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TAIAN: AN OPEN CITY AT THE FOOT OF MT. TAI

The Current World Economic
Development Trends

Taian Tractor Factory

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Located in Taian, the hometown of small four-wheel tractors, the Taian Tractor Factory has been in business for more than 20 years producing four-wheeled tractors. Its main products are the Taian-brand Taishan-61 (6hp), Taishan-12 (12hp), Taishan-15 (15hp) tractors and the ES559ITJC underpan used for easy repair of the machine in the oilfield. All products have the state's seal of approval.

The main features of the products are:

1. Widely used in rural areas, they are available for many types of operation, including ploughing, cultivating, seeding, harvesting, threshing grain, pumping water and transportation.

2. Reasonably designed, they are compact in structure, and flexible, convenient, reliable and safe for use.

3. Of various types, they can be used for ploughing, transportation, and power distribution and starting.



HIGHLIGHTS OF THE WEEK

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Taian—An Open City in Shandong

□ Located at the foot of Taishan Mountain, Taian will depend on the tourist resources of the mountain to invigorate its economy and speed up business and trade activities with other countries. The city government has strengthened construction at Taishan's scenic spots, erected China's first passenger cableway and built an excellent winding highway up the mountain (p. 11).

The Blind's Contribution to Society

□ Started from scratch as a clinic by seven blind people in 1958 and renamed the Beijing Massage Hospital in 1987, this establishment now has a staff of over 100, many of whom cannot see, and 14 departments. It treats over 100,000 patients a year. Its outstanding achievements have shown a way out for China's 7.5 million blind people in their effort to do something useful for their society (p. 23).

The Diversifying World Economy

□ Although calls for privatization and a market economy have resurged, the world economy is showing a growing trend towards an integration of private and state sectors (p. 8).

The United States Increases Arms Sales

□ In recent years, Washington has increased its weapon exports due to the reduction of domestic orders. What's strange is that while the United States has become the number one munition seller in the world, it makes the loudest noise about arms control (p. 9).

Old-Age Insurance in China

□ China leads the world in both overall population and in the number of the elderly. It is likely to become a country of the aged around 2000. To deal with the situation, China has since 1984 introduced an elderly insurance system and made initial progress in the effort (p. 19).

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Photo by Lian Haisheng

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11 Detained Fishermen Return From Taiwan

Eleven of the 18 mainland fishermen detained by the Taiwan authorities following the July 21 fishing dispute returned to Xiamen, Fujian Province, on August 24.

The fishermen were escorted by an official of Taiwan's "Foundation for Exchanges Across the Taiwan Straits ('Feats')" from Jinmen, a small island held by the Taiwan military, together with the two fishing vessels *Minshiyu 2294* and *Minshiyu 2295*, which had been taken to Taiwan by a Taiwan naval vessel.

They were received at the port by local officials and local Red Cross workers and their family members.

Cai Chengjia, owner of the two vessels and one of the 11 released fishermen, demanded that Taiwan authorities pay compensation for the fishermen's economic losses.

The agreement to return the 11 detainees to the mainland was

reached by Qu Zhe, deputy general secretary of the Red Cross Society of China (RCSC) with Chen Rong-jye, vice-secretary general of the "Feats" after Qu and another RCSC official Zhuang Zhongxi arrived in Taipei on August 20. The visit was the first to Taiwan by RCSC officials since 1949.

The two RCSC officials visited the six mainland fishermen who are detained in the Taizhong Prison. They also saw Cai Ahuan who is in the Taizhong Youth Observation centre. The seven detainees have been charged for piracy as a result of the incident.

Qu Zhe told the fishermen that their mainland compatriots and fellow villagers in Fujian Province have been very concerned for them. He said, "On behalf of the mainland Red Cross Society and the Fujian provincial branch of RCSC, as well as your fellow villagers and your families, we are here to see you today."

The mainland fishermen said that they have been longing for their homes, and told the Red Cross officials that they are so

worried that they cannot eat or sleep.

At the prison, Zhuang Zhongxi took pictures and recorded the fishermen's messages. The official said that he would deliver the pictures and recordings to their families as soon as he returned to the mainland.

On August 22, the two RCSC officials called on Xu Heng, director of the Taiwan Red Cross, expressing the mainland people's gratitude to Taiwan compatriots for their donation to the flood-hit areas.

Qu and Zhuang, along with the two mainland journalists, Fan Liqing from the Xinhua News Agency and Guo Weifeng from the China News Service, left Taipei for Beijing on August 23. Qu told mainland and Taiwan reporters at the Beijing International Airport that the visit was successful.

He noted that with increasing contacts across the Taiwan Straits, disputes will be inevitable. Both sides should follow the principle of seeking truth from facts, proceed from the relations of the two sides and solve the disputes through consultation.

"After we arrived in Taiwan, it took us only one day to resolve the problems and differences over the last 20 days. This proves that direct contact is the best way for solving problems," Qu said.

On how to handle the July 21 fishing dispute, Qu stressed: "We have always considered it a fishing dispute while the Taiwan side insists that it is a criminal case. We have conveyed our hope to relevant departments in Taiwan that the dispute should be settled fairly and properly in accordance with facts."

Qu mentioned the Taiwan compatriots's warmth towards mainland visitors. He also expressed thanks for the efforts and support of "Feats" and related departments in Taiwan. ■

China Respects the Soviet People's Choice

The Chinese government has, as always, maintained that the internal affairs of the Soviet Union should be handled by the Soviet people themselves.

This remark was made by Qian Qichen, state councillor and foreign minister, when meeting by appointment in Beijing on August 22 with N.N. Soloviev, Soviet ambassador to China.

The ambassador conveyed President Mikhail Gorbach-

ev's personal message to the Chinese leaders.

"We respect the choice the Soviet people made, and we believe that with the resumption of President Gorbachev's duties, the good-neighbourly and friendly relations between China and the Soviet Union will continue to develop on the basis of the principles set forth in the 1989 and 1991 Sino-Soviet joint communiques," Qian said. ■

Flood Victims Rebuilding Homes

A large-scale campaign to reconstruct homes and resume production is now in full swing in flood-stricken areas of China, now that the waters have started to recede.

Millions were left homeless by severe floods in June and July.

In Lixiahe Prefecture, Jiangsu Province, 230,000 homes were damaged, leaving 1.8 million people homeless. In central China's Anhui Province, more than three million people were stranded.

Statistics show that by the end of July Jiangsu Province had replanted 120,000 hectares of rice and 193,000 hectares of dry crops, accounting for 66 percent of the total acreage to be replanted.

And in Zhumadian and Xinyang prefectures, Henan Province, flood victims replanted 750,000 hectares of autumn crops.

In Lixiahe Prefecture more than 60 percent of the flood victims have returned to rebuild their homes.

On August 8 the Jiangsu provincial government launched a drive to raise money



FANG AILING
A stranded family in Xuyi County, Jiangsu Province, has moved into one of such shelters.

for people who cannot afford to rebuild their homes, and by August 11 the province had raised more than three million yuan.

Anhui Province has set up 730,000 shelters for more than three million flood victims.

In some areas villagers have started small industries in a bid to guarantee the supply of daily necessities. ■

UN to Further Aid Chinese Flood Victims

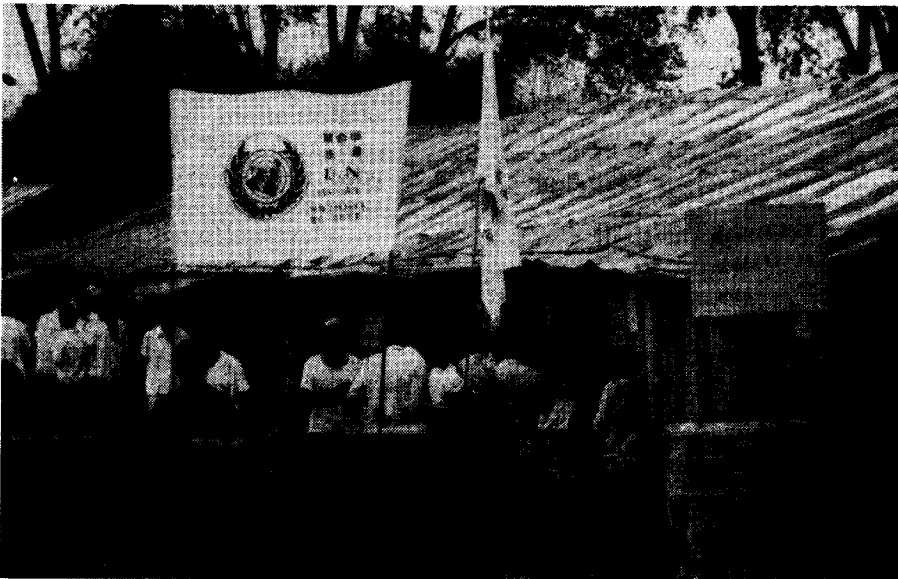
The United Nations Disaster Relief Organization (UNDRO) Consultant Abderrazak Essaied said that the United Nations was willing to further aid Chinese flood victims.

Essaied made the remark during a meeting with Chinese reporters in Beijing on August 23.

"After seeing the damage, we should give more relief aid," said Essaied.

During the past month, Essaied has twice inspected Anhui, Jiangsu and Henan, three of China's hardest flood-stricken provinces, witnessing the losses caused by the severe floods.

Essaied said he thought China should receive more international assistance. To date, international relief donations have totalled only about US\$20 million — far less than the US\$200 million emergency aid requested by the Chinese government since July.



ZHANG RUIQI
A flood-stricken area in Anhui Province uses UN donations to set up shelters for flood victims.



CHEN ZONGLIE

Jan Mattsson (left), representative of the United Nations Development Programme, and Abderrazak Essaied (second from left), a consultant of the United Nations Disaster Relief Organization at a press conference in Beijing.

This proposal will be brought to the attention of the UN-DRO's Geneva-based headquarters, he promised, adding that the UN-DRO will play its role in coordinating the world's donors to further China's relief work.

At present, more than 90,000 homeless flood victims in the worst hit provinces have already moved into shelters set up with the United Nations Development Programme (UNDP) donations.

Meanwhile, at least 400,000 people living in the flooded areas have benefited from medical aid projects provided by the United Nations, Jan Mattsson, deputy resident representative of the UNDP confirmed.

Mattsson said, the relief assistance of US\$7.35 million provided by the UNDP was insufficient. He expressed willingness on behalf of his colleagues

to continue helping China with the reconstruction of its flood-stricken areas.

Essaied and Mattsson both spoke highly of the "efficient" and "encouraging" rescue work and relief efforts done by the Chinese governments at all levels. ■

Myanmar Leader Visits Beijing

China and Myanmar have every reason to further their bilateral ties on the basis of the Five Principles of Peaceful Coexistence, Chinese President Yang Shangkun said on August 20 during talks with Chairman Saw Maung of the Myanmar State Law and Order Restoration Council. Saw Maung arrived in Beijing earlier the same day for a six-day visit.

Yang said the Five Principles of Peaceful Coexistence jointly proposed by China and Myanmar have become widely recognized in the world as the norms in dealing with state-to-state relations.

The Myanmar leaders' visit was an important event in bilateral relations, he said.

"China and Myanmar are good neighbours linked by the same mountains and rivers, and high-level officials from both countries have frequently exchanged visits," Yang said.

"Both countries experienced similar sufferings in history and helped each other's independence causes," he noted, adding that at present the two countries were facing the same task in the development of their national economy.

"Both of us hope for a peaceful international environment to build our countries," he said. ■

Albania in Turbulence

by Zhu Fuxian

In recent years, Albania has undergone significant changes. After a multi-party system was introduced, the former ruling party split and changed its name and programme.

When "political pluralism" was adopted last December in the 13th Plenary Session of the Ninth Central Committee of the Party of Labour of Albania (PLA), the first opposition party — the Albanian Democratic Party immediately appeared. The new party proposed in its programme to transform Albania into a Western-style market economy, challenging the PLA and government. Subsequently under various programmes and banners, the Republican Party, the Farmer's Party and the Ecological Party joined the struggle for power in political area.

Although the PLA won victory in the first multi-party election this spring, serious differences appeared within the party due to the influence of dramatic changes in Eastern Europe. Some party members broke away and formed the Social Democratic Party. In June, at the 10th congress of the PLA, the party decided to change its name to the Socialist Party of Albania and worked out a programme advocating political pluralism, congressional democracy, market economy and a humane and legal country. It stated that the action "put an end to a historical stage" and made the new party completely different from the former PLA in nature.

Since then, the political situation in Albania has been turbulent.

In April 1991, the Albanian parliament (People's Assembly) adopted an outline of the new constitution. The document, based on "human rights and pluralism," decided to change the name of the country to the "Republic of Albania." In the parliamentary election, Ramiz Alia became president, with Fatos Nano, an economist, as his prime minister. The Nano government put forward its programme — partial privatization and transition to a market economy.

But the "comprehensive crisis" in politics and economy continued to develop. A month later, the Nano government, under attack of the opposition party, was forced to step down. The new Prime Minister Alli Bufi held a round-table conference with representatives from opposition parties and reached an agreement on forming a coalition government.

On June 12, the new government announced an administrative programme to stabilize the economic and social situation. Prime Minister Bufi called for speeding up privatization and transition to a market economy. But after six weeks, he admitted that the domestic situation was still severe.

At present, Albania has been obsessed with economic woes. On July 28, the government revealed that the present industrial production was only 50 percent of the plan of this year; in the rural areas,

the situation is increasingly worsening because farmers are dividing among themselves land, livestock and crops; export was only 20 percent of the plan; and import was only 33 percent. By the end of June, the trade deficit amounted to US\$343 million.

In addition, in the first five months of this year the total currency that was put in the market was equal to the sum of the previous four years and the exchequer money had run out. Commodities were in serious shortage, leading to the skyrocketing prices. The prices of fruit, vegetables, telephone fees, gasoline and service fees have risen to many times.

Meanwhile, the social situation became strained. In July of last year, large numbers of Albanians fled the country and about 15,000 rushed into Italy this August. The country was short of commodities because of the reduction of agricultural products and continuous strikes. This led to shortage of supplies on the markets, speculation and profiteering, and rampant black market activities.

In rural areas, with the permission for the cooperatives to assign plots and livestock for farmers, anarchism overflowed, resulting in infringement and damage of collective property. Moreover, violent activities rose, the criminal rate increased and the social order was disturbed. People are concerned over the development of the situation. ■

World Economy: Towards Diversification

by Qiu Yuanlun

The dramatic changes in East European countries have renewed a long-standing call in the West for a private and market economic doctrine. Some people in the West believe that only by privatizing all state enterprises, renouncing all state economic intervention and relying on the market can East European countries overcome their economic woes.

Market No Elixir

Cries for privatization and a market economy in the world resurfaced in 1979, when Margaret Thatcher moved into 10 Downing Street, and reached a pinnacle in the 1980s, during which the new conservative economic theory prevailed in the West.

With the outbreak of an economic crisis in the United States and other Western nations, this trend began to ebb.

In reality, however, since the Great Depression in the 1930s, a free market economy never really existed. In today's West, the economic system is without exception a combination of the developed private sector plus the strong state sector (including state assets, state enterprises and state capital). The two are equally important and cannot be dispensed with each other. This is significant to developing countries -- the developed West is not completely reliant on privatization and the market, why should they be?

It is noteworthy that in the West, there have been cries for promoting the role of the state and international co-operation in a nation's economy. This is primarily because the rapidly changing and volatile world re-

quires the leadership of a powerful state and world leaders.

Also, global problems are pressing. For example, the world population doubled during 1950-1990 and is expected to re-double during the 1990-2025 period. Other tough issues include immigration, environmental protection, drug trafficking and terrorism. In the trade and economic area, the world is confronted with the following problems: How to include farm products, labour and intellectual property into the international trade mechanism, how to manage the globally integrated financial market, how to establish rules for international investment to solve the dilemma: economically international global corporations and national governments.

Third, the intensified competition among Western economies makes it imperative for governments to intervene. This can be seen not only in trade but also in industrial policies. In the United States, for example, there is an argument that it is worth waging a trade war with Europe in civil aviation. At present, 85 percent of the 9,800 jet planes flying in the world (excluding the Soviet Union) is made in the United States. It is expected that during 1990-2008 11,500 planes, worth US\$600 billion at current prices, will be sold. It is reported that the European Airbus group, which receives heavy government subsidies, has already got one third of the orders. This involved competition not only between enterprises but also between countries.

Fourth, the new conservatism over the past decade has proven faulty and the state is needed to

make amends. In income distribution, for example, the West has usually slanted towards the employers at the expense of employees. In the United States, people were able to maintain their living standards in the 1980s by increased borrowing and family employment. Taking inflation into consideration, the average weekly wages of employees were 5 percent less than 10 years ago.

Diversification

Since 1985, a trend towards forming regional trade blocs has swept across the world. The blocs can be systemized ones, like the European Community, which has a super-national power structure, or semi-systemized ones, such as the North American free trade zone, or a loose connection, such as in East Asia, where economic co-operation is achieved by strengthening economic ties. The underlying cause is the common interest of bloc member countries.

This development poses a serious challenge to governments around the world. Strategically, every nation has to re-locate their position in a dramatically changed world. Furthermore, these blocs are to some extent exclusive, affecting countries outside the organizations.

At the same time, however, the world economy is moving towards globalization. Western giant corporations and banks are expanding beyond national boundaries. Trade between these corporations and their overseas subsidiaries account for more than half of the total trade conducted among countries of the Organization of Economic Co-

operation and Development. Today, commodity, capital, personnel, information and technology are flowing rapidly and in large quantities around the world and their importance are increasing.

In France, a country that has long been devoted to protecting its own industry, foreign industrial goods have occupied nearly 30 percent of the market, up from 16 percent in the early 1970s. Of the patent rights registered in the United States, only a half in 1990 was held by American citizens and companies, compared with two thirds in 1980.

International co-ordination between corporations and countries has strengthened. The summit meeting of the Group of Seven industrial Western nations is playing an increasingly important role in co-ordinating global economic affairs. Furthermore, this global trend is involving more and more countries, a sharp contrast to the post-World War II period, when internationalization of the world economy involved the Western countries and a small number of developing nations.

It is against this that countries

are forming economic blocs. Since the latter half of the 1980s, 80 percent of Japan's direct investment has been concentrated in Europe and the United States. The European computer industry, which is behind, is seeking co-operation with Japanese companies to counter US companies. In the semi-conductor area, on the other hand, Europe is co-operating with US companies to counter Japanese companies.

These facts show the world economy is moving towards diversification, and no single model or path of development is universally valid. ■

End of US Colonialism in Puerto Rico Urged

by Qian Wenrong

The UN Special Committee on Decolonization adopted a resolution August 15, urging the United States to establish as soon as possible a legal framework so as to enable the Puerto Rican people "to exercise their right to self-determination."

Similar resolutions, reaffirming the inalienable rights of the people of Puerto Rico to self-determination and independence, has been adopted by the committee since it took up this issue in 1972. However, the United States which always proclaims itself as an "apologist for human rights" has ignored the rightful demands of the Puerto Rican people and defied the UN resolutions.

Puerto Rico, an island nation, fell under US colonial rule in 1898 when it was occupied by US military forces.

Since then the Puerto Ricans have struggled and sacrificed to preserve their identity as an independent people and nation. However, because of terrible repression and planned murder by the colonial power to undermine

those who believe in independence, today the colonial status of Puerto Rico remains unchanged and the people still cannot enjoy the degree of freedom necessary for options of independence.

Puerto Rico, governed by the United States, has no control over its internal affairs. As a result, it cannot enter into any treaties with foreign countries, nor seek UN membership.

Furthermore, democratic rights have been denied. Some 125,000 Puerto Rican people, whose names are on the so-called subversive lists of the US Federal Bureau of Investigation (FBI), have been watched and threatened by the US government. There are still 18 Puerto Ricans in US prisons for political reasons, 14 of them already imprisoned for more than 10 years.

More than 13 percent of island's territory has been usurped as US military bases.

"Our citizenship, unlike that of the American citizens, is partial, incomplete and second-class," said Ms. Zaida Hernandez, a representative of the New Progressive Party of Puer-

to Rico.

The United States and its enterprises obtain an annual gain of more than US\$10 billion from Puerto Rico. But, on the other hand, "more than 62 percent of Puerto Ricans live below the poverty line," she added.

The devastating economic conditions on the island have led to increasing emigration of Puerto Ricans to the United States. Four out of every 10 Puerto Ricans leave for the United States in search of work. There are 3.5 million Puerto Ricans living on the island and 2.5 million in the United States.

An overwhelming majority of the Puerto Ricans call for the ending of the colonial oppression imposed by the United States and urge the Special Committee on Decolonization to take immediate action to speed up the process of self-determination in their nation.

The United Nations General Assembly has declared the current decade as the International Decade of the Eradication of Colonialism. It is the right time to end colonialism in every corner of the world. ■

A Bizarre Weapon Market

by He Dalong

People have been puzzled by a strange phenomenon in the world's weapon market: while some countries have cut their weapon sales, Washington has boosted its export of arms.

In recent years, the United States rapidly expanded its munition exports. According to an annual report issued by the US Congress institute in early August, the shares of France, Britain, Germany and Italy in the world's weapon exports in 1990 fell to 10.3 percent from 22.4 percent in 1989. The Soviet Union reduced its sales from 38.5 percent of 1989 to 29.2 percent in the world's total arms sales.

However, the United States has increased its arms sales to 40 percent of the world's total. Last year, it planned to sell its surplus fighters, radar commanding systems, rockets and missiles after signing the agreement on the reduction of conventional weapons with the Soviet Union. The United States has become the world's number one weapon exporting country.

The report said that in 1990 the United States sold US\$18.5 billion of arms to foreign countries and regions, of which US\$14.5 billion went to Saudi Arabia.

Since World War II, the United States has been one of the world's major countries producing and exporting wea-

pons. From 1980 to 1984, Washington exported munitions valued at US\$27.66 billion.

The Congress report made it clear that with the end of the Cold War and the reduction of domestic defence purchasing plan, the United States' munition producers turned their attention to the world weapon market so as to, in part, offset their losses caused by reduced domestic orders.

The third world is the main marketplace for US munition exports and the Middle East countries are the biggest buyers. It was reported that from 1982 to 1986, Washington exported US\$3.7 billion of weapons to Israel. During the Iran-Iraq war, it sold US\$15.5 billion of arms to Iraq and US\$8.2 billion to Iran.

The Congress report said that last year's sales volume of US munitions had doubled that of the previous year, constituting 44.8 percent in the third world countries' total purchasing of weapons.

After the Gulf crisis, Washington exported US\$15 billion of munitions to the Gulf and the Middle East countries. In June of this year, the United

States declared a new plan to sell huge numbers of advanced weapons to five Middle East countries worth US\$18-US\$24 billion. The Congress report acknowledged that the US policy was creating a dangerous world full of weapons.

The irony is that while the United States has sold tremendous amounts of munitions in the world, it advocates the loudest for arms control.

In June of this year, the US government called on the five permanent members of the United Nations Security Council to discuss the problems of collective self-restraint from selling munitions to the Middle East regions.

In July, Washington proposed a "register" system in the United Nations concerning the world's weapon sales.

However, the US Defence Secretary Dick Cheney said that arms control was a long and complicated issue, therefore, people should not simply fall into such a trap: when talking about arms control we should not provide munitions to the Middle East. He said it was unwise to do so.

International opinions noted that the United States is carrying out a strange policy. On one hand Washington fathered arms control proposals and, on the other, it continued its arms business. In addition, the US' arms control is not to restrict itself, but others.

According to the prediction of the US defence information centre, the United States' munition exports and foreign military aid in the fiscal year of 1991 (from October of 1990 to September this year) may reach as high as US\$41 billion. ■

An Open City at the Foot of Mt Tai

by Our Staff Reporter Zhang Zeyu

Known for its scenic beauty, Taishan Mountain (Mt Tai) in Shandong has long been one of China's five sacred mountains, the others being Hengshan in Hunan, Huashan in Shaanxi, Hengshan in Shanxi and Songshan in Henan. The peak has been revered and worshipped by the people.

Emperors of yore offered sacrifices to the gods or their ancestors there. Leaders of various religious sects built one temple after another on the mountain. Scholars of past dynasties, who were unwilling to lag behind, came thick and fast on pilgrimages to the temples and composed poems to Taishan's heights. As a result, a number of rich cultural relics and places of historic interest have been maintained. Although they have been buffeted by several thousand years of wind and rain, Taishan Mountain still boasts over 20 ancient structures, more than 200 ancient steles and 1,300 stone inscriptions, making it a historical and cultural treasure-house. In 1987, the mountain was cited by the United Nations Educational, Scientific and Cultural Organization (UNESCO) as a "World Heritage." It has won worldwide fame and become a renowned scenic spot for Chinese and foreign tourists.

Development of Taian

"Located at the foot of Taishan Mountain, Taian is not as

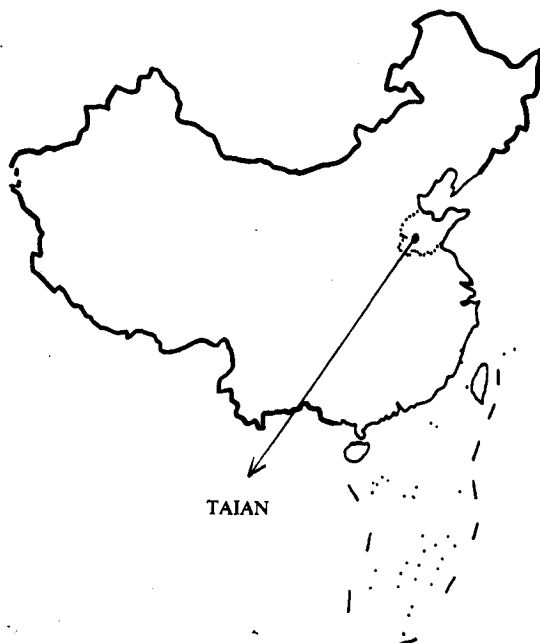
famous as the peak itself. To develop its economy, we will depend on the reputation of the mountain to expand our influence, invigorate the economy and speed up our business and trade with other countries," said Hu Jianxue, secretary of the Taian municipal Party committee when this reporter interviewed him early August.

Before June this year, the 41-year-old Hu Jianxue was the mayor of Taian. Hu said that Taian, located in the centre of Shandong Province in east China, is close to Jinan, the provincial capital in the north. It adjoins Qufu, the birthplace of Confucius, in the south and faces Zhubo, a porcelain-making city, in the east. Taian covers a total area of 9,840 square km and has a population of 6.3 million (200,000 in the city proper). Under its jurisdiction are Xintai and Laiwu cities, Feicheng, Ningyang and Dongying counties, as well as the Taishan District and suburbs.

To expand its impact both at home and abroad, the municipal government has strengthened construction at Taishan scenic spots, erected China's first pas-

senger cableway and built an excellent winding highway on the Taishan Mountain. It has also opened up new sightseeing places, built a park surrounded by water and many low-, medium- and high-grade hotels. Taian has tackled environmental problems and built a period-style street between Taishan Mountain and the city.

Since 1987, the municipal government has held the Taishan international and national mountaineering activities in September annually. This climbing competition of the peak is conducted in accord with local folk customs and combined with Buddhist ceremon-





Hu Jianxue (first right) accompanies foreign guests on a tour of Taishan Mountain.

ies. At the same time, colourful folk art performances, along with exhibitions of paintings and calligraphy, root carving and potted landscapes, as well as big economic and trade shows take place. From 1991, the event

is to become a mountaineering festival. During the festival, the municipal government has decided to hold large economic and trade symposiums and sales exhibitions.

In March 1991, Taian held its foreign economic and trade talks in Shenzhen. The photo shows the opening ceremony.



Recently, the number of tourists visiting Taishan Mountain has increased year by year. The figure for 1990 was 3 million, including 30,000 foreign tourists. On their way to the mountain, they have become aware of the city of Taian at its foot. Some foreigners come to visit China especially because they want to admire Taishan Mountain. They have also learnt of Taian and forged economic and trade ties with the city.

Investment Environment

For a city to attract foreign investors it must possess a basic investment environment, which includes

an urban infrastructure that provides adequate transport conditions, posts and telecommunications, mineral resources, industrial and agricultural production, high quality personnel and preferential policies.

Hu Jianxue is of the view that the investment environment is comparatively favourable in Taian. He cited the following points:

First, transport and communication lines in the city link up with all parts of the country. The Beijing-Shanghai and Beijing-Fuzhou railways from north to south make Taian accessible to various important cities in the country and such important harbours as Qingdao, Yantai and Shijiu in the province. Twenty-five pairs of express and through trains arrive and leave the Taian Railway Station daily and the annual volume of rail transport is over 20 million tons. There are 16 arterial highways and crisscross main and feeder highways form the highway transport network.

Second, 570-channel long-distance programme controlled switchboards imported from Germany have been installed on the automated telephone exchange project and the No. 214 Beijing-Shanghai numerical microcommunications project which began operations in May this year. There are in Taian 6,000 person-to-person direct telephone connections with 600 cities in China and 162 areas abroad. The city also offers data telecommunications, fax and cable services for its clients.

Third, Taian boasts rich natural resources, with the existence of 18 out of 50 known mineral resources confirmed. Reserves of gypsum totalling 30.8 billion tons and those of natural sulphur that come to 300 million tons are both the largest of their kind in China.

The 7.5 billion tons of rock salt are concentrated and can be easily mined. The average content of sodium chloride is 86.7 percent in one of the nation's extra-large salt mines. The reserves of Taishan granite are 5 billion cubic metres and the main varieties include red, green and coloured granites. They are known for being acid-proof, alkali-proof, easy to carve and bright. Taishan granite has been used for foundation stones and in the principal structures for some famous buildings in China and other countries such as Japan, Italy, the Netherlands and Singapore.

In addition, the city has 9.44 million tons of sylvite, one million tons of sulphur-iron ore, 2 billion tons of coal, 16.1 billion tons of limestone, 66 million tons of potassium feldspar, 3.62 million tons of bauxite and 900 million tons of iron ore.

The advantages of the divers-

ity of mineral resources available in Taian are obvious. For instance, iron ore and lava exist in the coal mining area, rich groundwater in the rock salt area and red soil for the production of cement in the cement lava area.

With the exception of coal that has been exploited to a certain extent, most mineral resources are still in the primary stages of excavation.

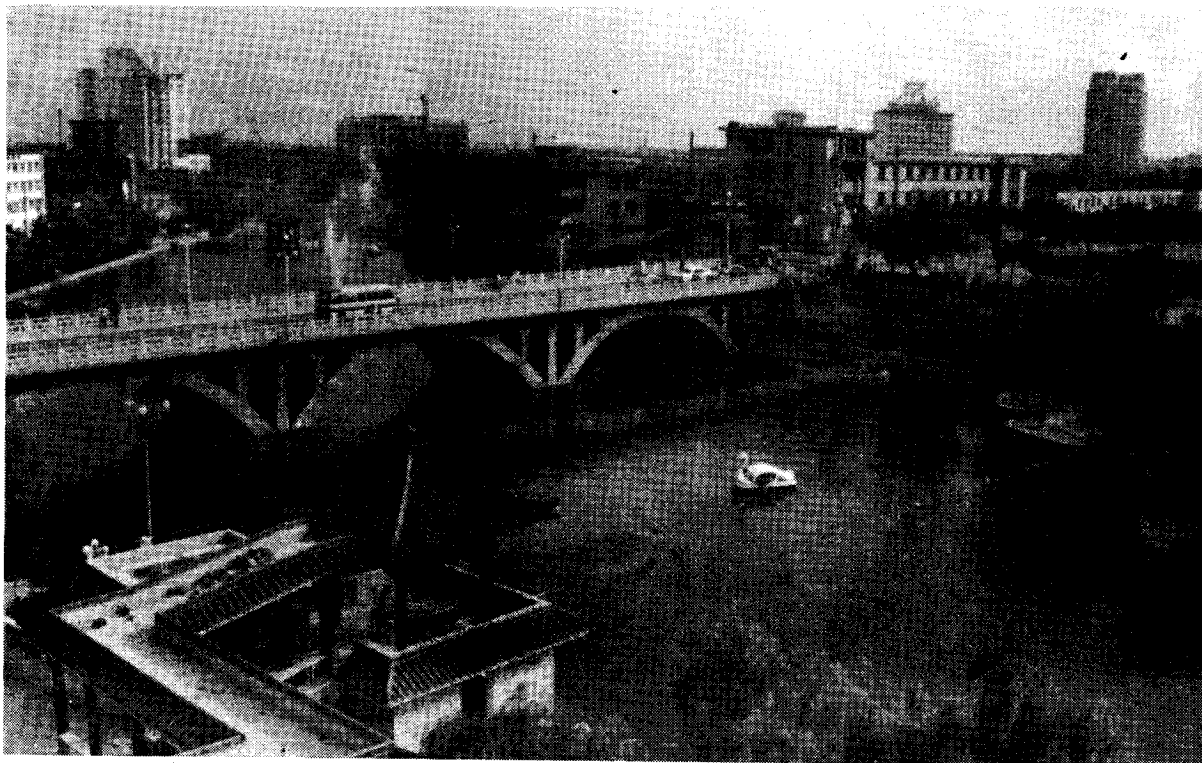
Taian is an important farm and sideline products centre in Shandong Province. It is also a major wheat, maize, soybean, cotton, peanut and hemp producer and a top provincial centre for the shipment of meat, eggs, poultry and fresh-water products outside the region. It teems with peaches, dates and ginger for export which enjoy a high reputation abroad.

Fourth, due to efforts made in the past four decades Taian has built a light and heavy industri-

al complex system involving metallurgy, coal, power, machine-building, chemicals, electronics, building materials, textiles and foodstuffs. The city has 1,600 industrial enterprises above the township level with 400,000 workers and staff members. Its main products cover more than 1,000 varieties, 154 of which have won quality awards from the state, ministries and provincial authorities. Annual coal output totals 20 million tons, making up one-third of the province's total. Yearly steel output is 500,000 tons, or 25 percent of the province's total and installed power capacity is 1.5 million kw, or 20 percent of Shandong's total.

Fifth, it has many well-qualified personnel. The city has seven universities and colleges such as the Shandong University of Agriculture and the Shandong Mineral College with a total enrolment of 14,000 stu-

A view of the urban district of Taian.





Tractors produced in Taian caught the attention of Indian agriculturists at the 1991 Philippine International Farm Machinery Fair.



Zhang Naixi, director of the Taian Forge-Press Machine Tool Factory, holds business talks with Eberhard Mack, sales manager of the Hezinger Co. & Gmbh.

dents. Of the 200,000 residents in the city proper, one in 6.5 people is a university student. In addition, the city has 24 scientific research institutions and 22 technical secondary schools.

As one of the cultural and educational centres in Shandong Province, Taian can train and supply society with 10,000 university and technical secondary school graduates and various

kinds of scientific research personnel.

Lastly, it has formulated various preferential policies.

Foreign Economic Relations

The city's foreign trade has developed apace with increases reported every year since it opened up to the outside world in 1979 (see "Exports of

Taian"). But catching up needs to be done for economic activities with foreign countries.

Late to attract overseas investment, the city established its first hotel with a Hong Kong businessman in 1988. Since then Taian has set up 20 foreign-funded enterprises, involving building materials, pharmaceuticals, machinery, electronics, textiles, foods, plastics, chemicals and tourism. Of the total investment of US\$39.79 million, US\$10.384 million come directly from abroad. Of the total 20 projects, 13 are production-oriented enterprises. At present 12 enterprises have begun operations including nine of the productive enterprises.

Investors are mainly from the United States, Canada, Australia, Malaysia, Hong Kong and Macao.

In 1988, the first year to attract foreign capital, the city built eight Sino-foreign joint ventures and co-operative enterprises. But the figure dropped to four in 1989 and three in 1990 following the 1989 riots in Beijing. Foreign investors flocked in this year, leading to the establishment of five foreign-funded enterprises in the first half of this year and another ten are pending approval or under negotiation.

At the same time, the city has updated old enterprises and built facilities that help improve investment environment by using long-term, low-interest foreign government loans. A total of US\$24 million of foreign government loans were employed during the Seventh Five-Year Plan (1986-90) period. For instance, the city renovated the Taian Brewery with French loans and with one from the German government bought a programme-controlled telephone system. Taian also imported sewage disposal equipment from

Austria to improve the urban environment and fodder machinery with Japanese loans to accelerate farm and side-line production.

Technology exports have also grown. The biggest project is to export a complete set of melamine equipment to Iran, with an annual production capacity of 3,000 tons beginning this year under the contract signed in 1990.

In foreign economic activities Taian lags behind other cities in the province such as Yantai, Qingdao, Jinan and Weihai. On a smaller scale, the foreign funds the city has attracted account for 0.5 percent of its total industrial output value. The value of exports is insignificant, with the purchase of export goods making up 2.6 percent of the province's total in 1989.

The 1991-95 Plan

In a philosophic tone, Hu Jianxue said that the 1990s would register a big step forward in China's economic development. This would also be the case for Taian. The decade is

full of opportunities and challenges as well as difficulties and hopes.

The 1991-95 plan for Taian requires big developments in both economic construction and foreign trade. Challenges from both the domestic and international markets will help develop a local commodity economy.

With this in mind, the 1991-95 plan for the city's foreign trade was drawn up. The city plans to conclude 100 contracts to attract a total of US\$100 million in foreign investment during this period. About US\$60 million will be actually employed, with an annual increase of 44.5 percent on the average. A total of 85 key and export-oriented enterprises will experience technological transformation. The value of exports will reach 700 million yuan and their percentage of the gross national product will increase from 4.3 percent in 1990 to 5.9 percent during the period. The proportion of industrial goods will go up to 70 percent.

This plan is practical and feasible. The city will adopt some concrete measures to realize it.

They are mainly as follows:

—Active participation in all kinds of exhibitions, trade talks and fairs at home and abroad. At a trade discussion last March in Shenzhen, the city signed export contracts and agreements valued at 130 million yuan and also concluded foreign investment contracts worth US\$6.738 million. At the business talks last June in Qingdao, the city concluded 91 contracts valued at 102 million yuan and another 10 to draw US\$3.967 million in foreign investment. In the same month the city participated in trade talks in Australia where it finalized many contracts and agreements. Last August, Taian held trade discussions in Harbin and in October representatives of Taian are going to South Korea for economic trade visits and project negotiations.

—Development and construction of a foreign investment business zone in the downtown area to attract foreign investment.

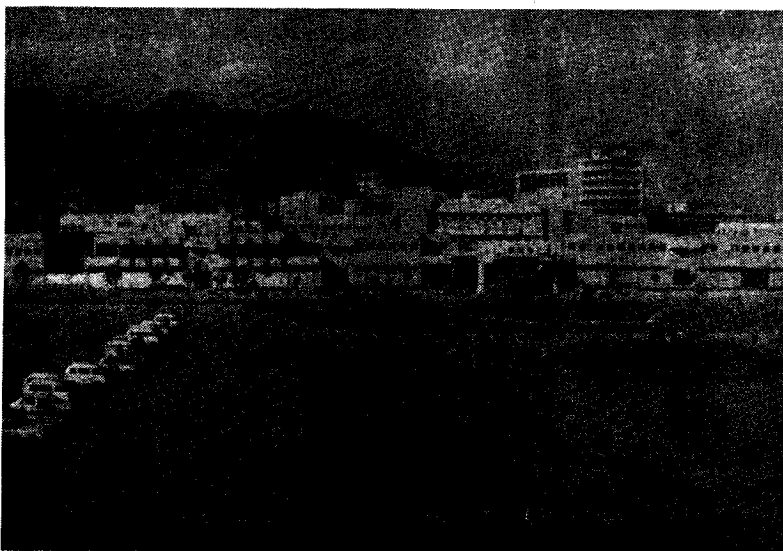
—Building of the 45-km Xinwen-Lishan Railway to connect Taian with the Yanzhou-Shijiu Railway. It will link the city with Shijiu Harbour, creating another export goods outlet besides Qingdao and Yantai.

—Development of the first 15 foreign-funded key projects and other ancillary schemes, such as the caustic soda project with an annual capacity of 30,000 tons, the 15,000-ton methane chloride project, the 17,200-ton hydrochloric acid project and the 15,000-ton liquefied chlorine Taian Salt Chemical Plant.

—Preferential treatment for foreign investors. In addition to the state and provincial rules and regulations, the city has formulated "Preferential Treatment to Encourage Foreign Investment" and a series of rules and regulations on tax reductions, land use fees, labour service costs and production conditions. ■

A view of the railway station.

Photos by LIAN HAISHENG



Main Projects Seeking Foreign Investment in Taian

No.	Project	Production Scale	Investment, Technology and Equipment Needed	Percentage for Export	Co-operation Form	Unit Involved	Person to Contact
1.	25-ton truck cranes	300 cranes annually	import numerically-controlled cutting machines with US\$1.5 million foreign investment	70 percent	joint venture or co-operative	Taian Truck Crane General Factory	Sun Ximo Add: Lishan Avenue Tel: 0538-334115 Fax: 0538-337282
2.	plastic adhesive cable wire	300,000 pairs/km annually	import technology and equipment	80 percent	joint venture or co-operative	Shandong Cable Works	Xue Mingqing Add: Jindou R, Xintai City Tel: 05482-223012 Telex: 397051 SDCW CN
3.	hemp cloth	1.65 million metres of gunny cloth and 183 tons of yarn annually	import 40 rapier looms, 3 wet frames and other equipment	80 percent	joint venture or compensation trade	Taian Hemp Spinning Testing Mill	Wang Shouliang Add: Western suburbs Tel: 0538-337958
4.	Fe-based alloy steel windows and other products	10,000 tons annually	import two sets of special-shaped equipment for processing steel doors and windows	70 percent	joint venture or co-operative	Xintai City Indoor Utensils Corp.	Li Shengjia Add: Jindou R, Xintai City Tel: 05482-223836
5.	caustic soda and methane chloride	30,000 tons of caustic soda and 15,000 tons of methane chloride annually	total investment of 223.2 million yuan	70 percent	joint venture or co-operative	Taian Chemical Industrial Corp.	Huang Quan Add: Hushan R Tel: 0538-228984
6.	10,000-ton kiln glass fibre equipment	10,000 tons of non-twisted glass fibre and 2,000 tons of glass fibre reinforced plastic products annually	import technology and equipment with a total investment of 178 million yuan	70 percent	joint venture, co-operative or compensation trade	Taian Building Material Industrial Corp.	Xin Shengye Add: Daibei Avenue Tel: 0538-337996
7.	soft leather and hardware	1 million sq feet of leather annually and increase production capacity of leather and hardware	import advanced processing technology and equipment with a total investment of 15 million yuan	60 percent	joint venture	Taian Tannery	Zhang Binghai Add: 51 Nanguan R Tel: 0538-333208
8.	tinned asparagus	13,300 tons annually	import production lines for tinned asparagus, quick-frozen bamboo shoots, meat, peanuts		joint venture or co-operative	Taian Canned Food Factory	Song Jicheng Add: Western suburbs Tel: 0538-222707
9.	new wall materials	6 million sq m of paper-covered gypsum boards and 50,000 tons of powder annually	import advanced technology and equipment		joint venture, co-operative or compensation trade	Taian Building-Material Industrial Corp.	Xin Shengye Add: Daibei Avenue Tel: 0538-337996
10.	wide plastic sheet machines	400 machines annually	import plastic modelling technology and equipment		joint venture, co-operative or compensation trade	Shandong Plastic Machinery Plant	Wang Shifan Add: 1 Weihua R, Laiwu City Tel: 05481-22901
11.	quality and light tyres for tractors	100,000 sets annually	import X-ray testing and other equipment		joint venture, co-operative or compensation trade	Feicheng Rubber Factory	Huang Neichang Add: 01 Jiyan R, Feicheng County Tel: 05487-2526
12.	high-count and high-tensity fabrics	1,400 tons of worsted yarn and 4.32 million metres of high-count and high-tensile poplin annually	import jet looms and other equipment		joint venture, co-operative or compensation trade	Taian Cotton Mill	Zhang Kangnian Add: Dahe, western suburbs Tel: 0538-332531 Fax: 0538-332534
13.	numerically controlled shears and benders	800 pieces annually	a total investment of US\$1 million		joint venture and co-operative	Taian Forge-Press Machine Tool Factory	Han Ruishan 55 Longtan R, Taian City Tel: 222517 Tel-ex: 224391

Export in Taian

by Our Staff Reporter Zhang Zeyu

During the Eighth Five-Year Plan period (1991-95), foreign trade in Taian will grow faster than the city's total industrial and agricultural output value and the overall foreign trade of Shandong Province. The growth rate of industrial goods for export will exceed that of exported farm and sideline products," said Ma Qingcheng, director of the Foreign Trade Bureau of Taian City, when answering questions raised by this reporter.

Ma Qingcheng, 51, has been engaged in foreign trade for many years and is very familiar with the area. He showed me a purchasing schedule for foreign trade in 1991-95 (see table 1). The plan stipulates that purchasing volume will increase at an annual rate of 12 percent on the

average.

To realize this goal, foreign trade departments must strive to readjust the structure of export commodities, by turning from those focussed on materials to those requiring intensive labour forces, and from low added value to high added value products. Priority will be given to the development of light industrial goods, textiles, mechanical and electronic industries, and to the expansion of the export share of industrial manufactured goods and the active development of new products. Efforts will be made to develop reputable, quality and special products which are readily marketable internationally. They will aim to effect a change from a single to a multiple mode for export commodities and to gradually establish

comprehensive projects for the development and use of resources, as well as the turning of resources into export commodities. Energetic efforts will be made to import advanced technology and equipment so as to speed up the technical renovation of old enterprises, increase the ability to absorb, create and enhance export functions to obtain foreign exchange.

The goal of the Eighth Five-Year Plan is practical and feasible, for the city experienced rapid development in foreign trade during the Seventh Five-Year Plan period (1986-90) (see table 2). The purchasing value of foreign trade in 1985, the last year of the Sixth Five-Year Plan period (1981-85), was 212 million yuan, while it reached 302 million yuan in 1986. Moreover, the figure came to 480 million yuan in 1990. During the Seventh Five-Year Plan period, there was an average annual growth rate of 17.8 percent. Therefore, an average annual 12 percent increase rate during the Eighth Five-Year Plan period is attainable.

In the early years of New China, the city had only a few export commodities and an export purchasing volume of a scant one million yuan. After the city's foreign trade bureau was set up in 1972, it strengthened foreign trade, but there were still a mere few dozen goods in terms of varieties and the purchasing volume reached only 12 million yuan.

Since China implemented the policy of opening to the outside world and enlivening its internal economy, foreign trade has developed rapidly. The purchasing volume of export commodities has increased considerably along with a large rise in numbers of varieties. At present, the city boasts 260 commodities in 15 varieties including cereals and oil, foodstuffs, native produce, arts and crafts, drawnwork, tex-

Table 1: Taian's export-oriented purchasing plan (1991-95)

Year	1991	1992	1993	1994	1995
purchasing fund (million yuan)	480	530	600	670	754

Ma Qingcheng (centre) and Stephen Orger, general manager of the American House of Hemp Co. Ltd. toast each other.

LIAN HAISHENG



Table 2: Development of foreign trade in Taian (1985-90)

Year	1985	1986	1987	1988	1989	1990
Volume (million yuan)	212	302	352	391	403	480

tiles, garments, light and chemical industries, mechanical equipment, metals and mineral products, medical care, livestock products, silk and others. The city has also turned out a number of famous-brand export goods, especially some farm and sideline products that enjoy brisk sales on the international markets. Due to its advantageous geographical location, adequate illumination, good water and soil, local farm and sideline products are of a high standard. For example, the tinned asparagus is white, fresh and tender and delicious. The export volume of tinned asparagus ranks second among goods in the same category from Shandong Province. The product won a gold medal in the 1985 International Foodstuff Exhibition Fair held in Cologne, the then Federal Republic of Germany.

Another example is the frozen beef processed by the Cold Storage Factory of the Taian Foreign Trade. The lean and tender beef is favoured by foreign businesses. The Soviet commodity inspection staff consider the quality as "beyond fault." The factory was registered by Singapore in 1986, and by Iran in 1990. It is China's first frozen beef processing factory registered abroad.

Among the export commodities, the proportion of farm and sideline products has seen a decrease, while the proportion of industrial products has increased year by year. Before 1978, farm and sideline products came to over 85 percent of total export commodities and industrial products accounted for about 15 percent. In 1990, the export value of industrial goods reached 310 million yuan, making up 65 percent of its total export com-

modities.

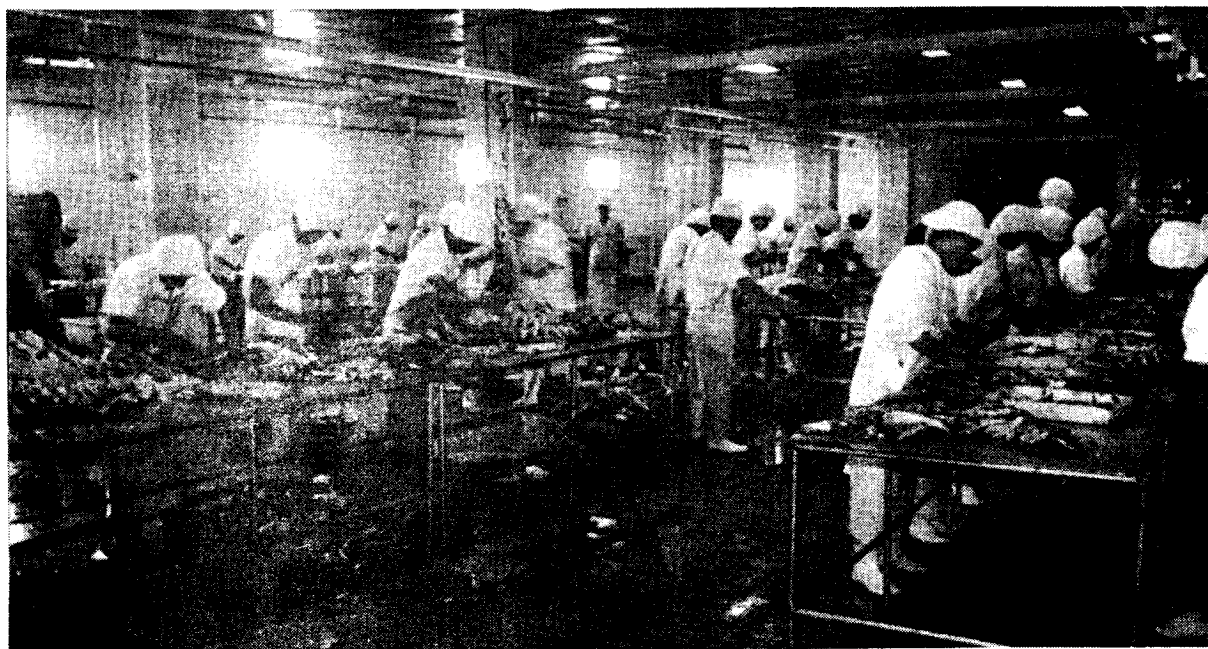
The basis for the development of the city's foreign trade lies in the establishment and expansion of bases for export commodities. Through efforts made in the past decade, the city has set up 17 production bases for the export of such farm and sideline products as peanuts, asparagus, chickens, Angora rabbits and frozen vegetables, thus forming an initial export production system combined with trade, industry and agriculture.

In the building of production centres for industrial export commodities, eight production bases have been formed for machinery and electronics, textiles and garments, chemicals, building materials, food and drinks, fodder, arts and crafts, carpets, and livestock products.

The construction of these bases helps to raise the quality of commodities, increase varieties and produce readily marketable goods. At present, about 70 percent of the city's exports come from these bases. ■

A beef processing workshop.

LIAN HAISHENG



Old-Age Insurance in China

by Our Staff Reporter Li Ning

By 1995, as the average lifespan of China's citizens continues to expand, China may join the list of countries having a population dominated by the elderly. To deal with the situation, the nation has since 1984 introduced an elderly insurance system, achieving initial progress in the effort.

China began to reform its social insurance system in 1984, a system through which support is provided for those who are unable to work because of old age, poor health, and job related injuries or who are unemployed for reasons beyond their control.

In the last four decades, the Chinese government and enterprises have set aside funds to develop a social insurance programme which guarantees the basic needs, of workers and staff, promote production and maintain social stability.

The development of the socialist planned commodity economy and resulting social changes, however, demand urgent reform of the previous system of social insurance.

The Aging Problem

China leads the world in both overall population and in the number of elderly people. It has 23 million retired workers*, more than the total population of Australia. Moreover, the number of retirees will grow to 35 million by the end of this century, accounting for 9 percent of the nation's total urban population,

*Male enterprise workers retire at the age of 55, female workers at age 50 while male officers and functionaries retire at 60 and females at 55.

and reach its peak period in the 2030s.

The international criterion sets that a country (or a region) is aged when 10 percent of its population are 60 years of age or older or 7 percent of its population are 65 years old.

According to this criterion, the densely populated cities of Shanghai, Beijing and Tianjin as well as Jiangsu and Zhejiang provinces have already entered an aging period. Moreover, when they are soon joined by other cities and provinces, China is likely to become a country of the aged around 2000.

The increasing elderly population in many countries has resulted in many social problems. Since China has a large population, a weak economic foundation and low social productivity, it will be particularly hard hit by the aging problem. Moreover, China will encounter its aging period at a crucial time in its economic and social development. Therefore, it is necessary for China to reform its social insurance system and collect sufficient funds for old-age insurance.

The Old System

Prior to 1966, the central government paid out pensions to enterprise workers under a unified

plan, a system which was cancelled during the tumultuous years of the "cultural revolution" (1966-76). At the time, enterprises were asked to pay out pensions to the retired. Because of poor economic conditions, however, some had to reduce or halt pensions.

The No.2 Transport Co. in Guangzhou, for example, was burdened with an increasing number of retired workers in the early 1980s. The pensions for some 20.45 percent of its workers and staff were less than the lowest cost of living figure (54 yuan a month). The number of workers receiving such low pensions was as high as 68.7 percent in collective enterprises run by some neighbourhood committees. The large gap between pensions and monthly salaries for active workers created such problems in Guangzhou, the nation's lead city in opening up to the outside world, that some retired workers petitioned the municipal and provincial governments to deal with the problem.

It is clear that there have been some defects in the way enterprises have carried out their retirement pension responsibility.

—Retirement pensions became an unfair burden on enterprises. The burdens on old and new industrial enterprises were quite



Staff of a social insurance organization process archives relating to retirement pensions.

different because of the different age groups of their workers. For instance, pensions for retired silk and textile workers in Wuxi, Jiangsu Province, accounted for more than 40 percent of total salaries of the active workers. The figure was as high as 48.5 percent in the grain industry but as low as 5.8 percent in such newly developed industries as those producing electronic meters and instruments.

—The heavy burden of retirement pensions is unfavourable for enterprises to be fair in competition. Meanwhile, as the pensions are paid out with profits retained by enterprises, the workers' welfare benefits are affected, a bane for workers to be enthusiastic for production.

—Retirement pensions should be covered by social insurance contributions. So, it is unreasonable for the enterprises to carry the burden.

Social Insurance System

The Chinese traditionally wanted to raise sons to support them in their old age. The elderly were used to living under the same roof with their children and grandchildren. Moreover,

the moral standards require the children and grandchildren to support the elderly until their death. Today, the majority of the old people in rural areas are still relying on their children for their late years of life. Only widows, widowers and old people without children to support them live on allowances provided by the departments of civil affairs.

The situation is quite different in urban areas because the development of the commodity economy has quickened the pace of life. Large families with several generations living together have been replaced by nuclear families—parents and only one child. The dependent relations between parents and children has thus weakened and retirees rely more on their pension payments later in life.

China has had a low salary system for a long time and the public has not had to pay any personal income tax. Only since 1988 have those people with a monthly income of more than 400 yuan had to pay a personal income tax. In this way, pension funds are first collected through the general public, using the enterprise as the primary vehicle.

A new method of collecting re-

tirement contributions introduced nationwide in 1984 lightened the burden caused by the increasing numbers of retired workers on enterprises.

According to this method, each month enterprises set aside a certain percentage of wages for their active workers' as social insurance premiums. Deposited in the bank under special reserve accounts, these contributions cover the cost of retirement pensions for all of the insured workers of enterprises. The system has provided coverage for more than 50 million active workers and 10 million retired workers from 2,270 cities and counties throughout the country.

The system has narrowed the large gap between retirement pensions provided by old and new enterprises and has been generally welcomed by enterprises, especially old ones. The city of Wuxi is a good example. Enterprises which have joined the system in the city contribute 23 percent of their active workers' wages to the old-age premium. The electronic meter and instrument enterprises contribute 3.3 million yuan each month to old-age premiums. Although per-capita profits retained were reduced by 39.5 yuan to 600 yuan a month, it is still 50 percent higher than in the textile industry. The method is generally accepted by efficient enterprises having fewer retired workers.

Nationwide, the situation is mixed. The monthly contributory rate is 17.5 percent and 18 percent in Fujian and Jiangxi provinces respectively. The rate in Shanghai is the highest, hitting 25 percent, because the city has more old enterprises and retired workers than other locations. The newly built Baoshan Iron and Steel Complex in Shanghai contributes 25 percent of its workers' salaries into old-age premiums each month but the retired workers take only 1

percent back in pension payments.

In Beijing, publicly owned enterprises contribute 16 percent or higher of their worker's wages each month while collective enterprises contribute some 25 percent.

As the reform deepened, Yunnan, Henan, Shanxi and other provinces experimented with a new method in 1986 to require contracted workers to pay into their old-age premiums. It was the first time that China linked personal income with retirement pensions. A State Council decision requires that old-age premium for contracted workers be contributed to by both employees and employers with the state covering any deficit. Enterprises contribute 15 percent of the total wages of contracted workers while workers themselves pay up to 3 percent of their basic wages. Social insurance institutions de-

posit the premiums in the bank and pay out a pension to the insured workers after they retire. At present, a total of 12 million contracted workers are under this social insurance programme.

Achievements and Problems

The pension insurance programme has been welcomed by both enterprises and workers. Li Guoying from the Beijing Western District Coal Co. who is in charge of the company's old-age premiums said, "This social insurance system has reduced our company's financial burden. It has also raised the amount of retirement pension paid out and increased insured workers' salaries in the last few years. At the same time, it has boosted the company's financial resources for building new workshops and

purchasing new equipment and improved the operating environment."

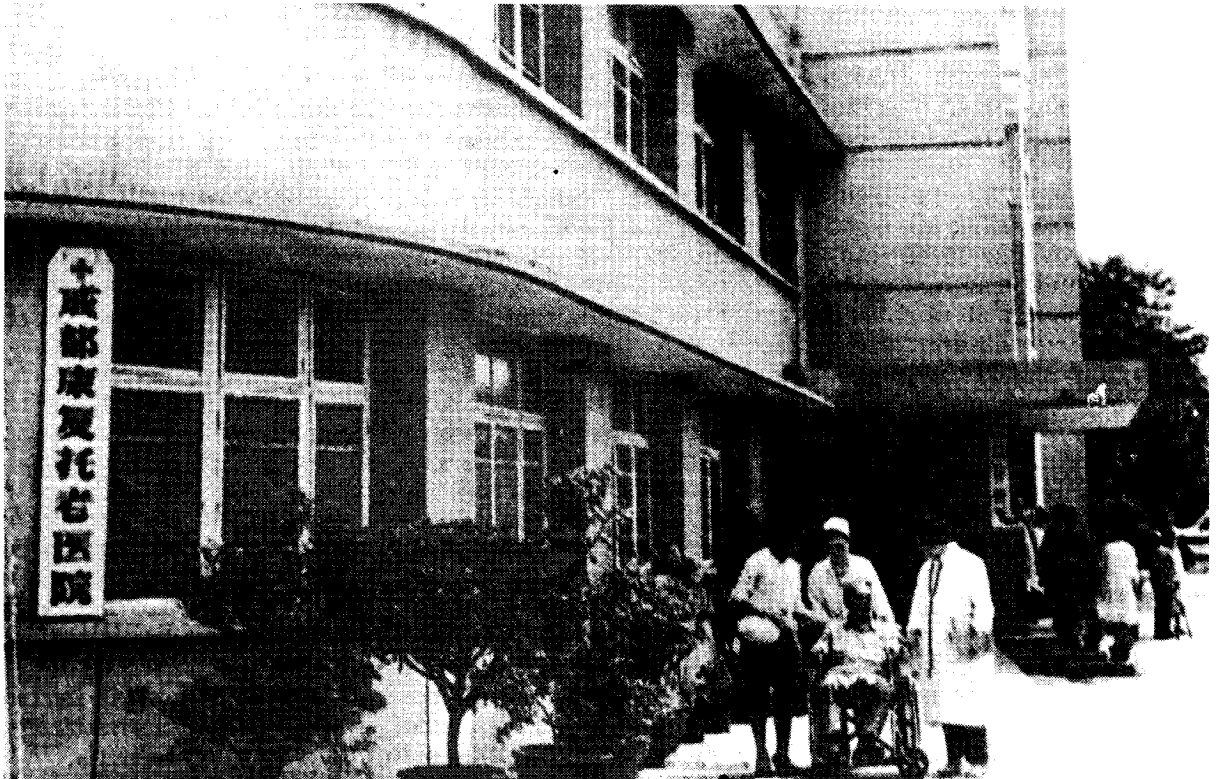
The company has 897 active workers and 906 retired workers. Without this programme, each active worker would have had to support a retired one.

Of 1.3165 million yuan in retirement pensions paid out to 895 retired workers last year, the company paid 504,100 yuan; the remaining 812,400 yuan covered by the old-age insurance programme. The per-worker monthly salary reached an average of 250 yuan while company profits reached 1.55 million yuan.

Li Linxiang, 55 years of age, retired in January this year and receives a monthly retirement income of 180.19 yuan based on his average monthly salary of 285.85 yuan in his last three years on the job. Some 36.09 yuan of his pension is covered by the company while the social insurance

The Chengdu Rehabilitation Hospital run by the Sichuan Provincial Social Insurance Co.

Photos by CHEN GONG





Co-operation Sought for Mt Tai Natural Mineral Water

1. **Project:** Joint development of Mt Tai Natural Mineral Water

2. **Sponsor:** The Mt Tai Natural Mineral Water Beverage Factory under the Ministry of Water Resources

3. **Person in Charge:** Wang Hongbo

4. **Address:** Daizong Street, Taian, Shandong Province, China

Tel: 229868, 334649

Cable: 0448

5. **Brief Introduction:** The Mount Tai natural spring water source is located at the foot of Mt. Tai, which boasts a superb natural environment. The high-quality mineral water has passed the state-level test. The ample spring source deposits are uncontaminated. The fine and drinkable natural

spring water contains strontium, bisilicic acid, zinc, bicarbonic acid, calcium, magnesium and low-sodium. The factory has a mineral spring water filling line with an output of more than 10,000 tons per year. It covers a ground area of 10,000 square metres with buildings on 3,500 square metres. There are 110 workers and staff, including 34 technicians in the factory.

Main products: Natural Mineral Water; Fresh Natural Mineral Water; Fruit Juice; Electrolyte Drinks; Health Drinks; Lemon Water; Cola Drinks. In addition, a Life-Cola drink newly developed in China.

6. Form of Co-operation:

- Joint development, planning to import advanced technology, equipment and funds.
- Joint management and development of international markets.

programme covers the remaining 144.1 yuan. Enterprises thus clearly benefit from the programme.

The Beijing Old-Age Insurance Premium Office is responsible for providing social insurance for 2 million active workers and 520,000 retired workers in the city. Meng Zhaosi, director of the office listed the remarkable achievements to date of the programme.

—Narrowing the difference in costs for retirement pensions on new and old enterprises.

—Ensuring the necessities of life for retired workers. Before implementation of this programme, retired workers from the poorly run enterprises sometimes received no retirement income.

—Improving services for re-

tired workers. The Beijing municipal government spends a certain percentage of pension contributions on recreational facilities for retired workers in order to enrich their lives.

There are, however, some problems, mainly as follows:

(1) At present the programme does not cover all working people. The government functionaries and officials rely on the state for their retirement income while farmers rely on their savings and on subsidies from their children. The programme does not cover employees from small collective enterprises run by neighbourhood committees, private enterprises and most foreign-funded and foreign-owned enterprises.

(2) The system needs to be improved. Almost all of the

premiums collected from the enterprises will be paid back to the retired workers from the insured enterprises and so there is no surplus leftover. It is difficult, therefore, to cover the increasing numbers of retired workers and the rising cost of retirement income.

(3) China needs a law to ensure that those deserving of social insurance receive a pension. Compulsory and beneficial social insurance is different from commercial insurance and thus requires legal protection. For example, although foreign-funded enterprises are required to contribute 20 percent of their workers' salaries into old-age premiums for Chinese employees, only 200 of the 1,035 foreign-funded enterprises have done so.

The Blind: Making Contribution to Society

—An Account of the Beijing Special Massage Hospital

by Our Staff Reporter Kou Zhengling

The Beijing Special Massage Hospital for the blind gives treatment to over 100,000 patients a year. Their outstanding achievements have shed the light of hope on China's 7.5 million blind people aspiring to do their share for society.

A stiff patient was carried to a bed in a spacious and bright clinic. He could not twist, bend his knees or lie sideways. His face was pale with pain and beads of sweat dripped onto the sheet. An old doctor in white overalls rushed to the bedside and, after asking the patient his condition, started to manipulate his back and waist. After about 20 minutes, the sufferer could get off the bed himself and walk unaided.

This is nothing new for the Beijing Special Massage Hospital where most of the doctors are blind. The elderly man who was massaging the patient this time was one of the hospital's founders, Cong Linsheng, who is now the deputy-director. Over the 30-odd years, he, the first blind associate chief physician in China, has relieved tens of thousands of patients of pain.

Starting From Scratch

In a newly decorated director's office in the hospital situated in a typical Chinese courtyard building in Beijing's Xicheng District, Deputy-Director Cong received me, and told me how they started the undertaking from scratch.

The forerunner of the hospital

was the Blind Massage Clinic established by seven blind people in 1958. At the beginning, they were penniless so they were faced with many difficulties. They scraped money together by making and selling baskets on the streets to buy simple medical appliances. When patients didn't come to their clinic they went out in search of them and gave free medical massage treatment. In time the daily number of patients increased and beds became drastically short. Besides treating patients, the seven also did all the clinic's daily cleaning, sweeping and other odd jobs. "It was hard at the beginning," the blind medic said, "but with the support of the government and the Welfare Association for the Blind, and our skill, we have made progress."

In 1987, the clinic changed its name to the Beijing Massage Hospital and in 1988, came under the China Federation for the Handicapped. The hospital's public reputation grew and its staff members increased from seven to over one hundred. It has set up 14 departments including those for bone surgery, internal medicine, gynaecology, pediatrics, acupuncture, physiotherapy and also has an X-ray room and a laboratory, as well as

over 50 beds. Its medical equipment is superior to that of the past. Apart from medical treatment and massage, the clinic has also set up keep-fit and beauty massage departments.

Remarkable Efficiency

"At the moment, our hospital can treat over 100 kinds of diseases. Our greatest skills are with protrusion of the lumbar disc, cervical spondylosis, omitis and infantile cerebral palsy.

In front of the pediatrics department, about 20 women, babes in arms, were waiting. They came from all parts of China. A woman from Yanji, Jilin Province, told me that her 4-year-old son who could not yet crawl was earlier diagnosed as having cerebral palsy. After four months of treatment he could stand, squat on his heels and walk slowly. She added happily that her son would soon be able to leave hospital.

Hong Xuebin, a doctor who was massaging a child, is in charge of a study group for infantile paralysis and is the chief physician of the pediatrics internal medicine department. This blind healer has perfected his massage skill for treating infantile paralysis over his 20 years of

daily practice and research. In 1988, he selected 100 cerebral palsy patients from provincial hospitals for observation and treatment. Some were cured after four months and for others it took two years. His cure rate was 24 percent and that of high efficiency, 95 percent through tests by up-to-date scientific instruments.

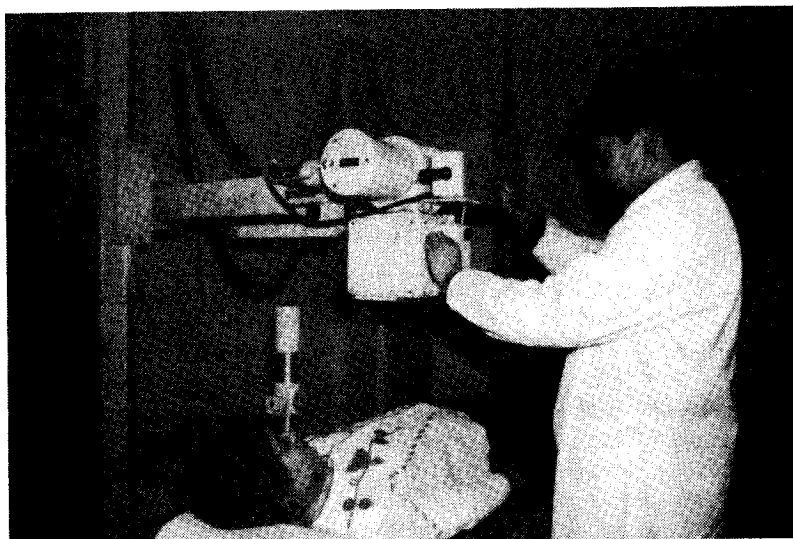
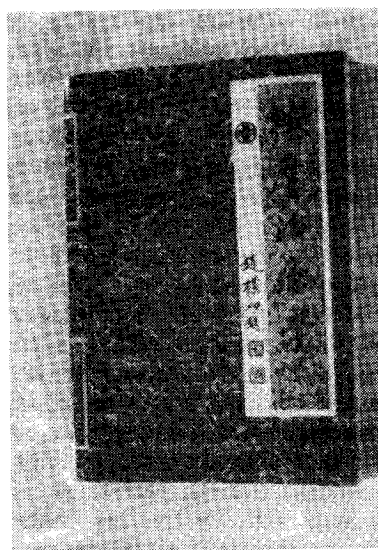
Dr Cong has worked hard for many years to develop a series of massages to effectively treat cervical spondylosis, protrusion of the lumbar disc and lumbar slip. Since 1980, Cong alone has dealt with over 70,000 people with a cure rate of 87 percent and 96 percent showing good signs of recovery.

Cong found that it was more effective to combine traction with massage. Together with the engineering thermo-physics department of the Chinese Academy of Sciences, he designed a new type of massage bed with lifting, shaking, and chest-lifting-and-jolting multi-functions for greater efficiency.

Since the hospital's establishment 33 years ago director Cong said, the hospital has treated

A copy of "Massage Therapeutics."

AN MOBAN



AN MOBAN

A doctor of the Beijing Massage Hospital giving a patient an X-ray.

over 5 million patients and trained over 1,000 blind massage doctors for 400 or so massage hospitals across the country. It has also carried out medical exchange on massage treatment with colleagues from a dozen countries and regions including Japan, the United States, Canada, the USSR and Hong Kong. Now this hospital combines treatment, scientific research and teaching.

On Books

Another major achievement of the Beijing Massage Hospital is the compiling by some blind doctors of summaries of their many years of experience in essays and books. This has contributed to the work of massage treatment in China.

Cong Linsheng is an outstanding figure. He has published more than ten articles on massage treatment in papers and journals in China. From 1988, he organized massage doctors to edit the 250,000-word book *Massage Therapeutics*. This to me summarizes the experience gathered over the past 30 years and combines traditional Chinese

and Western medicines. It covers mainly the efficiency of various massage treatment techniques and auxiliary treatment measures for use in internal medicine, surgical, physiotherapy, acupuncture and other fields. It has been much sought after by a large number of readers since its publication in March 1991.

The 200,000-word *Key to Infant Massage* was completed by Hong Xuebin with the assistance of his wife and a Master's student in the College of Traditional Chinese Medicine. It breaks away from traditional Chinese massage by targeting special infant characteristics and acupuncture points to efficiently exploit the main and collateral channel stimulation and acupuncture points. The book will be available to readers soon.

In 1989, the First International Traditional Recuperation Medical Skill Exchange Conference was convened in Beijing. Hong's article on "Clinical Research Into Massage Treatment of 100 Cases of Infant Cerebral Palsy" was passed after examination by the conference's experts group and read at the gathering. It was unanimously praised by repre-

sentatives. The Acta Pharmaceutica Sinica, an official Chinese medical magazine in China, published the article unabridged in its issue No. 2, 1990.

At present, Hong is writing the book *Speedy Treatment of Sprains by Massage*.

Bright Future

On my second visit to the Beijing Massage Hospital, I found a new long cement corridor for the blind in the middle of the courtyard. The raised dotted line on it to guide the blind is slightly higher than ground level. The door handles and wall corners all bear metal braille writing. Beautiful music mingled with the sound of laughter floating from the windows. Director Wang Chengmin told me that the new band, set up with 50,000 yuan, was rehearsing programmes for July 1st, the Chinese Communist Party's birthday.

In the staff's recreation room, a dozen members were playing instruments. Dr Zhou Xiaobo who was not blind was transferred from Beijing An Ding Hospital. He laid down his musical instrument and said happily, "When I came here I found

that the blind are cheerful and humorous. They live together harmoniously and the whole atmosphere of the hospital is more like a big happy family." A blind doctor beside him chipped in, "Here we are all equal with those who can see."

In order to help the blind upgrade hospital administration, Wang was transferred from the China Welfare Fund for the Handicapped (CWFH) to become the director in 1988. On his arrival, he raised the enthusiasm of the staff and also medical levels by adopting a series of measures.

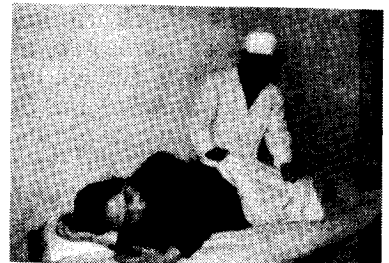
Now the hospital's doctors are graduates from the Beijing College of Traditional Chinese Medicine, Beijing Orthopedics College and Peili University. Last year ten of the 30 graduates of the Beijing College of Traditional Chinese Medicine applied to work in the hospital and four outstanding students were chosen. The hospital has sent four university students for training at classes at Changchun University for Handicapped Blind Masseurs. They will graduate this year.

Among the 56 medics in the hospital, half are blind. "This ra-

tio helps the blind doctors read X-ray photos and laboratory test reports," director Wang explained.

In the northeast corner of the hospital, construction workers were busy. Wang Chengmin said, "This new three-storied building will soon be completed and put into use. At that time the hospital will set up a 50-square-metre physical exercise therapy room and clinic for outpatients. The former will be mainly used for keep-fit massage treatment and the latter three rooms will provide a pleasant environment and good medical conditions for foreign guests from far and wide seeking treatment."

There is no need to worry about operations, injections,



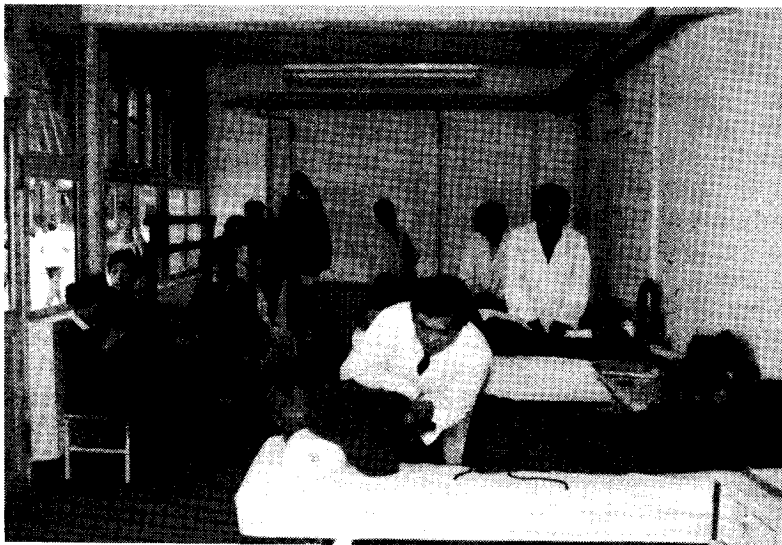
XU XIANGJUN

A doctor massaging a patient.

medicines or side affects from chemicals because massage treatment does not involve any of these. This is why it is more and more welcome by patients. Because of their acute sense of touch and high concentration, many blind people have become professionals in this trade. At present, China has over 8,000 blind massage doctors, about 0.11 percent of the 7.5 million blind in China. "Massage by the blind has a bright future. Our hospital will strive to train more blind massage doctors," director Wang told me. ■

The clinic.

AN MOBAN



China and Europe: Distant yet Near

Distant Neighbours: China and Europe

Written by Harish Kapur
Published by Pinter Publishers,
London, 1990
Reviewed by Chen Qida

A celebrated Chinese classical poet Wang Bo wrote in the Tang Dynasty:

"A great friend afar brings a distant land near,

Making us live like close neighbours dear."

The very fact that this book is entitled *Distant Neighbours: China and Europe* clearly indicates the author's amicable feelings towards China. In fact, Professor Harish Kapur of the Geneva Graduate Institute of International Studies is an old friend of our nation, having come to the country ten times and written six books on China, including the present volume.

To a certain extent, the book is a continuation and development of an earlier work entitled *China and the European Community: a New Connection* (Dordrecht, Martinus Nijhoff, 1985). With a view to acquiring further first-hand materials for the new study, the author made several trips to China and Britain over the last few years to hold interviews with government officials and discussions with scholars. He also gained access to a number of declassified files and documents of the British Foreign Office, the Commission of the European Community, the European Parliament and the West European Union. A reading of the bibliog-

raphy shows that the writer consulted 91 books and 105 articles freely available to the public. Consequently the present book has a much broader material base than its predecessor, not to mention the fact that it includes an extra chapter and a number of passages on Eastern Europe.

What impresses me most about the book is the author's reluctance to simply accept happenings at face value and his persistence in seeking out the circumstances that contributed to events.

For example, in analysing why the European continent once again began to occupy a central position in Chinese diplomacy after the turbulent years of the "cultural revolution," the author lists six factors. First, by then, "China no longer really had any conflict of interest with Europe." Second, many European nations "were no longer prepared to go along completely with the views and objectives of the superpowers." Third, there existed "the traditional European fear of Soviet expansionism." Fourth, "Europe was important because of the implications that the East-West detente of the 1960s and early 1970s could have on Soviet policy towards Europe." Fifth, "Europe was perceived as an important economic partner." Sixth, "Europe could replace the obsolescent elements of China's armed forces." Although the reader may agree or disagree with the author on specific issues, one cannot but admire him for the painstaking efforts he has

made to delve into them.

As a Sinologist, Kapur naturally pays great attention to the China factor, focussing mainly on the variations in China's foreign policy and the changes in China's domestic scene. His perceptions and interpretations of China's policies and issues do not ring entirely true to me since some still leave room for argument. Nevertheless, they are provocative enough to make them rare food for thought for the student of Sino-European relations.

Drawing on years of study of China, the author takes a broad and long-term view of Sino-European affiliations. Even when these ties were at their lowest ebb in 1990, he did not lose confidence in their future. He concludes his book with the following lines:

"The currently soured Sino-European relations can not be expected to continue indefinitely. At some point the current tensions will have to end, and the basic determinants that influence the policy behaviour of nations will once again reassert themselves, over the provisional and tentative factors that now prevail."

We Chinese are glad to see that the author's prediction has now come true. Sino-European relations have by and large returned to their normal track. Let us hope that these two "distant neighbours" will be "great friends" for generations to come.

■

Import and Export of China's Technology

A senior official of the Ministry of Foreign Economic Relations and Trade (MOFERT) has urged Western countries to relax restrictions on the export of technology to China and speed up export examination and approval process to create a favourable environment for co-operation.

"It is China's long-term policy to import advanced foreign technology to revamp Chinese enterprises and promote economic development," said Liu Hu, deputy director of MOFERT's Technology Import and Export Department.

Over the past few years, China's foreign exchange reserves have increased to reach US\$30 billion by the end of June this year. In the future, China will spend a considerable amount of its surplus hard cash to import advanced technology and equipment from Western countries.

Liu stressed that China will strive to increase exports so as to be able to import needed technology and equipment for economic construction.

However, man-made obstacles and restrictions on Western technological exports to China have resulted in a considerable decline in Chinese import of technology from Western countries in recent years. "If this problem remains unsolved, technological trade between China and the West will be restrained," Liu said. "This will affect the interests of Western exporters, too."

Bolstering his argument, Liu said that China had decided to import an advanced computer from a Western country to help the State Meteorological Bureau in making medium- and long-term weather forecasts. This

could benefit not only China's agricultural and industrial production, but also that of neighboring countries. "However, two years after the contract was signed, that the country still has not issued an export licence for the computer. And many such cases exist," Liu added.

In order to encourage foreign businesses to transfer their technology to our country, China has promulgated quite a few laws and regulations on the protection of intellectual property rights. They include the Patent Law, the Trademark Law, the Copyright Law, plus regulations on the protection of computer software.

Speaking of future technological imports, Liu said readjustment is anticipated for import commodities to ensure limited foreign exchange be used to import technology and equipment badly needed for economic construction. There will be a reduction in the amount of import commodities for non-productive construction, which China can produce. However, the overall amount of China's technological imports will not drop but increase.

During the Eighth Five-Year Plan (1991-95), China will import technology and equipment for major construction undertakings and projects, which include the energy, communications, telecommunications and electronics industries. Western countries are welcome to enter into co-operation with China in this regard.

China's technological export industry, though still at a primary stage, has been developing very fast in recent years. Up till 1990, exports reached nearly US\$1 billion. China exports technology mainly to the third world countries.

by Zhang Yuan

Hebei Symposium on Co-operative Projects

Chen Liyou, deputy-governor of Hebei Province, recently held a press conference in Beijing to announce that his province would hold a symposium on economic and technological co-operation in Shijiazhuang, the provincial capital, from September 1-10.

A total of 439 projects are up for selection by foreign businessmen. Of these, 356 will use foreign investment to the sum of US\$8.43 billion. They are expected to absorb US\$5.33 billion in foreign funds. There will be 83 cash import projects.

In addition, the province, plus various prefectures and cities will also declare a number of new co-operative projects involving joint ventures and co-operative enterprises, the processing of imported materials according to supplied samples and designs, compensatory trade, labour services, construction contracts, technological exports, intellectual imports, tourism and land development. Of the 439 items, 60 have been listed as key projects of the state and the province during the Eighth Five-Year Plan (1991-95).

The symposium will invite mainly Taiwan, Hong Kong and Macao compatriots, overseas Chinese, chairmen of the board and general managers from companies, chambers of commerce and financial organizations in Japan, the United States, South Korea, Singapore and other countries and some foreign ambassadors and commercial counsellors in China as well as representatives of foreign offices located in Beijing, Tianjin and Shanghai.

One of China's comparatively well developed areas, Hebei is in

the ranks of the top ten provinces in terms of main economic targets. For example, the gross national product of the total province in 1990 was 82.67 billion yuan, or seventh in China, while the total industrial output value the same year came to 111.6 billion yuan, or eighth nationwide. Industrially speaking, the province has a complete array of industries equipped with a sound basis and scale in the industrial development.

The 40 years of construction and development have resulted in a rational distribution of resources and processing, and a mixed industrial and economic structure.

The ten major undertakings are centred round the coal, petroleum, power, textile, metallurgy, building materials, chemicals, pharmaceuticals, machinery, electronics and light industries. Hebei boasts 22,000 industrial enterprises including more than 500 large and medium-sized entities.

In order to expand opening up to the outside world, further develop co-operation and exchange with foreign countries and promote the development of an export-oriented economy, the province has been endeavouring to improve its investment environment. At the same time, it has formulated a series of preferential policies and measures, and guaranteed their implementation through the form of laws and regulations.

Chen said that since 1984 his province had held ten symposiums on foreign economic and technological co-operation. He added that important results have been achieved in the promotion of opening up to the outside world and of economic development. At present, 450 foreign-funded enterprises are formally registered in the province. They account for a total

investment of US\$1.236 billion and US\$490 million of foreign contract funds.

Foreign businessmen, Hong Kong and Macao compatriots, and overseas Chinese are warmly welcome to participate in the meeting. **by Li Rongxia**

Progress in Raising Foreign Funds

Su Wenchuan, vice-president of the People's Construction Bank of China, said recently that as a state bank specializing in medium- and long-term investment businesses, his institution had made further progress in the raising of overseas loans for the country's major construction projects.

According to Su, in the first half of this year his bank signed agreements to borrow US\$30 million in commercial loans with an Italian bank and the Industrial Bank of Japan Ltd. At the same time, it concluded a general agreement with a Swiss bank company for export credit and held talks with the Credito Italiana and the Bank of Austria on a general agreement for export of credit. Upon the approval of the People's Bank of China, the People's Construction Bank of China will solicit loans for the Hefei-Jiujiang Railway and is handling the work necessary to gain loans from the Asian Development Bank.

In addition, the People's Construction Bank of China has concluded three agreements on French mixed loans for posts and telecommunications projects in Heilongjiang Province with the Banque de l'Indochine, the Societe Generale of France and the State Credit Bank of France.

At present, the People's Construction Bank of China is rais-

ing hundreds of millions of US dollars in loans for the No.3 Steel-Making Shop of the Wuhan Iron and Steel Co., the ethylene projects in Beijing and Tianjin, and the Fenghuang airport in Sanya Bay, Hainan Province. Before this, the bank raised US\$570 million for the 300,000-ton ethylene project in Shanghai, construction on which began last year.

Su said that his bank had been permitted to set up an office in London. This will become its first such foreign organization and will help the bank strengthen co-operation with international financial circles and promote its imports of foreign funds. ■

Foreigners Buy Land in Pudong

The Pudong New Development Area in Shanghai is to sell three pieces of land to foreigners for the first time, according to a recent release by the Shanghai Municipal Land Administrative Bureau.

Buyers for the three pieces of land are to be invited by means of open tenders and individual negotiations. One piece covering a total area of about one square km will be used for a golf range; another is for building commercial centres, office buildings and residential quarters, in the future financial centre of Shanghai on a block of 7,600 square metres; the third, intended for factory construction, is situated in the vicinity of Nanpu Bridge which links Pudong with Puxi areas, covers more than 8,000 square metres.

Since 1988 Shanghai has sold six pieces of land totalling 153,700 square metres to foreign business people through tenders and negotiations. This year

Shanghai will auction land for a period of 50 to 70 years. These pieces of land can be transferred, mortgaged or sold to others. ■

Dalian Shipyard Enters International Market

China's Dalian Shipyard ranks 18th instead of 44th among the international ship building enterprises.

The shipyard has imported advanced technology and key equipment from foreign countries for more than 4,000 renovation and new technical projects. Through exchange and co-operation with these foreign enterprises, the factory has mastered 3,975 standard items from over ten countries such as Norway, Japan, Britain, Germany and the United States and international organizations. After an overall examination and appraisal of the factory, the Norway DNV classification society issued an accreditation for hull quality. So far, the factory has exported 670,000 tons of shipping including bulk cargo ships, shuttle oil tankers, finished chemical oil tankers and drilling terraces to the United States, Norway, Germany, Belgium, Pakistan, Sweden and Hong Kong. The largest tonnage for a single ship was 118,000 tons.

The shipyard has designed and manufactured three 44,000-ton finished oil tankers for Sweden and Norway. Delivery has taken place of the first tanker, the *Rowan* built for the IBC Co. of Sweden. The second vessel, the *Argonaut* is also operating. Another tanker is being built for Norway. According to China's shipbuilding industrial circles, the three vessels indicate that China's exports of ships have reached a new stage. The

country has moved from the import of designs from abroad and joint planning to offering designs of its own.

The shipyard has contracted to overhaul ships for foreign countries. Recently, it repaired two 15,000-ton aquatic product processing ships for the Soviet Union. In addition, a Soviet fishery company in the Far East has contacted the shipyard. It is expected to use its facilities as a base for repairing ships.

by Yang Xiaobing

News in Brief

- The feasibility study agreement on the Hainan Petrochemical Project jointly sponsored by China and the Anglo-Dutch Shell Group was signed in Beijing on July 27.

By rough estimate, the project needs an investment of US\$2.5 billion, the biggest foreign-funded project in China at present. The two sides will each hold 50 percent of the shares. In Huizhou City, Guangdong Province, it will process 5 million tons of crude oil and produce 450,000 tons of ethylene annually.

- Statistics from the Ministry of Foreign Economic Relations and Trade show that China approved 5,028 new items for attracting foreign direct investment in the first half of this year, an increase of 80.6 percent over the same period of last year. The contract foreign funds amounted to US\$4.55 billion, a rise of 93.5 percent. The actual funds invested by foreign businessmen came to US\$1.65 billion, a hike of 34.7 percent. The number of productive and export-oriented items increased too. Some projects involved more than US\$100 million in terms of investment. The opera-

tion in some foreign-funded enterprises which have gone into production has improved steadily. Moreover, the value of exports reached US\$3.33 billion, an increase of 51.7 percent over the same period of last year.

- Statistics from the Ministry of Foreign Economic Relations and Trade show that China negotiated a batch of loans totalling US\$3.24 billion between January to June this year, a rise of 14 percent compared with the same period in 1990. The actual use of the loans amounted to US\$3.13 billion, a drop of 2.9 percent over the same period of last year. Of this, the newly negotiated government loans were valued at US\$358 million, an increase of 26.1 percent over January-June period of 1990. Actual funds used amounted to US\$730 million, a reduction of 14.3 percent. Borrowing from the international financial institutions totalled US\$1.34 billion, a rise of 34.1 percent, with US\$560 million being actually utilized, an increase of 61.8 percent. Although this year is entering the high peak of repayments for foreign debts with interest, the yearly interest rate is far below the safety limitation of 15 percent.

- The numerical transmission system, funded by German loans and established by SEL of Germany, went into operation on July 12 at Shandong Post and Telecommunication Administration. Under the contract signed by Shandong Province and Germany in January 1989, 22 stations along the 500-km-long Qingdao section and 10 stations of the Jinan-Yantai section of the project will be provided with a wireless relay system. Each wireless path can provide 1,920 telephone lines and can transmit several TV and broadcasting channels.

Reform in 1991 Full of Opportunities

TEQU SHIBAO
(Special Economic Zones Times)

Well-known economist Liu Guoguang has noted that China's structural reform of the economy this year is laden with opportunities. The concrete reality entails the following three points:

1. Through two years of economic improvement and rectification, shallow contradictions in the economy have been obviously alleviated, while the deep problems of an unbalanced and distorted structure and low efficiency have yet to be resolved. By deepening the reforms these major contradictions can be solved.

2. The CPC Central Committee's Suggestion on the Ten Year Programme and the Eighth Five-Year Plan (1991-95) guided the direction for structural reforms, pushing them forward.

3. Supply and demand in 1990 were basically balanced. Last year saw a bumper harvest in agriculture, stable increase in citizens' bank savings, obvious improvements in international income and expenditure, and political and social stability. All these provided favourable conditions for deepening reforms.

The economist thinks that China's 1991 reforms should pay attention to the following:

—To seize every opportunity and lose no time. To miss reform opportunities means to make the same mistake as to be too anxious to get quick results.

—To pay attention to mutual co-ordination and links between financing, banking, prices, planning, foreign trade and social insurance.

—To focus on reform that will improve finances instead of causing them to deteriorate. Efforts should be made to raise income and reduce expenditure.

This year economic structural reforms cannot be unfolded in an

all round way. However, it is necessary to speed up the price reform, use favourable opportunities to readjust the price of farm produce, readjust and liberalize the prices of some means of production and narrow the gap between state and market prices.

The speed of housing reform should be accelerated. In this way, state financial subsidies can be reduced, paper money be withdrawn from circulation and the development of many industries promoted.

Reforms of social security payments and insurance are extremely urgent. If they are suspended it will create major obstacles for other reforms. Without feasible systems for employment stability, poor and old-age pensions and medical insurance, structural adjustment and economic efficiency will be empty words. Therefore, it is an urgent task for China to reform its social insurance system.

(March 14, 1991)

College Established Behind Prison Walls

ZHONGGUO XINWEN
(Chinese News)

Recently, 47 inmates graduated from the college-level courses run by the No.3 Prison of Shandong Province and received formal certificates from the state education department. This was the first recorded event of its kind in China's educational history.

The warden Guo Hongzhi explained their four considerations. First, study can efficiently remould the ideology and eliminate the ignorance of inmates. Second, most of the prisoners with senior middle school and technical secondary school level wish to improve their cultural knowledge. Third, prison, as a special school, can contribute to society through education. The fourth is based on humanitarian grounds.

Enrollment standards include: commitment to abiding by the law; a positive attitude to rehabilitation; a senior middle school education level and an imprisonment term of over three years. The inmates are assigned to Chinese literature and maths classes according to their individual characteristics and test scores.

The two classes have each established 11 and 12 courses, giving lectures three afternoons a week, for a total of 600 periods. Dozens of professors and lecturers from outside universities participated along with teachers from the prison administration. The Confucius Correspondence College has also been invited to contribute courses that introduce traditional Chinese culture and ethics to aid a change of heart by prisoners.

There have been no serious misdemeanours in more than two years and 72 percent of the college participants have had their sentences reduced.

The first graduates of Chinese literature have published 188 articles in newspapers and compiled 300,000 words of study materials such as the "Prison Guidebook." Some graduates of applied maths have already made contributions to society since their release.

(June 7, 1991)

From Believing in God to Marxism-Leninism

BEIJING RIBAO
(Beijing Daily)

Yang Sixin, chief engineer of Beijing Architectural Engineering Corp. wrote the following recently:

Both my parents are Christians. My mother told me I was baptized when I was one month old and called Sixin, which means eternal follower of God. As a teenager I spent almost every Sunday at church, then my eight-member family lived in a 12-square-metre attic in Shang-

hai. I was the oldest child in the family. Whenever I saw my mother's distressed eyes and the sight of my younger brothers and sisters sleeping on the floor, I prayed to God silently for spacious rooms, but my years of praying brought us nothing. Therefore, I swore to study architecture when I grew up, so that I could build up many more houses.

After my graduation from the university faculty of architecture, I was assigned to work in Beijing. When I took part in political study, I got in touch with Marxism-Leninism which was new to me. Reading over Chairman Mao's works such as *On Contradiction* and *On Practice*, I was completely swayed by the fresh rhetoric, the new analysis method and the penetrating and easy-to-understood ideas. The bustling construction sites and the selfless spirit of the workers gave me strength and enabled me to see that there is no saviour, we rely on ourselves. In 1964, I declared my determination to break with God when I solemnly applied for Party membership. Heroes of the 1960s like Lei Feng, Jiao Yulu and the Party members around me made me see the greatness of the Party. Although I was suspected and attacked during the "cultural revolution" (1966-76), my determination was unaltered. I joined the Party in 1979.

As an architectural engineer, I have been deeply aware of the tremendous changes in Beijing over the past 40 years. My childhood dream of "building many more houses" would never have come true without the leadership of the Communist Party of China. I always think that it is the Party and the people who cultivated me. I'm not the child of God, but the son of the Party and the people. I should make use of what I have learnt and do my bit for the people. During the 38 years at my post, I have always worked an extra shift without pay

on Sundays and holidays. I often go to grass-roots units and work-sites. I have had a hand in more than 30 scientific items and technical renovations. I will work harder to "put my limited life into unlimited service for the people," as Lei Feng said.

(June 22, 1991)

Programmes for China's Technical Advance

BANYUE TAN
(Fortnightly)

Since 1983, China has carried out six programmes one after another for the development of science and technology. At present, their implementation is continuing. The programmes include:

State Plan for Tackling Key Scientific and Technological Difficulties. Begun in 1983, the task is to select a group of scientific research subjects which can enhance the efficiency of the national economy. The state will then mobilize all its forces to make breakthroughs in key areas.

Spark Plan. It is a scientific and technological scheme commenced in 1986 to promote rural development. The main goals are to open up and disseminate practical technological results and promote the use of equipment in rural areas; to establish advanced exemplary enterprises in the countryside; and to give technical training to specially talented farmers.

Torch Plan. This project aims to commercialize high- and new-tech research results and to push industrial formation and development in these fields. Its purpose is to bring into play China's scientific and technological advantages and to promote internationalization of the high-tech industry. Currently, the main concentration of the torch plan is on the technology and products of micro-electronics and computers, the information industry, lasers, new materials, biotechnology,

and new and more efficient forms of energy as well as mechatronics and electronics.

Plan for High-Tech Research and Development. Proposed in March 1986, the programme started up in March 1987. The purpose is to choose and tackle key technologies which can have a far-reaching impact on China's future development. They include the fields of biotechnology, space, information, lasers, automation, energy and new materials.

Basic Research Plan. It is an important part of China's scientific and technological development. Currently, about 100,000 scientists and technicians are engaged in research with 20,000 subjects. Since 1984, the state has invested over 400 million yuan and US\$76 million to set up 63 key laboratories. Each department has established nearly 100 laboratories which are open to foreigners. The state has also contributed more than 700 million yuan to build Beijing's electron-positron collider, Lanzhou's heavy ion accelerator, Hefei's synchronous radiation equipment and so on. This equipment for basic research is of top level in the world.

Plan for Disseminating Key Scientific Results. Begun in 1990, its aim is to create a better environment and conditions for the transfer of scientific and technological results to production processes. Advanced and mature scientific results are to serve the national economic construction in an organized and planned way. Thousands of scientific and technical workers and the forces of the whole society are to be mobilized to widely put scientific achievements into practice in rural areas and industrial enterprises. Science and technology are to be linked closely to the economy, in particular to promote the growth of traditional industrial technical levels and the agricultural economy.

(No. 7, 1991)

Hotel Features Art Palace

On the occasion of the opening of the Beijing International Art Palace (BIAP), people were surprised to see that the establishment, centrally located in Beijing's Wangfujing Street, not only incorporates the Holiday Inn Crowne Plaza Hotel, but also an Art Gallery and Art Salon. Many other top hotels and restaurants in Beijing do not boast such facilities and they have aroused the interest of numerous artists. Liu Xun, chairman of the Fine Arts Foundation of the BIAP and sponsor of the Art Gallery and Art Salon, said, "The Art Gallery and Art Salon are places provided specially for artists. The BIAP will strive to act as an important showcase for China's contemporary high level of artistic creation. The salon is a place for artists to discuss and perform their crafts. Our aim is to sponsor appreciation of the arts and provide aesthetic treats."

The oil painting exhibition held for the opening of the BIAP Art Gallery attracted many visitors. The exhibition invited 32 painters, most of whom are the elite of Chinese art circles including Wu Guanzhong, Ge Pengrun, Wei Qimei, Liu Xun, Wu Xiaochang and Ai Xuan. Their works included college period pieces and some blended Chinese and Western styles. Li Yuchang, secretary-general of the foundation and associate professor of the Beijing Studio of Art and Calligraphy, noted, "We anticipated that this oil painting exhibition could arouse the attention of art circles and provide an opportunity for us all to approach the development of high levels of Chinese oil painting, while working for the promotion of prosperity in China's art undertakings."

In addition to local exhibi-

tions, the Art Gallery will organize regular displays of collections, hold some international expositions, conduct academic activities, invite superb foreign artists to visit China and promote art exchanges with countries worldwide.

Activities of the Art Salon will be more grand. According to Kong Jihua, a patron of the arts, worthwhile activities such as appreciation and analysis of works, lectures on special topics, reviews of individual artists, eval-

uation of new works and international cultural exchanges, can all be held there. Those involved in the arts, music, film and television, literature, drama, photography and dance will have the opportunity to practise their skills and talents. The salon is also equipped with a large screen projection TV for painting, composition and garment design.

Many artists have shown great enthusiasm about the Art Salon. Zheng Xiaoying, conductress of the Central Opera Troupe, said that the troupe has many young bel canto performers. For various reasons they have not had an opportunity to perform on stage, but are not willing to learn more popular styles to make money, so they are frustrated. The Art Salon can provide these vocalists with opportunities to display their talents.

Zou Dehua, a well-known singer of the Central Opera Troupe, has been on a tour abroad to appraise musicals and has established a musical centre with her self-raised funds. She has experimented with the development of Chinese musicals and hopes that the Art Salon can provide her

Oil painting: Beauty.

ZHANG LI



Oil painting: Vanished With the Wind.

AI XUAN

with a fixed time to invite composers, critics and performers to exchange ideas. She has also suggested the trial performance in the salon of some excellent musicals such as *West Side Story*.

Famous conductor Li Delun also noted that some of China's top musical talents have moved abroad. One reason is that they lack performance opportunities in China. He suggested that excellent performers be invited to show their talents at the Art Salon. It can not only provide them with a venue, but also meet the high artistic expectations of audiences.

At present, the Art Salon holds chamber-music concerts in the evening three times a week. Performers are the Central Orchestra, the Central Opera Troupe and the Central Nationalities Orchestra, which are all on the top level in China.

In August, the Art Salon is holding chamber-music concerts featuring the compositions of Tan Dun, Zhou Long and other internationally applauded composers. In co-operation with the Research Institute of Foreign Literature under the Chinese Academy of Social Sciences, and the Embassies of Colombia, Mexico and Chile, the Art Salon will hold a commemoration party for writers who have won the Nobel Prize. They include Margues of Colombia, Parse of Mexico, Neruda and Mistral of Chile, and Asturias of Guatemala. ■

Opera 'Marco Polo' Staged in Beijing

Marco Polo, an opera written by Hu Xianting and Wang Shiguang, composed by Wang Shiguang and directed by Chen Dalin, was staged by the Central Opera House at the Beijing Tianqiao Theatre in early July. It won high acclaim

from Chinese opera and musical circles.

The four-act opera tells the love story between Marco Polo, the famous Italian traveller, and Solun, a beautiful Mongolian girl, in the capital of the Yuan Dynasty in the 13th century.

Marco Polo, son of a Venice merchant, accompanied his father and uncle to China in 1275. During his stay in China, Marco fell in love with Solun, the daughter of Mamuding, a *hanlin* scholar (member of the imperial academy). However, Zhanlanding, the son of Ahema, a powerful official, was also attracted by Solun's beauty and intended to take her by force, so he conspired to have Mamuding and Solun arrested.

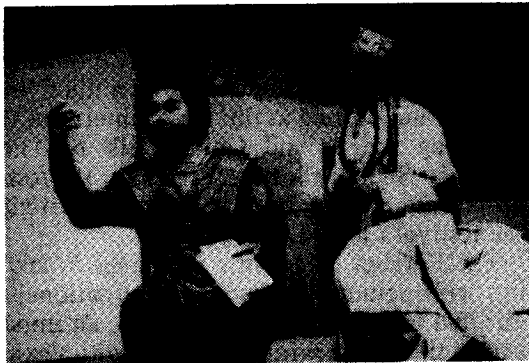
Because Marco Polo was a close friend of the Kublai Khan and the crown prince, Ahema tried to coerce Marco into marrying his daughter, Lansir. He wanted to gain Marco's influence to help him control court affairs.

In order to stop Ahema, several of Marco's friends plotted to murder him, persuading Marco Polo to help them. Just at that time, Lansir came to look for her prospective husband. When her love was refused, she determined to kill Solun.

At dusk three days later, Ahema was assassinated in a Buddhist temple. However, Solun was fatally injured by the insanely jealous Lansir. Although Kublai Khan approved the marriage of Marco Polo and Solun, she died in Marco's arms.

The opera is splendid and dramatic. It begins with a magnificent overture. A party is taking place on a hunting field under a blue sky dotted with white floating clouds. Following a grand

chorus, Kublai Khan comes up to sing a poetic aria. The lyrical tune and the imaginative words reflect the emperor's longing for the alien western lands. A wrestling match between Marco Polo and Zhanlanding symbolizes the beginning of the dramatic conflict between the two. The plot proceeds to thicken. The songs accurately reflect the emotions of the characters. For instance,



ZHOU HUAYIN

Marco Polo confesses his love to Solun.

the aria Ahema sings just before his murder is tight in structure and accurate in image, vividly showing his inner suspicion and fear. The aria and the thrilling background indicate his death is imminent.

The opera displays special qualities. The arias, duets, choruses and musics are combined into an artistic entity and greatly enhance the vocal, dramatic and lyrical effect. The performance attains new heights in the unity of plot and music.

One shortcoming is that the images of Ahema and Lansir outshine those of Marco Polo and Solun, the real leading roles of the opera, both in dramatic and musical impact. Although the large number of characters and climaxes contribute to the visual and dramatic effect, they also impose restrictions on the spectacle. The music is combined into an artistic whole and greatly enhances the vocal, dramatic and lyrical effect of the opera. ■

Shanxi Drum Festival

On September 21-30 this year, Taiyuan, the capital of Shanxi Province, known worldwide as China's energy base, will host the Shanxi International Gong and Drum Festival, the Second China Folk Art Festival and the Shanxi Foreign Friendship Exchange Week. Tens of thousands of Chinese and foreign guests will gather in the ancient city for these activities.

During the festival, guests will be able to enjoy the colourful "Sea of Brilliant Black Diamonds" lantern show. The lanterns, on display at the "Spring on the River Bank" Festival in Singapore, were highly appreciated by 2.5 million overseas viewers and praised as the "best lanterns of China."

During the Second China Folk Art Festival, about 50 Shanxi theatrical troupes, 15 from other provinces and nine from abroad will participate in the festival's 100-odd programmes.

The Foreign Friendship Exchange Week activities will include seminars on international economic and technological co-operation, an import and export trade fair, a foreign commodities exhibition and international tourism exchange.

by Kou Zhengling

Cleanup for Beijing Tourist Trade

In a bid to protect the interests of overseas tourists and retain the capital's reputation, Beijing municipal government decided on June 25 to launch a campaign "to straighten out and crack down on illegal activities in the tourist trade."

Previously, when the Beijing Travel and Tourism Administration, acting on complaints from Chinese and foreign tourists, decided to carry out checks at 41 hotels, restaurants and shops patronized by foreign tourists. During the check, it discovered that some designated tourism enterprises had transferred their rights, in part or total, to illegal merchants. The latter have bribed guides and chauffeurs with much money or colluded together to sell tourists fake works of art or charge extraordinarily high prices for inferior goods.

The administration declared to the news media on July 17 that it had confiscated official tourism badges from 16 hotels, restaurants and shops and given "yellow card" warnings to 13 designated businesses which included the Yanshan Restaurant. It decreed that no travel services in Beijing are permitted to take tourist groups to the above-mentioned enterprises for accommodation, meals or shopping.

It was announced on July 25 that these businesses would receive further punishment including a

fine of more than 400,000 yuan; confiscation of illegal income of over 260,000 yuan and 1,440 fake and inferior paintings. Permits for dealing in calligraphy and paintings would be withdrawn from six enterprises and others confiscated from three retailers, making it illegal for them to deal in medicines; another six enterprises would be forbidden to sell drugs.

Bo Xicheng, director of the Beijing Travel and Tourism Administration, said, "We have won a preliminary victory by dealing with businesses in this cleanup campaign, but further investigation is being made into some other enterprises. Work to supplement, revise, and tighten related laws and regulations and concrete enterprise control is an arduous task. The next major step is to undertake conscientious inquiries and deal with tourist guides and drivers involved in corruption and the accepting of bribes."

Bo added, "We expect that after this campaign, Beijing's tourist trade will become more prosperous."

by Kou Zhengling

News in Brief

● **1991 China Mt. Huangshan International Tourism Festival.** In the latter part of October this year, Huangshan City, Anhui Province, will hold the 1991 China Mt. Huangshan International Tourism Festival. Huangshan, one of China's famous beauty spots, has been listed by the United Nations as a World Cultural and Natural Heritage.

The festive activities will include: sightseeing round Huangshan, local ancient dwellings, and the famous Taoist Mountain of Qiyun; exhibitions of renowned Huangshan products, famous mountain-grown tea, local calligraphy and painting, and scenic photos; sales of tea, and trade talks.

● **Ningxia International Yellow River Cultural Festival.** Ningxia, China's only provincial-level Hui autonomous region, has the typical sights of west China plus rich Moslem customs and lifestyles. From September 12-22 this year, the region will hold the 1991 China Ningxia International Yellow River Cultural Festival in its capital Yinchuan.

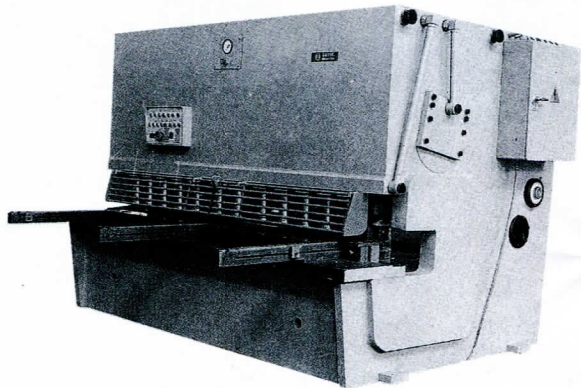
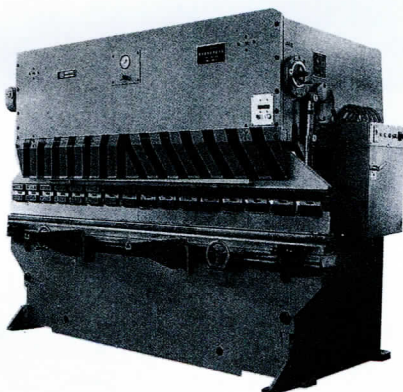
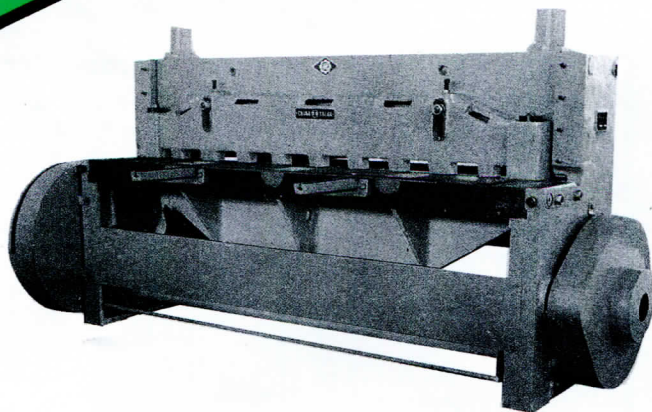
Activities will include: crossing the Yellow River by pleasure boat or sheepskin raft, visits to the remains of the ancients in Ningxia, Western Xia Dynasty Tombs, a desert oasis, and Helanshan cliff paintings; minority nationality cultural and theatrical performances, and a Moslem food display; and exhibitions of calligraphy and paintings by noted artists, and of economic achievements and historical relics. ■

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Located at the foot of the famous Mount Tai, the Taian Forge-Press Machine Tool Factory, an enterprise under the Ministry of Machine-Building and Electronics Industry, has a long production history and a strong technical force, complete sets of equipment, advanced manufacturing technology and perfect instruments. The factory has established a modern quality-control system.

Our factory produces mainly the Dai Yue-brand series of products, including shears, benders, punchers, multiple strip shears, shears with treadle, plate bending machines, crimping machines. These products are extensively used for the metal plates fabricated for machinery, planes, trucks, ships, bridges, boilers, machines and electronics, hardware, family electrical equipment, etc. Our prestigious products are sold throughout China and exported to Europe, America and Southeast Asia.

Taian Foreign Trade Bureau

Taian City, located at the foot of Mount Tai in Shandong Province, is characterized by abundant local products and a flourishing industry. Since they began to make full use of their superiority in local natural resources and industry, the people of Taian have developed an export-oriented economy and foreign trade. They have 15 categories of exports, including over 300 products, which are sold to more than 130 countries and regions. A large number of products are the nation's famous-brand exports. Its hemp won the world invention gold medal (see picture).



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