic and Technological Development Zone signed a contract with the US MGM Development and Commercial Co. under which a 5.36 square km parcel of land valued at US\$17.42 million was to be trans-

ferred to MGM for construction of the Malekpour Comprehensive Industrial District. The term of the contract is 70 years. MGM will invest US\$300 million in the district's infrastructure and another US\$300 million in constructing a 52-storey, 211-metre high building. Two tower-shaped gates atop the building will symbolize China's entry into the international community. When the infrastructure projects are completed, the district is

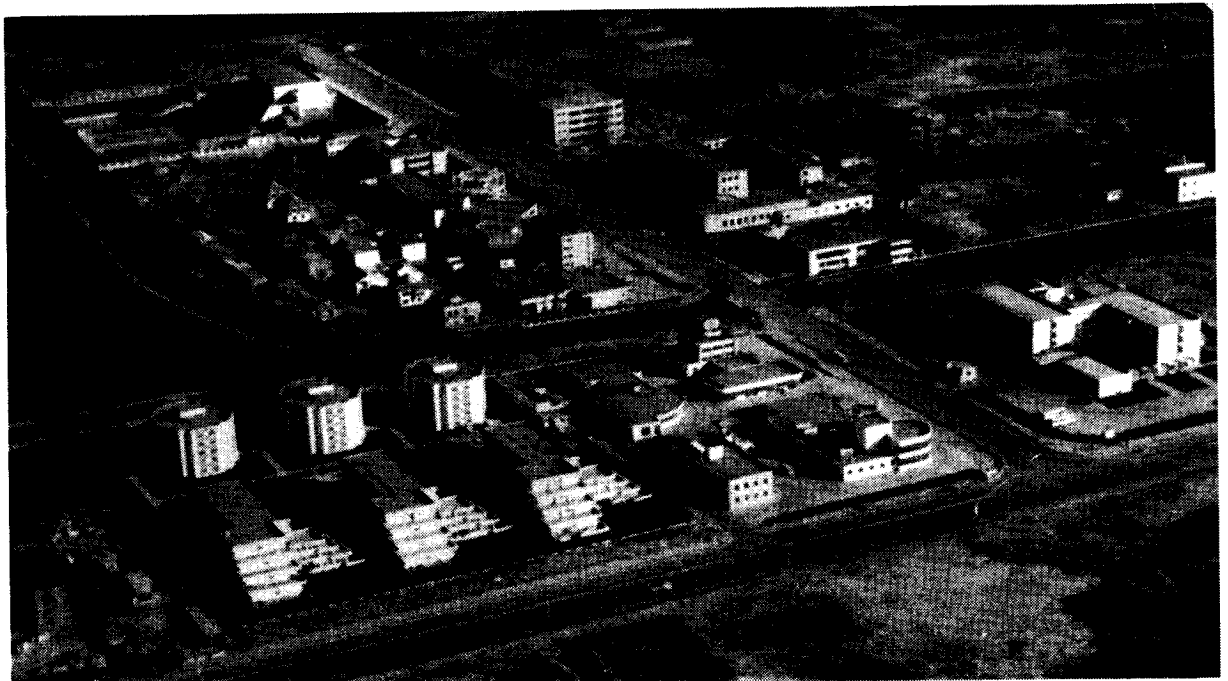
Investment of Foreign-Funded Enterprises

Unit: US\$10,000



A residential quarter in the Tianjin Economic and Technological Development Zone.

SONG YOUJIN



After the Floods

Photos by Jia Guorong, Shi Li, Shi Ming and Zhong Xin

Children of the flood-hit village of Zaolin in Fengtai County, Anhui Province, are happy with the food provided by the International League of Red Cross.

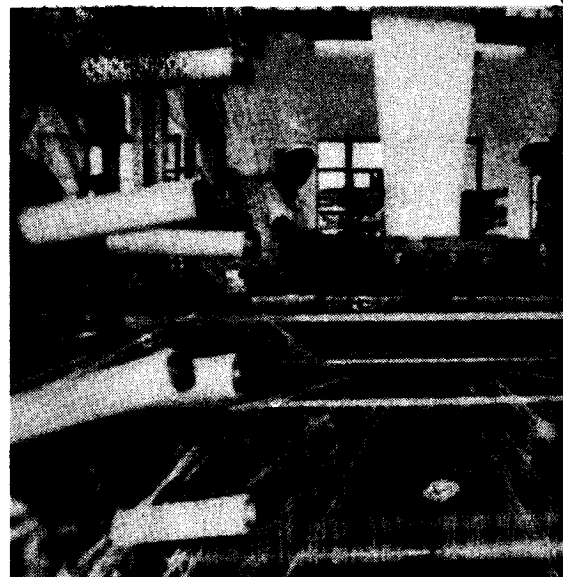


Government departments at all levels in Jiangsu Province are sending relief materials to flood victims.





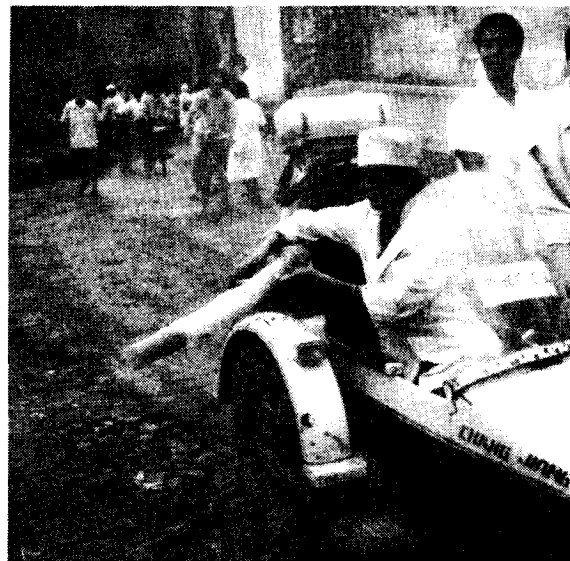
Technicians of the No. 6 Yarn-Dyed Fabric Mill, a disaster-stricken factory in Wuxi, Jiangsu Province, are maintaining equipment, trying to resume production as soon as possible.



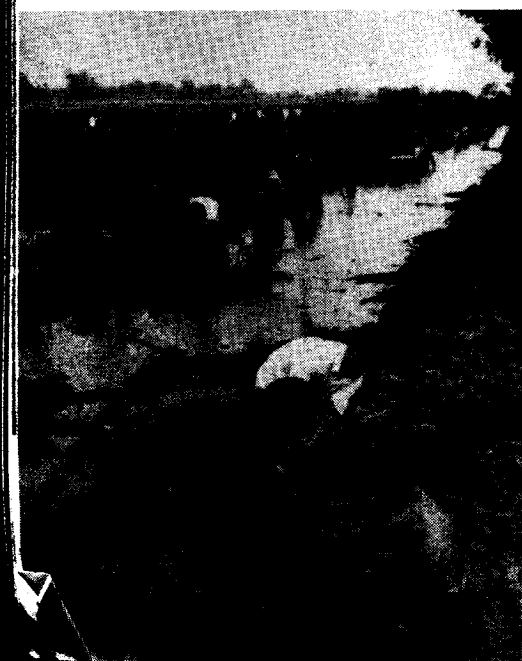
Workers of the Xinghua Plastic Weaving Mill are resuming production while continuing to deal with the aftermath of a disaster.



Farmers of Qianjiang County, Anhui Province, plant rice at the opportune time after the floodwater receded.



Medical workers in the disaster areas.

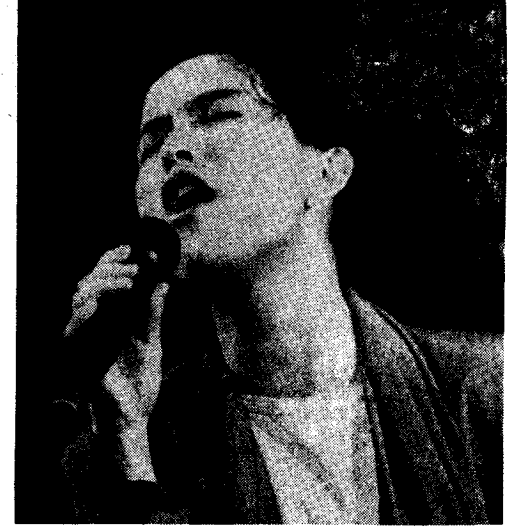
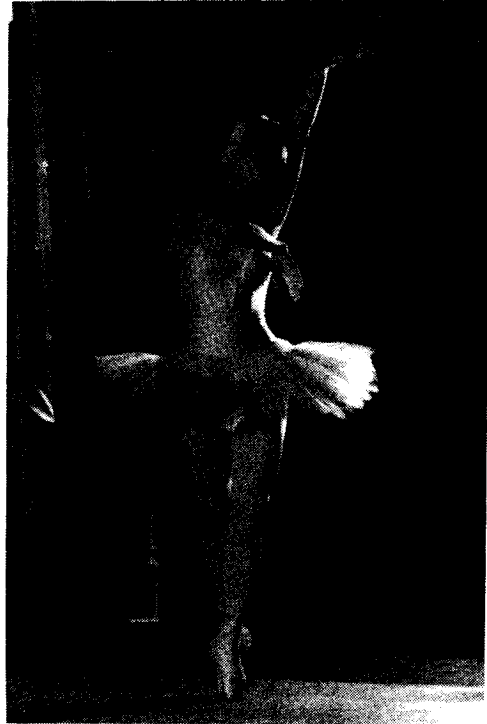


Farmers in Hubei Province drain water off fields to minimize losses.

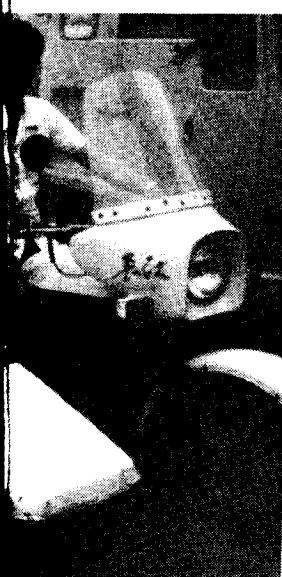




Jiangsu Province
in off water.



Taiwan singer Pan Meichen, who recently held a solo concert in Beijing and donated 100,000 yuan to the flooded areas.



Epidemic prevention workers sterilize the streets.



The Beijing Shangri-La Hotel holds a charity bazaar and donates all the receipts to the disaster areas. The picture shows the general manager Michael Branchett (second right) promoting the sale of goods for charity.

A continuous stream of people go to the donation reception office to give money and materials.

唯先生向灾区捐 建女士



Chen Baihuai and Wu Qian, husband and wife, who are Hong Kong visitors in Beijing, donate 150,000 yuan to the flood-hit areas.

On learning of the flood situation from the Chinese Embassy in Mexico, more than 100 Mexicans of Chinese origin come to contribute money.



Beijing Jeep Co. Ltd. donating jeeps. Here the company's deputy general manager Richard H. Ott (first left) hands the keys to a jeep to the representative of the China National Committee for the International Decade for Natural Disaster Reduction.



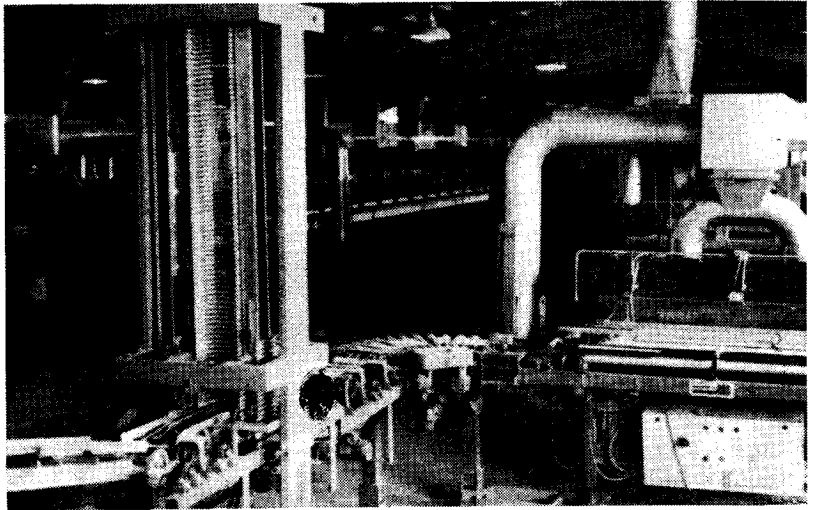
After two donations of 190,000 yuan, the Beijing Palace Hotel again organizes workers to chip in. Here the hotel's deputy general manager Dong Ligong (first left) hands over contributions to Li Zhiguang (second left), official of the Ministry of Civil Affairs.



Workers of an insurance company pay money to clients to enable them to rebuild their homes.

expected to attract US\$2 billion in industrial investment. Upon completion, the industrial district will yield an annual output value of 10 billion yuan.

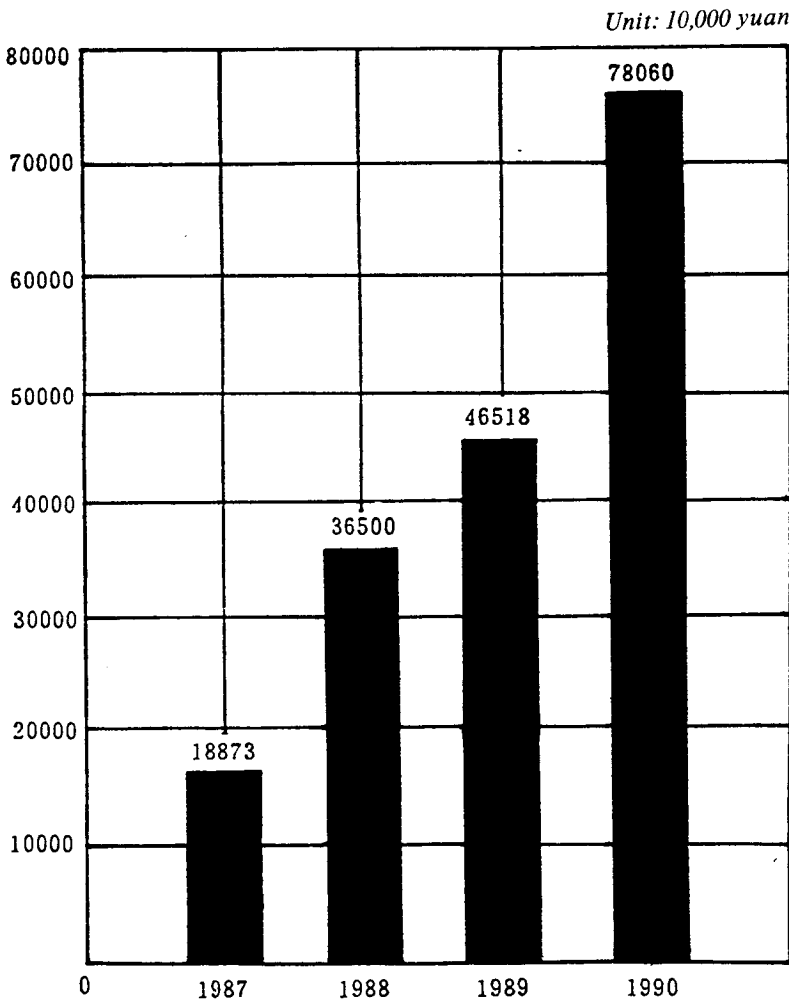
The contract for this foreign-funded land development project, the largest in Tianjin and one of the few nationwide, was concluded on schedule just two months after the "June 4" event in Beijing, an indication of the enormous potential for Tianjin Development Zone. With its favourable geographical position, the zone has convenient transport facilities to Tianjin, an old industrial base which can serve



YANG BAOKUN

The automated production workshop of the Jiatai Ceramic Industrial Co. Ltd.

Total Industrial Output Value of the Tianjin Economic and Technological Development Area



as the zone's powerful backing, railways radiating into all directions, ports which accommodate ocean-going ships, an airport and the Beijing-Tianjin-Tanggu Express Way. More important, in line with the principle of providing investors with many conveniences and allowing investors to earn a profit, the constant improvement of the local investment environment has won the trust of foreign business people.

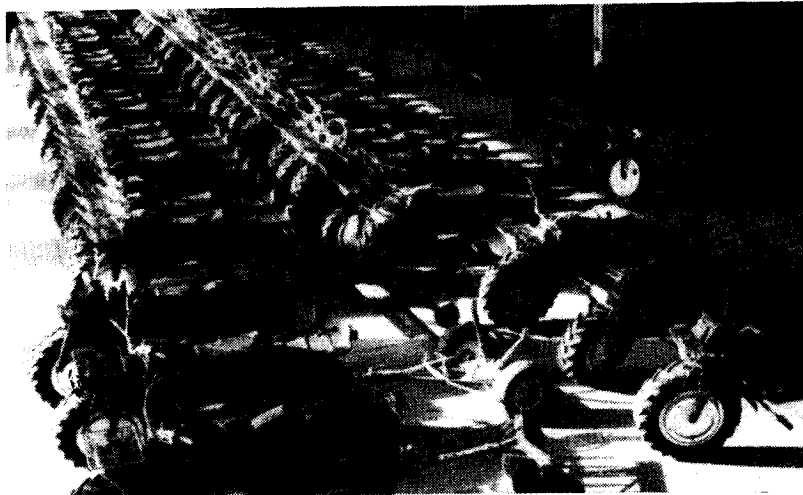
Taking Initial Shape

To improve its investment environment, the development zone, by late 1990, invested 420 million yuan in infrastructure construction, built an industrial district covering 3 square km, a residential quarter covering 1.2 square km, and completed 556,000 square metres of structures, including 428,300 square metres of factory buildings.

The development of large tracts of adjoining land has also provided domestic and foreign investors with a favourable investment environment. By the end of 1990, the development zone approved 216 Sino-foreign joint ventures, Sino-foreign cooperative enterprises and exclusively foreign-funded businesses,

altogether a combined investment of US\$402 million. As of now, more than 120 of these businesses have begun operation.

The development zone has already yielded substantial economic returns. For every 1 yuan invested in the zone's infrastructure, it is able to import US\$2 worth of technology and equipment and produce US\$3 worth of goods. By 1990, it yielded 1.838 billion yuan in total industrial output value, 526 million yuan in profits and taxes, and US\$198 million worth of export goods (see table). Although a large number of newly built industrial enterprises have not reached their designed capacity, overall, the development zone has



SONG YOUJIN

Tractors produced by the Tianlong Double-Wheel Tractor Co. Ltd. are able to plough and level the soil, spray chemicals and pull logs, using a variety of farm implements.

Managers of the Nangao Electronics Co. Ltd., a Tianjin-Hong Kong joint venture, examine product quality.

YANG BAOJUN



reached the level of a first-class enterprise in terms of economic returns.

Further Development

With the completion of the first stage of the land development project, the second stage is now under way. Efforts are being made to construct roads, lay water supply and drainage pipes and level 1.8 square km of wasteland. By 1995, the area of developed land is expected to increase from the pre-

sent 4.2 square km to 14.5 square km.

The development zone will expand the use of direct foreign investment during the Eighth Five-Year Plan period (1991-95), raising the usage rate of the total amount of foreign investment to 70 percent. It will strive to attract capital and technology-intensive projects requiring large amounts of investment. Priority will be given to marine biology, machine-building and electronics. By 1995, the total amount of foreign investment is expected to reach US\$1.3 billion.

During the Eighth Five-Year Plan period, the development zone will expand to the adjoining tracts of land. In addition to the Malekpour Industrial District funded by MGM, the development zone will build support facilities, offering low land transfer prices and providing preferential policies in order to attract more foreign businessmen.

By the end of the Eighth Five-Year Plan period, the development zone's annual industrial output value is expected to rise to 3.5 billion yuan with 50 percent of its products sold abroad.

Tianjin Development Zone's Economic Achievements in 1990

	1990 (1,000 yuan)	Increase on 1989 (%)
Total social output value	919170	51.5
Total industrial output value	780600	68
Gross national product	250000	35.6
Per-capita gross national product	25	8.7
Profits and taxes	213940	47.7
Labour productivity	83 (per person)	10.7
Export	US\$63.7 million	38

Fierce floods attacked many Chinese provinces and cities in June and July (see our issues Nos. 31 and 32). Currently, with the joint efforts of the government, army and masses, the disaster has been put under control. People in the flood-stricken areas are busy restoring production and rebuilding their homes. The following is a close-up of south Jiangsu Province after the flooding.—Ed.

South Jiangsu Province After Flooding

by Our Staff Reporter Dai Gang

Like three gems embedded on the Shanghai-Nanjing Railway, Suzhou, Wuxi and Changzhou cities have been known as the "homes of fish and rice" and "paradises on earth" since ancient times. The local economy has developed apace since 1979. Last year, the total industrial output value of the three cities amounted to 120 billion yuan and they handed over to the state nearly 5 billion yuan. The rain storms in June and July, however, turned large urban and rural areas in the three cities into swamps. A month has passed since the disaster. This reporter recently visited the three cities to find out how things are going there.

Changzhou

When I stepped out of the busy

Changzhou Railway Station on July 29, the scene that met my eyes was poles apart from what I expected. The north-south tree-lined boulevard was busy with traffic proceeding orderly. The new high buildings on the road-sides looked magnificent as usual. People rushing to their work places by bike were energetic and full of confidence. Except for the vague stains left by the floods at the wall corners in quiet lanes, one could hardly find any trace of the floods, to say nothing of pale-faced starving victims.

Does this mean that the disaster was trifling? Definitely not. The losses were serious indeed. In many local people's minds, Changzhou did not need to guard against floods and; indeed its weak flood-prevention facilities could not stand up to the

worst inundation in the last 100 years, although the city does have a complete water conservancy system.

Changzhou has a population of 3.28 million, including 730,000 urban dwellers. It covers 4,375 square km, and the urban area totals 187 square km. The city overlooks the Yangtze River in the north and faces Taihu Lake to the east. The Grand Canal runs 41 km across the city from west to east. The meeting place of the Yangtze, the Grand Canal and Taihu Lake, downtown Changzhou has been hit by floods several times in history. But such attacks, however, were not as fierce as the recent one. By July 15, rainfall in Changzhou had reached 928 mm, which was five to six times more than the amount of 200 mm in the same period in normal years. This



The director (second right) of the Changzhou No.4 Knitwear Mill, together with the workers, drains floodwaters.

CHANG SIZHEN

year, the combined rainfall in the city has exceeded 1,500 mm, 40 percent above average annual rainfall. By July 12, of the city's 213,333 hectares of farmland, half had been flooded, along with 14,000 hectares of fish ponds. A total of 31,800 houses were damaged by the floods, and the city's direct economic losses amounted to 2.2 billion yuan.

The city has thrown all its forces into the fight against the flooding. According to statistics, to drain the floods it has put in 400,000 kw of machines and 10,000 pumps which consumed 3,316 tons of diesel oil. In addition, it has used 3,100 cubic metres of timber and 5.6 million straw bags. In all, these flood-resisting materials have cost



Workers of the Changzhou General Knitwear Plant keep production going while fighting the floods. Pictured are workers heading towards their workshops along a makeshift bridge.

ZHANG WENBO

more than 30 million yuan.

According to Zhao Guozhen, director of the Changzhou Foreign Economic Relations and Trade Commission, 4,395 enterprises in Changzhou were flooded and 3,227 of them were forced to suspend production. At present, although all such enterprises have resumed production, with goods flowing non-stop off the manufacturing lines, only one-third of businesses have reached pre-flood levels. Some factories have showed serious aftereffects.

First, although endeavours were pooled to rescue and protect important power sources, boilers, electrical equipment and key equipment (mostly imported) which were crucial to reviving production, their precisions have been affected by dampness and, for the time being, they are unable to operate as efficiently as before. Second, changes have taken place in the market. Products which had enjoyed a ready market became slow selling after the floods with a plummeting of

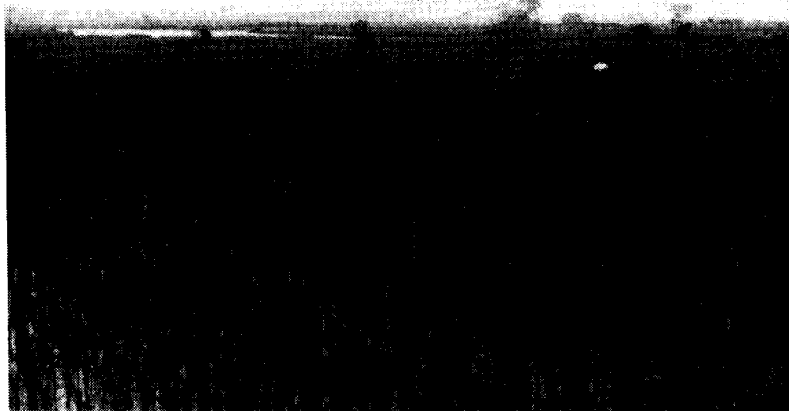
demand. Sales of rural-oriented products, such as tractors, diesel engines and low- and medium-grade household electrical appliances especially designed for rural families, in particular, will be adversely affected for some time to come. Third, the disaster has reduced the locality's energy supply and transport capacity for raw materials. Fourth, local financial power has been weakened, which will definitely retard the city's future economic development.

Evidently, it is impossible to fully restore production to the pre-disaster level within a short period of time. Asked what measures would be taken to shorten the recovery time as far as possible, the official from the economic and trade commission said that in accordance with the demand of the municipal government, enterprises free from the disaster should fulfil their annual plan and try to overfulfil their production target by 10 percent in the next five months so as to make up for the losses of

other businesses. He also noted that the manufacture of those products with a poor market should be resolutely cut and conscientious efforts be made to adjust the production of goods adaptable to the market. Every means will be tried to fulfil the 11 technical innovation projects to be put into operation in 1992. However, there is a serious shortage of funds. The official hopes that the state will grant preferential treatment (such as tax exemption and reduction), give top priority to the input of funds and provide the amount of circulating funds needed by local governments.

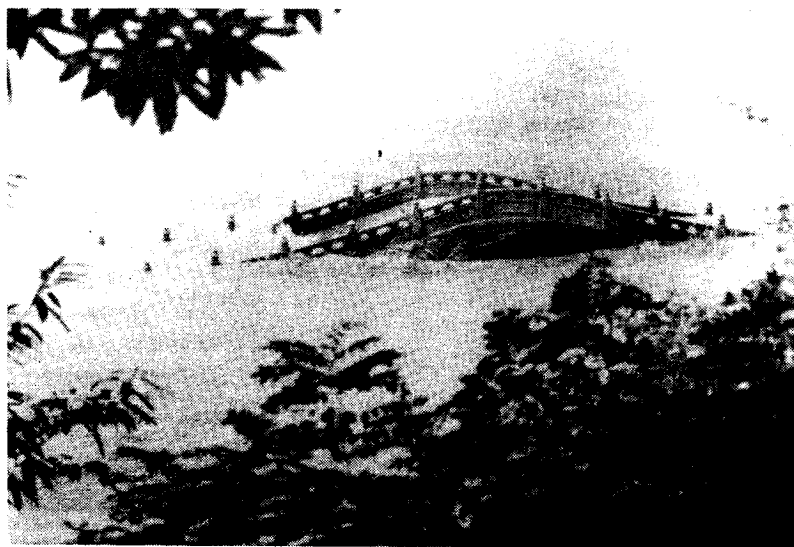
This reporter visited some enterprises. The Wujin Diesel Engine Plant has a total staff of 2,150 and fixed assets of 60 million yuan. Average annual output value is 140 million yuan and is expected to reach 250 million yuan this year. In the first half of this year, sales value totalled 139 million yuan. Floodwater forced the plant to suspend its production on two occasions. Thanks to factory-wide efforts, key equipment was saved and operation quickly restored. When this reporter visited the plant on July 31, the general assembly workshop had restored its daily output to the pre-flood level of 700 diesel engines. None of the order contracts for the plant have been cancelled.

The Changzhou No. 4 Knitwear Mill is a key enterprise in the suburbs of Changzhou as well as a very successful township enterprise that has processed products for foreign trade. A year ago the current factory director Yao Youqing rescued the mill with debts totalling 1 million yuan and on the verge of bankruptcy. It had gradually entered a recovery period, when the floodwaters came. Leaders of the mill determined to spend 80,000 yuan on building a 2,000-metre embankment around the river



A replanted paddy-rice field in heavily stricken Dongting Town, Wuxi.

DAI GANG



The flooded Wanlang Bridge at Yuantouzhu Park, Wuxi.

GU ZUOWEI

sections near the plant. This not only guaranteed the speedy restoration of production but also saved two nearby villages. Due to the effective measures taken by the mill, it restored its operation in mid-July. Workers and staff members of the mill are confidently working hard to fulfil other contracts for May and June next year.

In recent years, Changzhou City has paid attention to the development of an export-oriented economy and strove to improve the investment environment, thus making the city an attractive and ideal arena for foreign investment. It only takes two months to establish a project and start operation, such a high efficient system has attracted many prospective foreign investors. A large number of Sino-foreign joint ventures in or entering operations have also stood the test of the flooding. This reporter learnt from the Tianning District of Changzhou that the Tianxing Printing and Packaging Co. Ltd., a joint venture between Changzhou and Hong Kong, decided to open its business on July 3. When representatives from Hong Kong arrived two days ear-

lier, they met the downpours and flooding. They thought this would be the end of everything. However, they did not imagine that the workers and staff members of the company could salvage the equipment and materials that very night. When they visited the company the following day, they were deeply moved by the sight of the workers and staff members fighting the natural calamity. They decided that the company would go into operation according to schedule and all the equipment and funds would be in place two months ahead of schedule. The flooding not only did not wash away the confidence of the Hong Kong businessmen, but, on the contrary, they decided to run one more co-operative project in the city.

On the eve of the flooding, the Yali Garment Manufacturing Plant, another joint venture, received the first batch of export contracts totalling 2.6 million yuan. The contract demanded that all the garments must be delivered in three batches before August 10. The flooding upset the production plans. In a race against time, workers of the

plant worked hard round the clock and even asked their family members to help. They rested only three to four hours a day and finally delivered the first batch of quality products on July 25. Foreign businessmen were deeply moved by this.

Although almost no disaster situation can be seen in Changzhou city proper now, it is reported that floodwaters in some areas in Jintan and Liyang counties have not been drained and many water conservancy projects, highways, bridges, dykes, telecommunications, power and water supply facilities need repairing without delay, and many rural victims need help to tide over their difficulties.

The Changzhou municipal government has expressed thanks to the world community for its assistance. Apart from the 1,000 tons, part of the cement donated by the People's Democratic Republic of Korea, and 5 million yuan worth of international reliefs allocated by Jiangsu Province for fighting the disaster, as well as direct overseas aid, Changzhou has received the biggest amount of relief materials such as foodstuffs, woollen blankets and medical apparatuses from the United States valued at US\$250,000 donated by the New Canaan-based AmeriCorres with the support of John Teng, a US national of Chinese origin. According to an official of the city, all the contributed money and materials will be distributed to the badly affected areas and to flood victims strictly in accordance with need.

Wuxi

After a 50-minute trip from Changzhou by train, this reporter arrived at Wuxi on the banks of Taihu Lake. After late July the city has been booming again.

The city's gross national product (GNP) reached 16.03 billion

yuan last year, while its total agricultural and industrial output value was 39.37 billion yuan. Revenues totalled 2.124 billion yuan and the per-capita GNP topped 3,861 yuan. Wuxi is one of the 15 economic centres and 13 major cities in the country.

The metropolis was struck by the biggest flood in the last 100 years and a total of 98,533 hectares of farmland or one-third of the paddy-rice fields were under the floodwater. More than 5,000 factories or half of the total were inundated. A total of 203,000 households were under water and 22,700 houses were destroyed by the flood. The direct losses topped 3 billion yuan while indirect losses reached 7 billion yuan.

At present most water-stricken factories have restored their operations wholly or partly. Large and medium-sized enterprises and more than 20 Sino-foreign joint ventures have also gradually started up again. Since resuming business, a lot of enterprises have set high demands on their quality, exports, marketing and capital withdrawal.

In an interview, Wang Hongmin, mayor of Wuxi, drove this point home. He said Wuxi has made big strides in economic reforms over the last ten years. But the improved economic strength greatly suffered during the flood. If Wuxi is likened to a human being, it had five Western-style suits but lost three in the catastrophe. In the eyes of others, Wuxi has been restored to its pre-disaster state, left with the two suits. In fact it suffered greatly. Wang further explained that to restore conditions to the pre-flood level his city must make another three new suits, and ensure they are more suitable, more fashionable and more excellent in quality.

Mayor Wang was realistic but optimistic about combating the floods and restoring the econo-

my. The city's strong material base played a decisive role in the battle against the deluge. Such big floods did not force any one to leave for personal safety. Since the farmers in the area are prosperous, they are not worried about their future livelihood. Also the strong collective economy is sturdy. The people's consciousness of their control of collectives and enterprises has been raised during the economic reform. They see the losses of the collective as their own.

The machines and equipment of the Wuxi No. 2 Cotton Mill were inundated. To restore production, women workers used their own hair-driers to dry out the equipment. Their efforts made the equipment serviceable again in less than one day.

In Qianzhou Town's Xitang Village, the No. 1 Village in south China, five village-run key enterprises and more than 300 rural households were under water. The village council bought some flood-prevention materials and gas cookers at a cost of 500,000 yuan for all families. The inhabitants repaired a piece of Japanese-made equipment, thus winning time for resumption of production and at the same time saving US\$100,000.

By estimate, the city needs one and a half or two years to make up direct losses of 3 billion yuan and minimize indirect losses of 7 billion yuan. Done slowly, it should take three years, Wang said. At present, the city has entered into an overall restoration of production. In addition, 95 percent of the inundated farmland has been replanted.

According to the public health departments in the city, no reports of epidemics were received after the flood. This should be attributed to the widespread immunization of the people and sterilization of water and utensils after the ebb of the floodwater,

and good epidemic-prevention publicity and services.

In the Yuantouzhu Park on the bank of the Taihu Lake, a famous scenic spot, this reporter saw the water had ebbed and the once inundated scenic sites were reflected on the surface of the lake as usual. According to the local authorities concerned, tourism in the city is back to normal and the city receives 250 overseas tourists a day on the average.

Suzhou

Known as an "Oriental Venice," Suzhou is a world-reputed riverside city. Small bridges, canals and green water abound in the city. Uniquely-styled gardens have made it attractive to tourists. There is no miserable sight after the floods there and the familiar picture of urban life can be seen. In fact, the people of the city had to watch TV in order to have a look at the shocking floods.

The old city and its cultural sites are unique in having survived the ravages of this year's floods. The miracle of Suzhou was created by the "great encirclement," a 14.2 km-long anti-flood project around the city, which cost a vast sum and took years for Suzhou people to build. Based on the seaport of Wusong estuary in Shanghai, it is 4.5 metres higher than sea level and can withstand a flood of 4.4 metres high. Before the floods came, Suzhou people had increased its height to five metres and thus successfully resisted inundation. Although the outskirts of Suzhou and the counties and cities under its jurisdiction sustained the strong impact of flood waters, scenic sites such as the Huqiu Tower and Hanshan Temple in suburban Suzhou remained unaffected because of their height.

Life within the city now is or-

Overseas Donations Delivered to Flooded Areas

Many airports, harbours and railway stations in China's Anhui and Jiangsu provinces hit by the worst floods in late July are bustling with activity. Large batches of donations from home and abroad continue to arrive. The work of distributing materials and money is proceeding in an orderly way.

At 8 o'clock on the evening of July 24, Li Gan and his wife, villagers of Zhoufen Township in Xinghua City of Jiangsu Province, transported 300 bags of Thai red sausages from Xinghua City to their hometown by motor boat. That evening, the township leadership decided that the sausages would be distributed to the victims the following day.

Early the next morning, the

township head and his party visited farmer Jin Chuanxing's home. Taking out two bags of red sausages, the leader said to Jin, "I've come to give you two bags of red sausages donated by Thailand. Though there are not many, they are a token of the regards of our Thai friends." The 61-year-old Jin said, "I'm grateful to the Thai people."

In Heigao Village, the village council decided to distribute the red sausages to elderly farmers facing financial difficulties and without children to take care of them. A village cadre handed the sausages to a half deaf old man Wang Binghao and told him, "These were presented by foreign friends. Knowing that we were hit by floods, they were very much concerned about

us." Feng Yujun, the head of the village council, wrote down this sentence, "On behalf of the village victims, I express our thanks to the government and people of Thailand!"

On July 28, the local authorities of Fengtai County, Anhui Province began to issue flour and biscuits from Hong Kong. In Zaolin Village, Jiaogang Township, every child under ten received 400 grams of biscuits. The locals said, "Our children who had not tasted any food they liked since the flood jumped for joy as they were given the biscuits."

According to information provided on July 30 by the Anhui Civil Affairs Department, the department had received large BEIJING batches of relief

derly and bustling with activity. Luxurious limousines carrying foreign tourists are running through the streets. Scenic sites such as Wangshi Garden are thronged with visitors. Tourism plays a significant role in the economy of Suzhou. According to statistics from its tourism department, from January to July this year, the city received more than 140,000 tourists from countries such as the United States, Britain and Japan, an increase of 12.9 percent compared to the same period last year. From the beginning of June to July 15, it welcomed over 370,000 tourists, an increase of about 30 percent.

Overall the city suffered heavily, however. In the nine days from June 14 to July 2, it had a

precipitation of 421 mm, 40 percent of the annual fall in a usual year. This was the most concentrated and heaviest rainfall of the century, which brought a direct economic loss of nearly 3 billion yuan. The floods ravaged 155,333 hectares of farmland and caused losses of 1.075 billion yuan worth of agricultural and sideline products. The city adopted resolute measures after the floods, according to official sources in the city's agricultural department. It has allocated and transported more than 5 million kg of early *indica* rice seeds, and asked farmers to replant more than 666 hectares of rice seedlings, conduct after-flood management of some cultivated fields and increase the input of

fertilizers. Farmers were also told to make full use of the high temperatures and strong sunshine in the latter half of July to help the growth of rice and cotton.

More than 8,700 industrial enterprises were hit by the floods, 60 percent of which were at or above the village level. More than 5,800 factories were forced fully or partly to stop manufacturing, and 40 percent of township enterprises had to halt production. The direct economic loss is expected to reach more than 800 million yuan.

With the rapid development of its economy in recent years, Suzhou is able to make an annual contribution of 2.1 billion yuan to the central government

materials from Hong Kong, Macao and Taiwan and from Japan, Korea, Thailand and Malaysia, as well as other parts of the country. The materials delivered in 22 batches to the flooded areas, included biscuits, instant noodles, powdered milk, canned foods, rice, flour, bleaching powder, tents, inflatable boats, asphalt felt, cement, batteries and plastic films. They were distributed to the worst hit counties in ten prefectures and cities including Fuyang, Liuan, Chuxian, Chaohu, Huainan, and Bengbu. Priority for relief distribution was given to the most severely hit victims in the flooded areas, destroyed dykes and harvests halted by waterlogging. While distributing the materials, the authorities in various localities generally registered the goods and money issued to each household and person and took on-site photos for records. In

Huaiyuan County and other afflicted places, people's representatives were invited to supervise the distribution of relief. The victims agreed that distribution was conducted in a timely and equitable way.

According to the Office of the China National Committee for the International Decade for Natural Disaster Reduction and the Ministry of Civil Affairs, relief donated by foreign governments to the stricken provinces of Anhui and Jiangsu by August 2 included more than 50 tons of food, medicines and tents from Thailand; 20,000 tons of cement from the Democratic People's Republic of Korea; 33 tons of medicines, tents, inflatable boats, and food from the Soviet Union; and 19.6 tons of food and woollen blankets from Japan. Relief from overseas communities included 120 tons of flour from Hong Kong Fanrong Group;

ten tons of fast frozen meat from Hong Kong Yunda Trading Co. and 10,000 pounds of biscuits from Hong Kong Jiadun Co. Ltd.; and 24 short-wave communication units from Kenwood Co. of Japan.

At the same time, overseas relief funds have also been distributed to the flood stricken areas. The amounts of HK\$159.6 million and HK\$74.1 million were remitted from Beijing to Anhui and Jiangsu provinces in three batches on July 22, 25 and 30. These funds, together with the money donated by various domestic circles, were partly used to buy emergency food and medicines which were issued to flood victims and partly issued to victims for monthly living costs and for the rebuilding of their homes.

**by Our Staff Reporter
Li Ning**

and has an annual export volume of 5.1 billion yuan, according to Wei Zhonghuan, deputy director of the Economic Relations and Trade Commission. The industry of the city was greatly stricken by the floods. Among the 800 million yuan of total industrial losses, those of urban industry amounted to 250 million yuan. With the efforts of the workers, many factories have partly or fully resumed their pre-flood production. On the whole, plants have generally recovered 70 percent of their production capacity. In terms of economic returns, they are still not faring well, experiencing a decrease of 15 percent compared to the same period last year. Considering the potential affects, the industrial

administration department of the city has suggested measures to restructure industry, strengthen management, enlarge sales volume and improve economic returns.

Suzhou Copper Materials Co. Ltd is one of the most heavily hit factories. It is a Sino-foreign joint venture with fixed assets worth US\$24.4 million. After stopping production for 15 days, it started to resume it gradually from July 17. It used 51 pumps to drain water away from an area of 100,000 square metres after the floods, so when general secretary Jiang Zemin made an inspection tour on July 9, the factory was no longer damp. The company lost 12 million yuan during the floods, but it man-

aged to resume production as soon as possible and the situation is good right now. It is expected to make up for the losses in the third quarter of the year and have an annual production value of 140 million yuan, according to Zhu Kai, deputy general manager of the company. The products of the firm sell well in Hong Kong, Macao and Taiwan. Even after the floods, foreign businessmen increased their orders.

Like Changzhou and Wuxi, Suzhou is still not able to easily resume its production and return to normal life. "It's not a simple job and it will take time," Wei, one of the chief economic administrators of the city, pointed out.

Inner Mongolia Lures Foreign Investment

The government of the Inner Mongolia Autonomous Region recently announced its first regulations to encourage foreign investment since the region adopted an open door policy.

They grant privileges in the aspects of taxation, land use, credit, and export of products by foreign-funded enterprises.

Inner Mongolia not only boasts China's best and largest grassland, but also abounds in the natural resources of rare-earth metals and coal. The state has decided that in the coming decade investment will focus on the building of the energy and raw material industries.

To strengthen the exploitation of resources and infrastructure construction in Inner Mongolia, the regulations stipulate that "local income taxes will be waived for firms that are export-oriented, or deal in advanced technology involving energy, communications and transport, resource development and raw materials, and those businesses encompassing agriculture, animal husbandry and fishery."

The regulations also state that foreign investors who intend to set up schools, scientific research projects, public health and other facilities for public benefit are exempt from land use fees. Priority will be given to guarantee their supply of water, electricity, gas, communication and transport facilities, and raw materials.

The autonomous region has a border of 4,200 km connecting it with the Soviet Union and Mongolia. Over recent years, border barter trade has become brisk. The ordinances encourage foreign-funded enterprises to exchange their products for essential raw materials, technology and equipment from the Soviet Union, Mongolia and East Euro-

pean countries.

Currently, the autonomous region has greatly improved its investment environment. Manzhouli and Erenhot, China's two largest land links to the Soviet Union and Mongolia, are located there. Last year the region opened Heishantou and Shiwei, two new major border crossings and another four small delivery stations. Following the State Council's approval, the region set up two trial economic reform districts in Hulun Buir League and Wuhai City. Its communication and transport capability has also developed greatly. ■

Sino-Myanmar Trade Develops Apace

Outstanding achievements have been made in the border trade between the Dehong Dai and Jingpo Nationalities Autonomous Prefecture in Yunnan and Myanmar. According to Xi Chengwen, deputy magistrate in charge of foreign economic relations and trade, in the first five months of this year, the value of border trade between the two sides reached 530 million yuan, an increase of 29 percent over the same period in 1990.

Xi said that border trade between China and Myanmar has a long history. Since the founding of New China in 1949, it has never been suspended. In particular, since Dehong Prefecture was listed as an open border trade region, commerce between the two countries has developed more rapidly.

Border trade between the two sides takes the following forms:

1. Trade agreements between the provincial government and the local Myanmar authorities;
2. Small-scale border trade conducted by commercial companies located in border cities and towns. The two parties sign no contracts and conduct face-to-

face transactions; and 3) Free trade on both sides of the border. Of the three forms, development of the second is the fastest. So far, some 286 companies are engaged in such business which have registered capital to the tune of 105.939 million yuan and employed 2,973 people.

Year	Value of imports and exports (Unit: million yuan)	Increase (%)
1984	37.88	
1985	109.72	189
1986	172.39	57
1987	396.60	130
1988	789.52	99.89
1989	965.00	26
1990	1066.978	11

Commodities exported by Yunnan Province mainly include knitting and cotton textiles, household electrical appliances, building materials and small hardware. Among goods imported by the province in return are agricultural, timber, aquatic and mineral products as well as animal by-products. The exchanges are economically complementary. Chinese commodities conform to local standards and have been well received by Myanmar consumers.

The 503.8-km-long boundary between Dehong Prefecture and Myanmar provides great potential for the development of trade and economic and technological co-operation. Dealings between the two sides have expanded from commodities to collaboration in finance, technology and labour services. At present, the prefecture has contracted for such projects as drilling of wells, programme-controlled telephone exchanges, various kinds of construction and small hydroelectric power stations. Some other new joint schemes are under negotiation.

In order to promote the further development of border trade, Dehong Prefecture is expected to

set up a four-square-km border trade economic zone in Ruili County on one side of the Sino-Myanmar border. At the same time, some 39 preferential measures are being drawn up.

by Yao Jianguo

Asian Bank Offers Loans to China

On July 25 of this year, the Asian Development Bank (ADB) decided to provide two loans to China. One totalling US\$65 million was allocated to the Liulin Power Plant in Shanxi Province and the other of HK\$80 million went to the Xiamen International Bank (XIB) to purchase investment shares.

A key energy project, the Liulin Power Plant needs a total investment of US\$123 million, of which 53 percent is covered by the ADB loans. The deadline for repaying the loan is set at 25 years, including a five-year grace. At the same time, the bank decided to provide another two advances for technological aid for the project, costing US\$1.1 million. After completion, the power plant will improve living conditions for the over 3 million residents of the Luliang mountain area in Shanxi and accelerate local economic development.

The Xiamen International Bank, the first foreign-invested bank in China with its general agency in the Xiamen Special Economic Development Zone, has a total paid-up capital of HK\$420 million. After the ADB held its shares, the Long-Term Credit Bank of Japan and the WSCP Investment Co. of the United States are going to buy shares of HK\$80 million and HK\$40 million respectively. The total paid-up capital of the XIB will greatly increase, amounting to HK\$620 million. This has facilitated the XIB's domestic and

international business.

by Ren Wei

Joint Manufacture of Air Conditioners

The Shijiazhuang Air Conditioner Factory of China Huanyu Electronic Group Co. went into operation on July 17.

Located on the outskirts of Shijiazhuang City, the capital of Hebei Province, the plant has 400 workers and staff members. In 1989, it spent US\$5.2 million on importing an air conditioner production line from Fujitsu General Ltd. of Japan, thus becoming the largest and most advanced manufacturer of air conditioners in China.

The line, installed in an 8,700-square-metre workshop, has an annual capacity of producing 60,000 air conditioners in single shifts and 180,000 in 24-hour a day shifts. In 1990, the total production figure for all 45 air conditioner production plants across the country was 219,000 units.

Lang Yuxiang, general manager of the Huanyu Electronic Group Co., said that with the assistance of Japanese technical personnel the 500 window air conditioners trial-produced by the plant in 1990 all met the standards of the Japanese corporation which sold them overseas in October 1990.

Currently the spare parts for the AXG-18AA window air conditioners mainly come from Fujitsu. Last May, the plant signed a seven-year contract with Fujitsu, under which the Japanese side is to sell 40,000 air conditioners to foreign countries each year. This will basically solve the plant's problem of an imbalance in foreign

currency. The Chinese side will continue to increase its use of domestic spare parts with the assistance of the Japanese technical personnel.

Huang Jiayi, the director of the plant, said that with Japanese recognition of the situation, the present utilization rate of domestically produced components for models for export has reached 30 percent. Joint-venture factories have been found within the country for the remainder.

Huang said the plant will manufacture 23,000 AXG-18AA window air conditioners this year. At present 1,500 units are for export. In 1992 the capacity of the plant will reach 60,000 models annually.

Fujitsu General Ltd., with an annual output of 1 million air conditioners, is the largest manufacturer of the units in Japan.



HAN GUOJIAN

Shiro Yoshikawa, president of Fujitsu General Ltd. of Japan, makes a speech.

Shiro Yoshikawa, the president of the company who came to attend the opening ceremony, said after an inspection of the plant that currently the levels of management and workers are satisfactory.

by Han Guojian

Music and Dances of the Chinese Imperial Court

The Spell of Antiquity, a grand performance embodying the typical music and dances of the imperial courts of eight Chinese dynasties, was recently staged by the Beijing Song and Dance Ensemble. The programme is one of the capital's on-going tourist attractions at the luxuriously decorated theatre in the Beijing Universe Building. Here visitors can obtain a deeper understanding of the unique and rich cultural heritage of China by enjoying the court music and dances which for thousands of years could be seen only by the imperial line, high-ranking officials and the privileged.

The eight sections of the performance correspond to the different dynasties. The first part, entitled *The Charm of Sorcery*, focuses on the music and dance of the pre-Qin period when witchcraft was dominant in society. The unique ceremonial dances of the witches were intended to beg the gods for good weather and grain harvests. The setting is an altar surrounded by eight high statues of gods and six banners in the wilderness. On either side of the altar, a wizard beats a drum and a group of barefooted female slaves dance, while two male slaves proffer the head of cattle and wine to heaven. Then the witch masters in long robes enter doing the witch dance. The leading dancer ascends the altar to perform magic rites. Incense is burning in the bronze pot, a bright light glistens in the sky and the slaves burst into wild dances.

The second part, *Courageous Warriors*, consists of dances of the Qin Dynasty (221-206 BC). Emperor Qin Shihuang of the Qin Dynasty was the first Chinese ruler to unite China. The court music and dances are rich in military spirit and there are many fighting sequences between two brave warriors, meant to symbolize the great accomplishment of Emperor Qin Shihuang in unifying China through military force. Against the backdrop of the Great Wall, a commander in iron armour stands atop a chariot and ten armoured soldiers with long swords perform the battle dance, displaying their great strength.

The third part, *Swallow Dance in Candle Light*, reflects the Han Dynasty (206 BC-220 AD). In its court, female virtues such as gentleness and gracefulness were prized. It is said there were many well-known women dancers in the period. Some of them could dance on drums or plates. On the stage, the thin-waisted female dancers seem ethereal and gentle. In contrast to the earlier male dancers who played warriors, the women resemble beautiful fairies walking over smooth waves or swallows flying free in the sky.

The fourth part, *The Grand Ceremony*, focuses on the mighty Tang Dynasty (618-907), one of the most glorious ages in Chinese history. The open policy of warm relations with neighbouring states of the Tang Dynasty resulted in deep links between Chinese and foreign culture. Consequently the music and dance of the Tang Dy-

nasty is characterized by a combination of traditional Chinese and foreign elements which marked an apex in the development of Chinese music and dance.

Shown on the stage is a party for the emperor and the nobility. The initial dance is that of the traditional symbols of longevity, the tortoise and crane. First four green-robed male dancers imitate the actions of the tortoise and then four female dancers in pure white perform the crane dance. After this, four musicians come on stage to play the *pipa* (a plucked musical instrument), *xiao* (a flute-like instrument) and flute. To the accompaniment of the music and dances, a ceremonial official chants blessings, while a magnificent golden palace appears on the set. An imperial concubine in bright costume performs the white ramie dance, characterized by the waving of long sleeves. Then men and women in minority costumes perform the *Huteng* Dance. The finale is the elegant Fan Dance.

The fifth part, *The Poetic Elegance*, is devoted to the Song Dynasty (960-1279). The period saw the maturing of *ci*, a special type of poetry composed to set melodies with strict metric patterns and rhyme schemes along with fixed numbers of lines and words. The audience can enjoy the famous *ci* written by great poets and at the same time hear the enchanting sounds of ancient musical instruments such as chimes.

The sixth part, *Buddhist Music and Dance*, demonstrates re-

"The Charm of Sorcery."

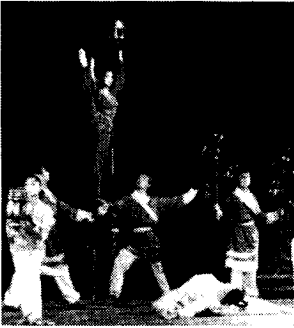


"Courageous Warriors."

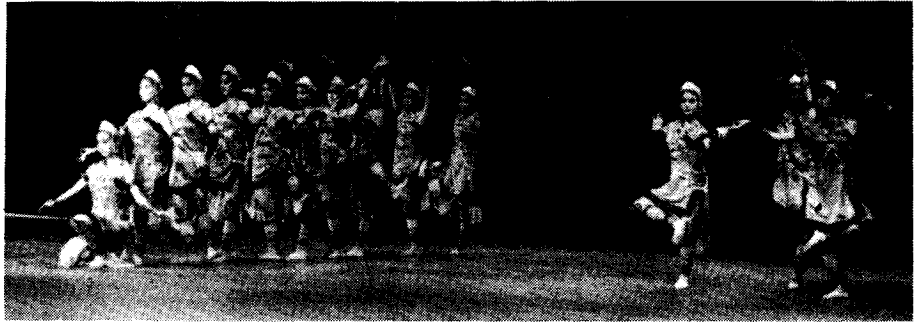


"The Poetic Elegance."





"Swallow Dance in Candle Light."



"Buddhist Music and Dance."

photos by CHEN ZONGLIE

representative pieces of the Yuan Dynasty (1271-1368). One of the classical dances in the Yuan court was *The Sixteen Heaven Devils Dance*. Originally a Buddhist dance, the Buddhist Khan of the Yuan Dynasty, who liked music and dancing, often watched the dance in his court. The background setting is tents on the Mongolian grasslands. The 16 female dancers wearing Buddhist crowns constantly change their grouping to form representations of different Buddhas. The dance aptly illustrates Buddhist art and has a strong Mongolian flavour.

The seventh part, *Gallantry Versus Tenderness*, is devoted to the Ming Dynasty which saw the development of Chinese drama and opera. At the same time, some forms of folk performance arts began to enter the court. *Zhong Kui Marries Off His Sister* is a typical example. Zhong Kui is a devil-expelling god in folk literature who may have been rough and ugly in appearance but had an upright character. Zhong believed it was his duty to dispel evil and help the common people. When he was aided by a man named Du Ping, he showed his gratitude by

marrying off his sister to this scholar. The stylized dance vividly portrays the lively occasion.

The eighth part, *Song and Dance of Blessings*, is devoted to the Qing Dynasty (1644-1911). The Qing was founded and maintained by the Manchurian people and consequently the music and dance of the imperial court has a rich Manchurian flavour. The stage background is the Grand Harmony Hall of the Imperial Palace. To the sound of drums and other musical instruments, girl dancers wearing traditional Manchurian costumes gracefully mount the steps of the stage. They present *ruyi*, S-shaped ornamental objects used as symbols of good luck, to the guests. The 12 male dancers chant songs of blessings in splendid formation and the people on the stage begin to sing a joyous chorus to bring the entire show to a conclusion.

Speaking of the creation of such a large stage performance, Wang Xi, director of the Beijing Song and Dance Ensemble and also the artistic producer of the work, said, "The Beijing Song and Dance Ensemble has always attached great

importance to the promotion of national folk dances. As an art troupe of the capital, it pays special attention to the exploration of the cultural heritage of Beijing." Wang continued that this endeavour has received support from the Beijing Commission of Foreign Economic Relations and Trade and the Beijing Municipal Bureau of Culture and was funded by the Beijing Universe Building. It is the ensemble's second production of ancient music and dance following the highly acclaimed, *Grand Ceremonial Dance of the Qing Dynasty*.

Chief Director Zhan Wenkui said, "In order to encapsulate the finest music and dances of 5,000 years of history in a 90-minute long stage production, the producers have consulted a great deal of historical materials. They also went to Xian and the Dunhuang Grottoes to learn from the frescos and statues there. In artistic approach they focus on traditional culture and emphasize the special features of court music and dances that differ from their folk equivalents.

by Hong Lanxing

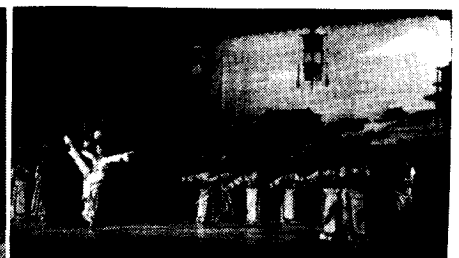
"The Grand Ceremony."

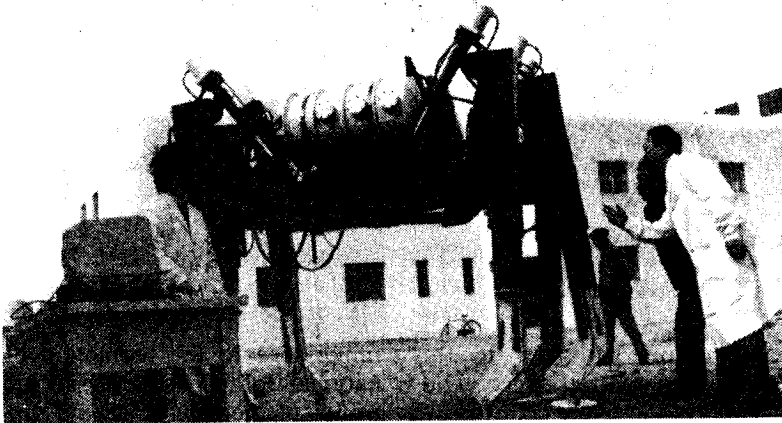


"Gallantry Versus Tenderness."



"Song and Dance of Blessings."





ZHONG KE

A Prototype of the underwater six-legged walking robot.

China's First 'Submarine Robot'

China recently developed its first manned and unmanned submarine robot after 40 days of successful underwater tests.

Shaped like a spacesuit, the 2.1-metre-high diving device weighs 650 kg. It can plunge as deep as 300 metres and walk and swim using movable leg and arm joints. It carries four vertical and horizontal propellers on its back and is equipped with depth and direction recording devices, plus underwater video and lighting facilities. The robot can work in areas considered too dangerous for human divers.

When employed as a diving suit the weight of the robot in water decreases to zero or up to 20 kg with the aid of a special device and the suit's self-buoyancy. The diver can direct its movements through the controls in its centre or move under his own volition. The atmospheric pressure inside the robot always remains at one, since the oxygen and carbon dioxide contents, plus temperature and pressure are all controlled by sensors. Being beyond the impact of outside hydraulic pressure, a diver is free from decompression sickness no matter how deep he dives

or how long he stays in the water.

Operators at sea can follow the underwater performance of the robot through a shipboard display system and simultaneously control its movements. The machine is quite reliable and safe.

Submarine robots are one of the most important scientific research projects in advanced countries. They have been developed and put into operation in several nations including Britain. The tests at sea have proved the Chinese model reaches design requirements and is up to the international levels of the 1980s. ■

Classic Novel In Mini-carvings

Wang Shicheng, 46-year-old expert miniature figurine sculptor, has carved an over 1-million-word Chinese classic novel *A Dream of Red Mansion* on 60 small fine pieces of ivory no bigger than a match box. Recently placed on exhibit, the masterpiece took him five years and five months to complete.

Miniature carving is one of China's folk art wonders and an artistic medium through which artists can fully display their versatile ability. They carve, for example, figures, flowers and birds on a strand of hair or carve out a scroll

of many people on a grain of rice. Their exquisite crafted works are often eagerly sought after by collectors.

Artist Wang Shicheng of south China's Jiangxi Province has liked calligraphy since his childhood and began to learn miniature carving when he was 22 years old. In order to make his miniature carvings a real calligraphic piece of art after enlargement, Wang Shicheng must spend days and nights in painstaking work. Using his knife as his brush, the artist copies works of ancient calligraphers. In the process, he wears out 1,000 smooth brush handles to form his unique style of writing with his own set of carving tools.

In the early 1980s, Wang Shicheng had an idea of carving in miniature the literary classic *A Dream of Red Mansion*. After three years of preparation, he began the masterpiece in January 1986. He carved out over a million Chinese miniature characters on 60 pieces of thin ivory sheets 50 mm long, 35 mm wide, and 0.4 mm thick. Each character is, on the average, 0.2 square mm. Such a small size required enormous patience and stamina on the part of the artist.

Wang Shicheng's work requires absolute attention to detail, and so he often worked in the quiet of the night. He makes strict demands of himself and if he made mistakes, missed characters on the ivory sheets or if the material was flawed, he would recarve the entire piece. What is most commendable about this work is that under a microscope, each stroke of the 1 million-odd characters on the ivory sheets is all of high calligraphic level.

In 1990, Wang Shicheng sent some of his ivory sheets of *A Dream of Red Mansion* to Beijing to exhibit them at the 11th Asian Games Art Festival. His work was highly praised by the well-known scholar Feng Qiyong, a specialist in the research of the classic novel.

by Wei Liming



A Girl Blowing Bubbles.



Playing With Monkeys.

ART PAGE



Man and His Pet Birds.



A Story-Teller.

Papercuts By Lin Ximing

Lin Ximing, born in Zhejiang Province in 1926, is now a painter at the Shanghai Studio of Chinese Art and Calligraphy. He is skilled in Chinese painting and papercuts.

Rainbows formed of silk, bridges built by tourism!

A warm invitation to friends at home and from abroad to visit
the '91 Suzhou International Silk and Tourist Festival of China.



- Purpose: Build friendship, develop trade, promote the opening to the outside world and boost the economy.
- Events: International Silk Fair.
Opening ceremony for China's new Silk Museum.
Appreciating Suzhou's culture and art.
Touring the oriental water city.
Admiring the full moon at the Mid-autumn Festival in Suzhou's famous classic garden.
An evening walk in a classic garden.
Silk dress fashion show.
Sales exhibition for new silk products.
Briefings on the newly constructed districts.
Trade talks on economic and trade sales exhibition.
- Date: September 20-25, 1991
- Organizer: China's Ministry of Textile Industry, National Tourism Administration, Suzhou municipal people's government.
- Sponsor: Ministry of the Aeronautics and Astronautics Industry Tel: 775905