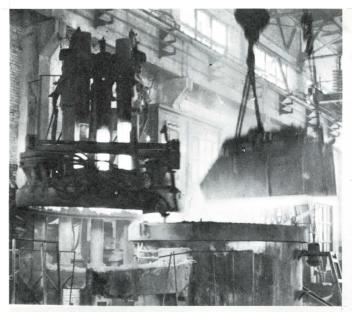


Beijing 是VIEW July 28 A CHINESE WEEKLY OF NEWS AND VIEWS

July 28, 1986

ARMY DEDICATED TO PEACE AND DEVELOPMENT





The Kuaziwan Rolling Mill in Fengnan County manufactures angle steel that sells throughout Southeast Asia.

The Xugezhuang Iron Picture Plant manufactures iron pictures for export.



Rural Enterprises in Tangshan

In order to train technicians for the township-run enterprises, the Kuaziwan township opened a vocational school. Photo shows students attending an English class.





Bristle products made by the Xugezhuang township are mainly exported to the Soviet Union and East European countries.

Photos by our staff photographer Xue Chao

SPOTLIGHT

VOL. 29, NO. 30

JULY 28, 1986

CONTENTS

NOTES FROM THE EDITORS

Army Aids Peace and Economic Progress

EVENTS/TRENDS

5-9

China to Scrap Student Stipends Reformers Merit Moral Support Economy Shows Steadier Growth New Fashings Beat Baggy Blue Look

Premier Zhao Visits Greece And Spain

INTERNATIONAL

10-13

Italy: Political Crisis Deepens
Britain: Howe Returns EmptyHanded

Israel: Murder and Spying Rock

The Cabinet

Canada: Mulroney Reshuffles

Cabinet

Tangshan: Reborn From Rubble 14

The Benefits of the Three Gorges
Project 23

Tangshan: Ten Years After Quake

Pictorial

BUSINESS/TRADE

26

COVER: A bird's-eye view of new

Tangshan.

Photo by Qi Yuliang

HIGHLIGHTS OF THE WEEK

Tangshan Rebuilds from Rubble

A decade after a devastating earthquake, Tangshan now stands greater and more beautiful than ever. Beijing Review correspondents give an on-the-spot report of the miraculous reconstruction of the city's physical and social fabric (pp. 14-22).

China's Economy in Better Shape

Data released by the State Statistics Bureau show that during the first half of 1986 China achieved a measure of success in decelerating its overheated economy and remedying its many imbalances (p.6).

An Army for Peace & Economic Progress

In a new orientation, the Chinese People's Liberation Army is being reduced in size and its troops trained both for combat and for civilian work. The defence industry is also devoting a good part of its efforts to civilian production (p. 4).

New Incentives for University Students

To encourage a spirit of dedication to the people and to stimulate academic excellence, a scholarship and loan system will replace the present universal stipend awards (p. 5).

S. African Sanctions? Britain Under Pressure

In protest at Britain's refusal to date to impose economic sanctions against South Africa, more than 20 countries have pulled out of the Commonwealth Games, signalling a potentially serious rift in the Commonwealth (p.10).

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

USA US\$ 22.90 UK £12.00

NOTES FROM THE EDITORS

Army Aids Peace and Economic Progress

by An Zhiguo

ast year, the Chinese government decided to cut back the size of the People's Liberation Army by I million people between 1985 and 1987. The cutback, the only such act in the world for many years, is being carried out on schedule.

The cuts in military personnel are, however, only part of the efforts being made by the Chinese army towards peace and development. China has also reduced the size of its military expenditures, even though the share of national defence in the country's budget has always been low. The world's military expenditure rose from US\$500 billion in 1980 to US\$800 billion in 1985, with those of the United States and the Soviet Union making up about half of the total. China's military outlays in 1985, however, were equivalent to only US\$6 billion, less than 1 percent of the world total. The proportion of China's military expenditure in its government financial expenditure dropped from 17.5 percent in 1979 to 10.5 percent in 1985.

China holds that the danger of world war still exists, but that world peace is attainable as the growth of the forces for peace outstrips that of the forces for war. Under such circumstances, strengthening national defence is necessary, but the scale of this construction should be appropriate and the approach defensive rather than offensive. Just as General Secretary Hu Yaobang once said, in general, the security of a nation rests on the unity of its people. People with blind faith in armed strength rely only on arms and endlessly expand those arms to prepare for war. They do so at the expense of their people's welfare and end up damaging the foundations of their nations' security. Understanding this, we have gone all out for socialist modernization, develop social

productive forces and improve the people's living standards. China is opposed to the arms race and will never participate in it. And we have taken the initiative in paring down our nation's armed forces.

While reducing arms, the Chinese government has also ruled that the army contribute to the nation's economic construction. The army has done so in the following respects:

— Turning some military facilities over to civilian use. Since 1984, the army has transferred a number of airports, ports, docks, special-purpose railways and warehouses to civil use, or has begun sharing these facilities with local towns or cities. The shift has helped ease the strain on China's communications and transport facilities.

—Transferring military technology to civilian projects. Begun in 1979, this has achieved marked results. Last year the output value of civil products turned out by national defence and military industries rose from 10 percent in 1979 to 40 percent.

The Ministry of Nuclear Industry has undertaken all the design work and construction of nuclear power stations planned in China and will also provide nuclear reactors.

The Ministry of Aeronautics Industry has developed many models of airplanes for civilian use.

The Ministry of Astronautics Industry, which now launches carrier rockets and satellites, has turned out large numbers of high-quality civil products that are badly needed in the national economy and competitive on the world market. Fifteen such products have filled yawning gaps for goods in their respective areas in China. The output value of the ministry's civil products has risen by more than 50 percent in the last two years.

The Ministry of Ordnance.

which used to produce guns, cannons and munitions, has, since 1980, increased the number of products it makes for civilian use from 64 to more than 700 in 16 major categories. Among these are bicycles, cameras, refrigerators, washing machines and sewing machines. Last year, it turned out 1.2 million motorcycles, accounting for more than 50 percent of the country's total motorcycle output. To meet the needs of key state projects and those of the people, the ministry has also developed a batch of civil products with fairly high technological levels, such as oil drilling equipment, photoelectric products and demolition equipment for civil use.

— Direct involvement in economic construction. Between 1981 and 1985, the army contributed more than 110 million workdays to local construction and helped with more than 44,500 large, medium-sized and small projects.

Since the end of the 1970s, army personnel have been required to train for combat and civilian jobs as well. The work to train competent people for both military and civil services has become an important component of the army's education and training routines. During their term of service, soldiers may choose to study such fields as aquaculture, farming, construction, machine repair, driving, literature, public health and medicine, or business management. The training programme has been much welcomed by officers, the rank-and-file, and the public. To date, 650,000 of China's demobilized soldiers have been employed by civilian businesses thanks to the training they received in the army.

The Chinese army's multifaceted efforts are promoting not only the nation's economic development, but world peace as well

China to Scrap Student Stipends

China will replace its current stipend system for university and college students with a scholarship and loan system as of this year. the State Council announced recently.

According to a State Council circular made public this month, as part of the changes in the whole educational system, the reform was designed as an incentive to encourage academic excellence. The new system will be tried out in a selected number of institutions of higher learning during the 1986-87 academic year.

A report submitted to the State Council for examination by the State Education Commission and the Ministry of Finance said though great changes have taken place in education in China since the Third Plenary Session of the 11th Party Central Committee in 1978, the stipend system has remained a hangover that needs to be changed. Under the stipend system, all students are subsidized, regardless of their need, conduct or academic performance.

The report suggested that all university and college students, except those who maintain good academic and conduct records and are in good health, should pay their own living expenses. It also stipulated that free tuition and board should be offered to those students at teachers' colleges and those who will work under harsh conditions, such as mining engineering, or in remote mountainous and border regions.

According to the report, there will be three categories of scholarships: (1) Scholarships for top students. Divided into three grades, these scholarships will be used to encourage all-round excellence from outstanding students; (2) Scholarships for stu-

dents with specialities such as education, agriculture, forestry, sports and marine navigation; (3) Scholarships for those students who will work in poor, remote and border regions after graduation.

The report said the loan system will be introduced to help those students unable to cover their own living expenses. Students who have such financial difficulties. but who study hard, abide by state laws and observe discipline codes may apply to their schools and the China Bank of Industry and Commerce for low-interest loans. After graduation, the students' employers will be required to pay off the loans in a lump sum and recover the money through a fiveyear period of payroll deductions. Graduates who teach for at least five years in primary and middle schools, or work in harsh environments or in underdeveloped, border or mountainous areas for at least five years, will not have to repay their loans.

In an interview with Xinhua, a leader of the State Education Commission said those students who are offered scholarships can also apply for loans. "Scholarships are to encourage the better students to continue to excel," he said. "Educational loans are to have real those who difficulties footing the bill for their education. If the scholarships do not cover all the expenses, scholarship recipients may apply for loans. The annual added sum of the scholarships and the educational loans. however. should not exceed 400 yuan," he said.

The stipenel system was introduced after the founding of the people's repubulic in 1949. At that time, most of the students came from labouring families. Now, as the incomes for most families have been raised, this has made the reform of the stipend system possible.

Reformers Merit Moral Support

One day hailed as energetic reformers, the next criticized or even fired, China's reformminded managers are, with support from top government officials, regaining confidence in their autonomy and decisionmaking powers.

Last month, workers at the Zhengzhou Automobile Factory welcomed back their former director, Song Beifang, who was fired from his post earlier in the year because he applied for his factory to be taken out from under the control of a transport company. Song said he wanted to

decide what to produce and where to sell the products. He said he also wanted to implement new methods to boost production. "I firmly believe that reformers nowadays have a much brighter future than those in the past," he said after being reinstated.

In another case, the Fuzhou Municipal Communist Party Committee demanded that local authorities halt their investigations of seven new leaders who had initiated reforms that helped a watch factory earn more than 1 million yuan (about US\$270,000) in two years after many years of losses. The investigations were said to have been launched merely on the basis of a few anonymous letters.

Economy Shows Steadier Growth

China succeeded in cooling down its overheated economic development in the first six months in 1986 and embarked on a more co-ordinated course of development, said a spokesman for the State Statistics Bureau on July 18.

The spokesman Zhang Zhongji told reporters at a press conference that in the first half of 1986 China had a bumper harvest of summer grain and oil-bearing crops, steady industrial development, stable markets and lower inflation.

According to Zhang, China's summer grain output this year reached 91.88 million tons, 3.14 million tons more than in 1985. In the second quarter, the state purchased a total of 15.85 million tons from farmers, 5.16 million tons more than the same period last year.

Zhang said China's industrial production grew steadily in the first half of the year, and the total

industrial output value amounted to 428.4 billion yuan, up 4.9 percent over the corresponding period in 1985, with that of light industry going up 5.1 percent and that of heavy indutry, 4.6 percent.

The product mix also improved, he said. The output of products that were in short supply increased considerably and those that have not sold well were reduced.

Transport, one of the major obstacles in the country's economic development for the

Because young reformers around the country have reportedly been investigated or dismissed, several newspapers have been urging an immediate stop to the harassment. A front page commentary in Renmin Ribao (People's Daily) on June 16 cautioned against protracted investigations of reformers by local or higher authorities. These investigations, the newspaper said, interrupted normal production and made the reformers reluctant to try out new creative policies.

"Making mistakes in reform is permitted. But not carrying out the reform is intolerable," the newspaper quoted an unidentified senior official as saying.

Since 1983, about 28,000, or 34 percent, of China's enterprises under the direct leadership of the central government have adopted the manager responsibility system, in which factory managers are given more decision-making powers, including the power to choose deputy directors and other assistants. Managers are also responsible for enacting rules and regulations concerning production and discipline in their enterprises. "This was aimed at

removing the care of daily affairs from factory administrative control, leaving it instead in the hands of professional managers," the commentary said.

With their intelligence and creativity, China's young reformers have pushed their enterprises towards unprecedented profits and have also improved employee remunerations. Not everyone, however, has been impressed with the reformers' break with egalitarianism and traditional reward and penalty systems. Their new ideas are said to have encroached upon the interests of some, who, as a result, went hunting for even the smallest flaws in order to get the new managers removed.

The newspaper gave a detailed description of a case involving the firing of a manager at the Shenyang Trolley-Bus Co. Xia Renfan, 37, began his management career with the bus company after obtaining his degree on economic management from Liaoning University in northeast China. Xia helped the company chalk up profits of 1.64 million yuan (some US\$500,000) in his first year and became recognized as one of the country's most capable reformers. He was soon

dismissed, however, for such transgressions as allowing his wife to ride with him in a car assigned to him and ordering a Westernstyle suit at the company's expense. Xia was accused of abusing his power, which was enough for a full-blown case leading to his dismissal.

The *People's Daily* reported that Xia's misfortune was not just another hard-luck story. Instead it illustrated the continuing problems encounted in the process of reforms. "Mistakes are unavoidable in the process of reform, the result of which will help determine China's future," the paper said. "Therefore we must support the reformers and help them proceed."

The paper went on to say it was wrong to take a single fault as the basis for criticism and accusations without recognizing the contributions of these people. "Local officials should be more realistic in analyzing the mistakes of the reformers and help them correct their shortcomings," the paper said.

The newspaper also criticized some leading officials for being too lenient with some cadres who do not try to improve their work. past few years, has improved, Zhang-said. Statistics show that the volume of freight traffic over the first six months this year went up 6.4 percent to 823.1 billion tonkilometres, while the volume of passenger transport reached 218.3 billion person-kilometres, an increase of 2.9 percent. Cargo handled by the country's major sea ports increased 13.8 percent over the same period of 1985.

The growth in fixed assets investment slowed down. The total capital construction investment by state-owned enterprises was 33.7 billion vuan in the first half of this year, an increase of 7.9 percent over the corresponding period of 1985, which saw an alarming 43.5 percent increase.

Retail sales in the January-June period reached 235.1 billion yuan, up 11.8 percent. With ample supplies, the prices for non-staple food like eggs, meat, poultry, fish and vegetables remained basically stable.

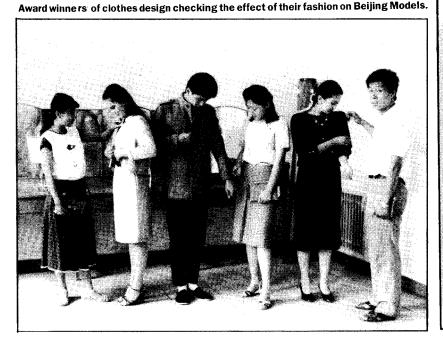
Zhang said China's economic development, however, is still plagued by poor economic returns

from state-owned industrial and commercial enterprises, by state expenditures outstripping state revenues and by an enduring foreign trade imbalance. Related departments are now working out measures to overcome these and other problems, he said.

New Fashions Beat Baggy Blue Look

Along with many changes in China since it began its overall reforms in 1979 is the trend to break away from dowdy, colourless fashions to those with style and pizazz.

Since summer set in, the Chinese have shed their layers of long underwear to emerge in Western-style shorts, culottes, T-shirts, skirts and dresses. From time to time, one also finds among the crowd a Oipao, the traditional Chinese high-collared tight-fitting dress with slits up the side. A brilliant yellow, which belonged exclusively to emperors



News in Brief

China's rural savings deposits stood at 84.9 billion yuan at the end of June, which was 12.9 billion yuan more than six months earlier. Deposits added during the first half of this year were 4.46 billion yuan more than in the same period of 1985. In this period, 2,629 new saving banks, 2,000 saving counters and 7,000 saving agencies were set up in rural areas.

hina has put into force its first group of safety regulations for nuclear power stations, according to the National Nuclear Safety Administration. The four sets of regulations govern the sites, design, operation and quality control of nuclear power stations. "These regulations will be immediately enforced at the Oinshan and Dayawan nuclear power projects now being built in Zhejiang and Guangdong provinces to guarantee their absolute safety," an official of the administration said.

he State Council has designated 20 new nature reserves in a move to bolster protection of the country's primeval forests and rare animals, said Deputy Minister of Forestry Dong Zhiyong. The move, which has increased the number of state reserves to 30, will provide a more secure environment for rare animals, such as the redcrowned crane, panda and golden monkey. Various précious plants, many of which only exist in China, will also benefit from the plan.



photo by QUNSANG

China, US Survey Roof of the World

Chinese and US scientists acquired more than 1 million bits of valuable information from the Qinghai-Tibetan Plateau during a one-month weather survey, which ended in early July. The team's focus was on meteorological changes on the plateau during the transition from spring to summer, and was aimed at understanding the influence of plateau weather on the world. The scientists set up two observatory stations in the Lhasa area and on the grassland in northern Tibet, where they met with Tibetans to discuss local weather patterns.

in the past, has become de rigueur among women this year.

In rebellion against the old standard issue of white cotton or dacron shirts and blouses and baggy trousers for both sexes, younger Chinese are taking more care over variety and bright colours. Youngsters in coloured T-shirts, often with Chinese and English words as design, look fresh and smart. Some young men are donning bright-coloured checked and print shirts.

Women, who have dressed like men for more than 20 years in China, have returned to their own favourites—skirts and dresses. Having found that they look more attractive and feminine, the women of Beijing this year came out in their skirts and dresses a full month earlier than usual—in April—despite the cool weather. Some popular styles are plaid wool skirts, cowboy skirts and some prefer the pleated look. Many women are sporting sleeveless dresses this summer—unacceptable several years ago. A few young women are raising eyebrows by wearing shorts and culottes with bare legs and sandals.

With the remarkable hike of the living standard in the last few years, the Chinese no longer regard clothes as only cloth to keep them warm or to hide the body, but as a means to express themselves. They no longer judge clothing purely for its practicality and durability, but on its style, comfort and quality. If it's a bit

expensive, but look good and comfortable—then it's a sale. Such light, soft and cool fabric as silk, crepe de Chine, and polyester are the most popular with the Chinese these days. Embroidered silk blouses, which few Chinese could afford a few years ago, have now found their way into people's wardrobe.

Bright-coloured clothes that sharply contrast in stripes or geometric patterns or with the designs of impressionist paintings are very popular among the women.

Striped fabric is a particular favourite this year. A survey of Shanghai, Wuhan, Xian and Suzhou showed that striped fabric accounted for nearly half of all the material used for Western-style suits, skirts and dresses. Smart dressers are discovering that the stripes can make them look taller, slimmer, or even masculine.

Another characteristic of the new fashion trends is that people want to bring out their individuality through dressing—they don't want to look like the next person on the street.

Tang, a 24-year-old woman in Beijing. has a beautiful green striped dress. She likes it very much but hasn't worn once this year. "There are too many people wearing it. If too many people wear the same thing, individuality disappears."

Middle-aged people are becoming fashion conscious as well. Only a few years ago, all middle-aged women were wearing stiff cotton blouses and trousers in summer. Now they too are trying colourful dresses and skirts. Ding Li, a 50-year-old doctor who recently was seen in a simple fitted dress with a bit of colour, said, "We didn't have the chance to dress up when we were voung. Now we want to grasp the chance before we are really too old to catch the fashions.'

While constantly updating their wardrobes, many young women finds it difficult to deal with their

old clothes. "I can't bear to throw them away because they are still quite new," said a girl in Beijing. "But I can't stand to wear them either because they are so out of fashion."

Fashion design has become a new profession or hobby among the young and fashion shows are now nothing unusual. There are currently more than 100 fashion research institutes and schools throughout China. Two fashion colleges will be set up during the Seventh Five-Year-Plan period (1986-90), according to Yu Zongyao, general manager of the China National Clothing Industrial Corp. Fashion departments will be added in six light industry institutes, and every province, autonomous region and municipality will establish at least one fashion school, he said.

Premier Zhao Visits Greece and Spain

Chinese Premier Zhao Ziyang left Madrid for Ankara on July 17, after completing his four-day official visit to Spain.

Earlier, Zhao visited Greece, where he and Greek Prime Minister Andreas George Papandreou exchanged views on current international issues and ways to further friendly and co-operative relations between their countries.

Premier Zhao said co-operative exchanges in the economic, trade and technological fields between the two countries have been good and are expected to extend to other areas.

"China and Greece have no conflicts of fundamental interests or outstanding problems to settle," Zhao said. "Since both countries share the objective of developing their economies and improving the people's living standards, it is both necessary and possible for them to strengthen and develop co-operation in all areas," he said.

"Though the objective con-

ditions of our two countries are different," Prime Minister Papandreou told Zhao, "we have shared similar experiences and objectives in realizing our ideals. Just as China is persisting in its four modernizations policy, so is Greece striving to consolidate its new domestic system."

In Madrid, Premier Zhao held two talks with Spanish Prime Minister Felipe Gonzalez and met Spain's King Juan Carlos I and Queen Sofia. He also met Spanish entrepreneurs. Zhao told his hosts that China would develop trade co-operation with the small and medium-sized countries as well as the big ones in Western Europe, "because each has its own strengths," he said.

Zhao said China has great interest in developing ties with Spain, which possesses some advanced technologies of use in China's development.

The Spanish Confederation of Organizations of Entrepreneurs, an independent organization representing firms employing about 75 percent of Spain's workforce, proposed 40 projects of cooperation with China during Zhao's meeting with its chairman Jose Maria Cuevas Salvador on July 15. Zhao said he would bring the proposals home for relevant departments and provinces to study. The Chinese premier proposed five co-operative projects to the Spanish Government during his visit.

Last year, trade between Spain and China was worth more than US\$400 million, doubling the 1984 figure.

The premier's first visit to Spain adds to a series of top-level visits exchanged between leaders of the two countries since 1973 when China and Spain normalized their relations. King Juan Carlos I visited China in 1978, and Chinese President Li Xiannian paid a return visit to Spain in 1984. Spanish Prime Minister Felipe Gonzalez visited China last September.

China & the World

Spokesman Rejects Indian Border Claim. A Foreign Ministry spokesman on July 16 rejected an Indian protest of an alleged incursion by Chinese frontier troops into territory. spokesman said that the Sumdorong Valley, on the eastern part of the Sino-Indian border, had always been Chinese territory. "It is not only well north of the traditional Sino-Indian boundary, but also located on the Chinese side of the line of actual control in the castern sector of the boundary." he said.

"The Chinese frontier personnel did not at all cross the line of actual control by a single step," the spokesman said.

He pointed out, over many years in the past, the Indian personnel in the area have constantly crossed the line, nibbling and expanding into the Chinese territory. "The Chinese side has taken a restrained attitude in order to maintain peace at the border," the spokesman said.

More Sino-Foreign Cultural Exchanges Outlined. To develop its culture. China needs to know about the most advanced achievements of foreign culture, the new Vice-Minister of Culture Liu Devou said recently. "There is no need to worry that foreign cultures will shake the foundations of China's culture," he said. "We must overcome such timidity, and on the principle of learning what is useful and resisting corrosive influences, we must introduce all new foreign cultural and ideological achievements w people," he said.

ITALY

Political Crisis Deepens

Italy recently plunged into a crisis so severe that a premature general election may be called.

taly's political plight worsened as outgoing Prime Minister Bettino Craxi's Socialist Party formally rejected the choice of Foreign Minister Giulio Andreotti, a veteran Christian Democrat, as head of Italy's 45th postwar government.

Craxi resigned on June 27 after losing a secret vote in parliament on; a local financing bill but has remained as caretaker premier.

President Francesco Cossiga

gave the 67-year-old Andreotti, who has been Italy's premier five times, a mandate to form a new government. He made the offer following two weeks of unsuccessful attempts to revive Craxi's fallen coalition of Christian Democrats, Socialists, Republicans, Liberals and Social Democrats.

Premier-designate Andreotti, who started intensive talks on July 14 with all political party leaders to resolve the government crisis, faces enormous difficulties. His chances of constructing a viable administration seem slim.

The Socialist Party, the third largest party in Italy and one whose participation is essential if Andreotti is to form a government with a majorty in parliament, is openly hostile to his efforts.

Clandio Martelli. Craxi's righthand man, said the Socialist rejection was not aimed at Andreotti personally but at "the brutal and unilateral" manner in which the Christian Democrats were seeking to assert "their domination of the political life of the country and the leadership of the government."

The Socialists have accused the Christian Democrats, Italy's largest party, of deliberately manoeuvring to oust Craxi from the premiership, despite the success of his government in bringing stability to Italy.

BRITAIN

Howe Returns Empty - Handed

Since British Foreign Secretary Howe's return from unsuccessful visits to Zambia, Zimbabwe and Mozambique, he says sanctions against South Africa are likely if forthcoming peace bid to Pretoria fails.

British Foreign Secretary Sir Geoffrey Howe said on July 16 new economic measures against South Africa were likely if his peace mission to Pretoria failed to achieve substantial results.

Howe made his remarks in a speech to parliament, after a four-day visit to the three South African countries, Zambia, Zimbabwe and Mozambique. His statement appeared to represent a softening of Britain's opposition

to sanctions in the face of growing pressure from its partners in the European Community (EC) and reflects fears about a possible break-up of the Commonwealth.

Howe's tour, a peace mission on behalf of the EC, met strong opposition from many black leaders of African countries. Even P.W. Botha, South African President, had no interest in meeting with the foreign secretary at first, and only later said he would see Howe on July 23 and 29, when the latter visits Pretoria.

It is reported that this time Howe took with him a five-point plan aimed at persuading Pretoria to end apartheid and negotiate a new constitution with Nelson Mandela and other black leaders.

Howe tried to convince the leaders of the frontline states that British Prime Minister Margaret Thatcher also wants to end Pretoria's apartheid, but using different methods. This was rejected by all the government heads Howe met. President Kenneth Kaunda of Zambia said Howe's plan was useless. Zimbabwean Prime Minister Robert Mugabe told Howe that the experience of the Commonwealth Eminent Persons Group has proved that it is impossible to ask the South African authorities to make concessions. Mozambique Foreign Minister Joaquim A.

They also claimed that, by custom, President Cossiga—a Christian Democrat—should have given Craxi the first opportunity to form a government. Finally, they argued that Andreotti's candidacy was not the result of consultations between the five coalition parties, but a unilateral Christian Democrat decision.

Since Craxi's government fell, the power struggle between the two parties has centred on the premier's post. The Socialists want another Craxi-led government for an unlimited term. But the Christian Democrats insist that Craxi, who has served for a postwar record of nearly three years, should either hand over the premiership by the end of this year or keep it until general elections in 1988 on the condition that a Christian Democrat would be prime minister for the next five year. The government crisis has worsened and the prospect of early elections increased as the Socialists and Christian Democrats apparently moved further away from a compromise.

Under these circumstances, Andreotti might eventually be forced to form a minority government or admit defeat. In either case a general election would be likely to follow, possibly as early as autumn, nearly two years ahead of schedule.

Not long ago, Italy still appeared to be enjoying the benefits of its most stable political period since the founding of the Republic in 1946, with Socialist premier Craxi at the helm of the five-party coalition government, the 44th and longest-lived of Italy's postwar administrations.

Craxi won international prestige for his stewardship over a period of unaccustomed stability that helped Italy make important economic gains, including a sharp cut in inflation, and greatly

improved the country's image abroad.

On July 4, President Cossiga gave Senate President Amintore Fanfani "an exploratory mandate" to mediate the crisis, but Fanfani's mission did not lead to a breakthrough.

The period of stability under Craxi appears to have hidden a simmering dispute between his Socialists and the Christian Democrats that finally erupted following a Sicilian regional election last month.

The start of the crisis on June 26 took Craxi by surprise. He was forced to rush back from a European Community summit at the Hague.

The depth of the crisis has astonished the public. A continuation of the deadlock could lead to premature elections, or at best to a short-term minority government to tide the nation over the summer season.

By Yu Zailin

Chissano said Britain's stand has left the Africans displeased and disappointed.

After last month's EC summit at the Hague, Thatcher toughened her stand. She has said repeatedly that the only way to end apartheid is through negotiations with South Africa. She said it would be wrong to impose economic sanctions against a country. Her attitude has angered other Commonwealth nations.

Ten African countries — among them Nigeria, Ghana, Uganda, Kenya, Tanzania, Zambia, Zimbabwe and Sierra Leone — have pulled out of the Commonwealth Games, which are scheduled to begin July 24. And the boycott has now spread from black Africa to other countries, including India, Bengladesh and Malaysia in Asia. Ten countries of the Caribbean

Community and Common Market have also joined the growing list of countries boycotting the games.

Crisis also hovers over the seven-nation summit of the Commonwealth scheduled for next month in London. It is reported that Thatcher's Canada visit from July 11-13 was aimed at convincing Prime Minister Brian Mulroney to mediate the growing

demands within the Commomwealth for mandatory economic sanctions against South Africa. Mulroney, however, said tougher sanctions may have to be applied both to get a response out of Pretoria and to preserve the unity of the 49-nation Commonwealth, in which Canada plays a major role.

by Li Yunfei

Thanks From All-China Lawyers' Association

The All-China Lawyers' Association, founded July 7,1986, wishes to express its heart-felt thanks to all overseas compatriots and colleagues who sent congratulations on the founding.

The association officials said

they intend to keep contact with overseas compatriots and conduct a wide-range of exchanges with overseas colleagues. The association also hopes to see a steady expansion of such contacts and exchanges, the officials said. ISRAEL

Murder and Spying Rock the Cabinet

Israel's coalition government has been troubled of late by two major security problems—the Shin Bet case, which involves the murder of two Palestinian hijackers by Israeli police, and the recent guilty plea of Jonathan Pollard in the United States to having passed US state secrets to Israeli agents.

The Israeli coalition government of the Labour Party and the Likud bloc is currently under considerable strain. The Shin Bet case which began two years ago and involves the murder of two Palestinians churned up a new wave of resentment against the Peres administration at home recently.

In April 1984, four Palestinian youths attempted to hijack an Israeli bus. Two of the hijackers, however, were killed and two were captured. Later it has discovered that the two captured were beaten to death by Israeli police.

Two years later, Israeli media uncovered new facts in the story and accused the security police of violating the law by murdering the two Palestinians. Israel has been disturbed by the case and has sounded the call for an investigation to determine who in the Israeli secret service was responsible for the killings.

Labour Prime Minister Shimon Peres and Likud Foreign Minister Ytzhak Shamir initially opposed the investigation, saying it might jeopardize national security. Under pressure from public opinion, however, Avaraham Shalom, head of the Shin Bet internal security service, submitted his resignation on June 25 for his role in the killings.

Instead of stemming the crisis, Shalom's resignation stirred up an additional furor. Opposition Knesset (Parliament) members, as well as members of the ruling Labour Party, said the resignation was an attempt to cover up the case and avoid an investigation. Most of the anger over Shalom's resignation and subsequent government pardon has been directed at Foreign Minister Shamir, who is head of the Likud bloc and who, as Prime Minister at the time of the murder, has been accused of being implicated in the case. Shamir denies any involvement in the matter, but remains firmly opposed to any investigation.

In addition to the Shin Bet case, the coalition government has also angered the United States with the Pollard spy case. Jonathan Jay Pollard, a former US navy civilian intelligence analyst, confessed to

selling secrets to Israel. He was arrested in November 1985. The case involved four others, including Israeli spymaster Rafi Eitan and Air Force Col. Aviem Sella. US officials have said in recent weeks that the spy operation was more wide-ranging than previously thought. Speculation about official sanctions in response to the operation was enhanced by Eitan's appointment as head of a government chemical company, and Sella's promotion to general.

The US Justice Department requested Sella's presence for interrogation in America. Israel, however, sent three officials in June to the United States to persuade the Justice officals to give up the demand. A Washington spokesman on July 1 said Israel's plea had not been accepted. US-Israeli relations have, as a consequence of the Pollard case, suffered predictably. Although Prime Minister Peres has called the spying treacherous and said it was without government approval, America remains unconvinced.

by Xin Di

Now Available

China & the World (7)
"Beijing Review" Foreign Affairs Series

A CONTRACTOR SECONOMINATOR CONTRACTOR CONTRACTOR

Foreign Policy Guidelines Why the Open Policy One Country, Two Systems Basic Stand on Disarmament Significance of Bandung

Distributed by

China International Book Trading Corporation (GUOJI SHUDIAN), P.O. Box 399, Beijing, China

n al al el al respectado de la compaña d

CANADA

Mulroney Reshuffles Cabinet

Canadian Prime Minister Brian Mulroney has announced a major cabinet reshuffle, indicating that his Conservative government wants to improve its image before the 1988 election.

The Mulroney cabinet reshuffle, in which two-thirds of the 40 ministers were either fired, shifted to other positions or had some of their duties changed, and eight new ministers were appointed, was the most sweeping cabinet change since the conservatives came to power in 1984.

The shake-up came at a time when the Tories' popularity had been declining, and criticism of the government by the opposition parties—the Liberal Party and the New Democratic Party—had been increasingly vociferous. It reflected the concern of the Mulroney government over its fate in the next election.

Recent public opinion polls in Canada have indicated that the Conservative Party has been falling out of favour. The Toronto Globe and Mail poll, conducted by the Environics Research Group Ltd. and published on June 30, showed the Conservatives trailing the Liberals by a wide margin in Quebec, an important province in the country's political life.

Mulroney, failing to quell the opposition's criticism, appointed former Minister of Transport Donald Mazankowski as deputy prime minister to replace Erik Nielsen, who has often been criticized for riling the opposition with his curt responses to their queries in the Commons.

Nielsen, regarded as a troubleshooter for the prime minister, had served as a member of the Commons for nearly 30 years. His stepping down is seen by some as a defeat for the Conservative government.

Mulroney said Nielsen asked to be released from the cabinet and does not intend to seek re-election. Observers in Canada, however, insist that Nielsen's tactics of stone-walling or denying accusations by the opposition until the facts proved otherwise, finally backfired, harming the Tories' reputation and leading to Nielsen's departure.

The appointment of Pat Carney, former minister of energy, as international trade minister, is considered another move to counter the opposition's charge that the Tories have put the country in a weak position during free-trade negotiations with the United States.

The appointment puts Carney in charge of the cabinet sub-committee on trade negotiations, which is directing the efforts of Simon Reisman's Trade Negotiations Office. Reisman is heading the Canadian delegation for free-trade negotiations with the United States in Washington.

The fact that more residents of Quebec are in the new cabinet indicates that the government wants to strengthen its representation and popularity in that province, for, as Mulroney is aware, the Quebec vote in the next election could be of critical importance.

Four new Quebec members of parliament were appointed to Mulroney's remodelled cabinet, giving five of the 10 top economic posts in the cabinet to Quebec representatives. Before the reshuffle, Quebec Conservatives held only two posts in the cabinet.

Mulroney said after the swearing-in ceremony that it was time for Quebec "to get back its fair share—a very important place at national level. Quebec's just getting fair treatment, that's all, as the West has, as Ontario has, as the Atlantic region has," Mulroney explained.

Opposition MPs were reserved as they surveyed Mulroney's remodelled cabinet. They suggested the radically altered cabinet was a "life raft" for Tory fortunes, which are sinking in public opinion polls. Mulroney says he is unperturbed by the results of the recent surveys.

Both Liberals and new Democrats applauded the appointment of Mazankowski as the new Deputy Prime Minster. Some said, however, that the appointment will not necessarily reduce tensions between the ruling Conservative Party and the opposition

by Chen Nanxin





Tangshan: Reborn From Rubble

by Our Correspondents Li Ning and Yang Xiaobing

It was 3:42 a.m. on the humid summer night of July 28, 1976. The city was in slumber, resting after a day's hard work and preparing for the dawn to come, when the killer earthquake, measured at 7.8 on the Richter scale, struck and Tangshan was almost totally destroyed.

Almost a fifth of Tangshan's one million population — 242,469 people — lost their lives. Another 164,851 were seriously wounded. The survivors, still in shock, were stranded in a city where 97 percent of buildings and all the railways, highways, bridges and public utilities had been destroyed. Direct losses to Tangshan, a coalmining centre whose value of industrial output was one percent of the national total, were estimated at more than three billion yuan.

The survivors immediately went into action, trying to save those still in danger. Wherever cries of help or moans of pain were heard coming from the debris, people would start digging—with their bare hands, because shovels, which might cause further injuries, were forbidden. Visiting foreigners who had been caught in the disaster were seen working side by side with Chinese rescue workers.

By the time the earthquake tremors reached Beijing, 150 km away, the central government was still totally in the dark about what had happened at the epicentre because telecommunications services had been completely destroyed. A group of brave men from the Kailuan Coal Mine rushed to Beijing shortly after 8:00 a.m. to report the news and the central government promptly

decided to mobilize the nation to aid the stricken area.

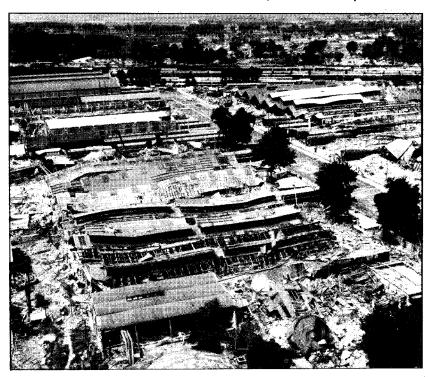
Three hours later a task force consisting of more than 100,000 PLA soldiers, 50,000 government employees and volunteers was sent by the State Council, and more than 20,000 doctors and nurses began pouring into the city. Thousands of aircraft sorties were flown and 20,000 motor vehicles and hundreds of trains were dispatched, sending relief supplies to the hard-hit city and rushing more than 100,000 injured people and homeless children to hospitals and refuges in 13 provinces and municipalities.

The disaster was of such magnitude that many predicted

that Tangshan was finished. One foreign news agency said it would take at least two decades before Tangshan could get back on its feet.

But the courage and steadfastness of the city's residents carried the day. Only 10 days later, when aftershocks could still be felt, the local ceramics factories were already back in production; two days after that the machines at the Kailuan Coal Mine began humming again. And in another four days, the Tangshan power plant began sending electricity to the North China power grid. On August 25, the Tangshan Iron and Steel Company poured out its first post-quake heat of molten steel:

The Tangshan Locomotive and Rolling Stock Factory after the 1976 quake.

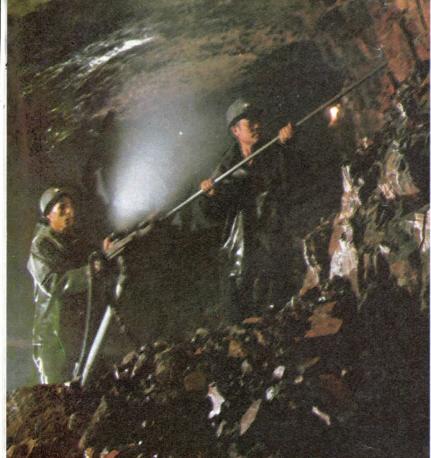


TANGSHAN: TEN YEARS AFTER QUAKE



A new residential area.





Kailuan miners at work.



A corner of Phoenix Hill Park.

The Jidong Cement Works— the larges with an annual capacity of 1.5 million is



A workshop of the Huaxin Textile Mill.







in China ons.



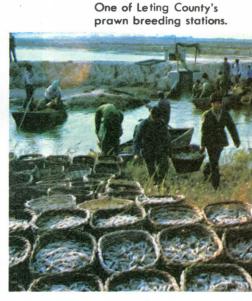
Tangshan ceramics.



A good grape harvest in Zunhua County.



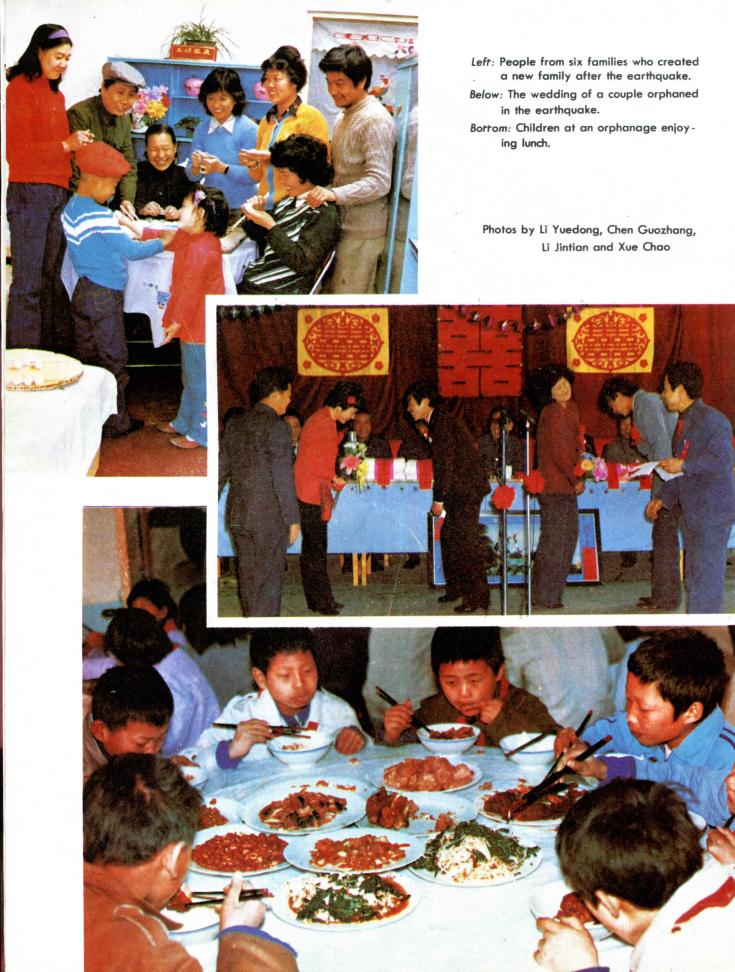
A performance given by people disabled in the 1976 earthquake.



The Tangshan No. 15 Middle School is equipped with audio-visual teaching devices.







By the time the first anniversary of the quake arrived, production in 270 leading factories was back to normal, and two years later, at the end of 1978, the city's industrial output value was 2.17 billion yuan, almost the same as before the quake.

This miraculous industrial recovery was due largely to 2.5 billion yuan in government aid, but it was also the result of sacrifices made by the residents, who made do in makeshift housing while production forged ahead.



PLA soldiers working to rescue quake victims buried in rubble.

CHANG OING

Rebuilding, Tangshan Style

New Skyline. Today, 10 years later, Tangshan's scars are scarcely visible. Streets and bicycle lanes lined with luxuriant locust-trees, poplars and parasol trees make a checkerboard across the city. The downtown crossroads are graced with wide green median strips, landscaped with flowers and grass. Department stores, theatres and cinemas, government offices and residential buildings surrounded with low fences have sprung up from the rubble to form Tangshan's new skyline.

From the upper stories of one of the downtown hotels, one can see row upon row of new apartment buildings—if monotonous in colour and design. Tower cranes, symbols of the construction boom, dot the landscape. Porcelains are everywhere—all flower beds here are skirted with porcelain insulators—attesting to the fact that Tangshan remains the procelain-making centre of North China. Only occassional vacant lots and the four-pillared Monument to Anti-Earthquake Heroes are reminders of the disaster.

Economic Mid-19th century, Tangshan became the site of China's first locomotive and rolling stock factory and cement plant. A century of unremitting work had turned it into one of north China's most important industrial cities. The carthquake destroyed 55 percent of the machines and

equipment, leaving Tangshan's industry paralysed.

With the help of funds, materials and personnel from the central government and the rest of the country, industry in Tangshan made a rapid comeback. In 1978, the volume of highway cargo transport increased by 475,000 tons over that of 1975, retail sales rose by 190 million yuan during the same period, and the total industrial and agricultural output value rose 114.12 percent.

In the 10 years since the quake, many key factories have even expanded. The Kailuan Colliery has used modern, imported equipment to build the country's largest coal-dressing factory, with an annual capacity of 4 million tons, thereby raising the degree of machanization from the prequake level of 10 percent to 36 percent. In 1985 alone the colliery produced 20.2 million tons of coal.

There are other examples. The Tangshan General Power Plant has become China's best-equipped and largest power supplier. Its generating capacity is 1.5 million kw, more than four times the prequake figure. The Tangshan Iron and Steel Company has increased its annual steel output by 50 percent. The Jidong (Eastern Hebei) Cement works now produces 2.5 times as much cement, with the help of imported Japanese equipment, as it did before 1976. The city has also imported production lines enabling it to produce one-quarter of the nation's total output of glazed bricks. And Tangshan's porcelain products are now sold in 50 countries and regions.

Dwellings. Because the earth-quake demolished almost all the housing in the city, housing reconstruction was a top priority in the city's rehabilitation programme. More than half of the 18 million square metres of floor-space completed as part of the recovery are for residences.

Tangshan's population is now nearly 1.4 million. The people of





Rushing the injured out of the stricken area.

CANG DING

Tangshan can boast that their living conditions surpass those in Beijing, because living space averages 15 square metres per person, including 7 square metres for kitchen and other utilities. Most newlyweds routinely receive a single-room apartment equipped with heat and gas for cooking.

Housing is still a problem for some, however. At the end of April 1986, 8,000 families were still living in shacks, and it is estimated that by July 28, the tenth anniversary of the quake, about 2,000 of the 200,000 families who were once stranded will still lack new housing.

Painstaking City Planning

angshan's new and elaborate city plan was the brainchild of designers and planners from all across the country. In 1978, the State Construction Commission held two meetings at which experts from 20 provinces and municipalities worked together to develop the plan. After visiting 1,600 factories and organizations and analysing data collected from aerial and geophysical surveys, the planners designed 2,340 charts and six scale models. All these efforts took place with close attention from Party and state leaders, including Hu Yaobang, Zhao Ziyang, Deng Xiaoping and Li Xiannian.

Earthquake-Resistant Structures. The plan had to take into account the fact that Tangshan

bestrides a major fault in the earth's crust. The designers thus made it a point to construct buildings strong enough to stand an earthquake of magnitude 8 on the Richter scale. Also, all new construction projects were to be built away from the probable epicentre and all buildings were to be separated by 1.7 times their respective heights to make evacuation easier. Industries that deal with inflammable or poisonous materials have all been moved to the outskirts of the city. Embankments have been reinforced around the nearby reservoir, and all water pipes use resilient joints that can stand violent twisting without rupturing. Tangshan's roads and streets have all been widened and a number of new

roads built on its edges so the population can be evacuated in case of future emergencies.

Pollution. People often joke that anyone who visits Tangshan is sure to return with his white shirt, blackened.

Pollution is undeniably a serious problem, so strict zoning has been enacted to keep sources of industrial pollution away from the city proper.

But solving the pollution problem is no small job. For example, the downtown Qixin Cement Factory has long been an eyesore, but because the state is short of money and because the factory's cement is badly needed for Tangshan's rebuilding, no one is yet prepared to tear it down and move it to one of the new industrial zones on the outskirts.

Residential Centres. Senior citizens relax in street parks, watching idly as children play on the grass under the trees. Nearby, people are shopping in small stores or dining in restaurants.

This is an everyday scene in Tangshan's newly built residential areas, each of which has about 10,000 residents and occupies about 20 hectares. Every three to five complexes share a cinema, a photo studio, a public park, kindergartens and middle and primary schools. The burgeoning private business has also made daily life more convenient for Tangshan people.

But open space is still a meagre six square metres per resident, and the city's nine small parks are often packed to overflowing during holidays. A large park is scheduled to be built around the Douhe Reservoir and the city plan also calls for turning a vast depression in downtown—the result of the main tremor—into a quiet woods.

In time, Tangshan will have 15 to 20 square metres of open space per resident, a vastly improved living environment.

'If Only the Open Policy Had Come Earlier...'

The speed with which Tangshan recovers from the earthquake's devastation has been astonishing, but under the pride and sense of accomplishment lies the unmistakable awareness that mistakes were made and opportunities lost. Foreign Aid. Many Tangshan residents and officials now agree that it was foolish to refuse the offers of aid made by foreign nations after the catastrophe. Though many countries had offered outright contributions, the central government, determined to rebuild the demolished city on its own, turned the offers down flat.

"Yes, we've been successful in reconstruction," said one local resident, "but if we had not rejected foreign help, our city would be even better off now."

Said another, "I simply don't see anything wrong with countries aiding each other in times of need. Aren't we Chinese helping disaster-stricken people in other nations?"

China has already poured 4.4 billion yuan into Tangshan's rehabilitation, but the nation's shortage of funds has retarded progress. The city plan, for example, envisioned a number of commercial high-rises downtown, but they remain unbuilt for lack of funds. The bare-bones designs of the new housing, too, is due not to lack of imagination but to insufficient financing, which made it necessary to cut corners.

Only recently has a trickle of foreign aid found its way to Tangshan: The Children's Fund of

the United Nations, after a factfinding tour of the city, donated US\$750,000 for construction of a maternity and child-care centre.

"If only the open policy had been carried out right at the beginning..." comes readily to the lips of many Tangshan residents. The phrase betrays frustration for a major mistake in the past and relief that old policies have been changed.

Internal Aid. The policy of self-reliance was carried to extremes on the local level, too. The Authorities of Hebei Province rejected not only foreign aid but also offers of help from other provinces and municipalities, some of which even volunteered to undertake reconstruction projects in the stricken city.

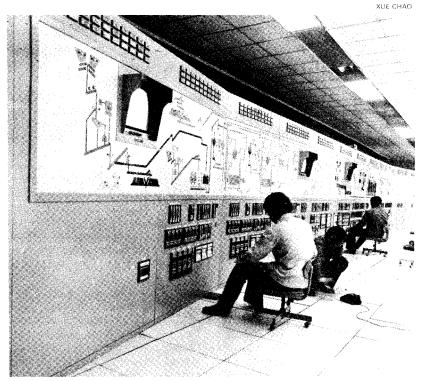
In one instance, the provincial authorities spent six months making 162 tower cranes, which were badly needed for reconstruction. The cranes could have been borrowed and put into use almost immediately if help from the rest of the country had been accepted.

Planning. The city planning, too, got off to a bad start when designers and planners flocked to Tangshan from 20 designing departments in other cities while the ground was still shaking with aftershocks—only to cool their heels until the geologists and surveyors arrived.

The city plan called for moving more than 70 factories into a new industrial zone, but only nine have complied. The others, apprehensive of the lack of ancillary facilities such as power and water supplies there, are still hesitating. As a result, many buildings in the new suburban industrial zone remain empty to this day.

Tangshan's residents take these problems in their stride. Gao, a factory worker, is still living in a temporary tent with his mother, wife and two-year-old daughter, but he is confident that the government will move his family into a new home sooner or later. Such patience and co-operation,

The control centre of the Jidong Cement Works.





however, does not alleviate the worries of city leaders. "We are to blame for the way things are now," said Yue Qifeng, secretary of the city Party committee. "For example, if we had decided that

each resident was entitled to only five square metres of living space, we'd have solved the housing problem long ago and our living conditions would still be a cut above those of other cities."



Tangshan's Jiumeizhai Restaurant is known for its chess-shaped cakes.

Families Starting Afresh

Almost 10,000 Tangshan residents lost their spouses in the earthquake. They had to cope with immense sorrow and rebuild their shattered families before they could rediscover happiness. Within a year, many widows and widowers had remarried and tried to re-establish normal lives.

However, the regrouping of a number of these new families was made in haste. This was perhaps because people panicked by sudden misfortune tended to search desperately for someone to lean on. This is particularly true in China where the loss of family life is especially unbearable. The new families have made it easier for many of Tangshan's bereaved to recover from the disaster, but too many couples married before they had come to know each other well enough to be sure a marriage would work. For example, more than 7,000 of the 20,000 people who lived in the Lunan District, the hardest-hit section of the city, lost either their husbands or wives. A year later, almost 4,000 new families were living there.

Many of the couples had been neighbours or colleagues and knew each other well enough to enter into stable, loving marriages. But many others met and decided to mate after only a few months and, in some cases, a few days or weeks, before they had had time to learn about and adjust to each other.

So, about 700 of these 4,000 marriages ended in divorce by 1978 and 1979.

Besides the relationship between the partners, step-children and money have also caused problems for the remarried. In this Tangshan's couples are like those in other parts of the world. Liu Guosheng, 14 years old in 1976, was so bereft when his much-loved mother died that he could not accept his father's new wife. The father failed to reconcile the two and later divorced his wife.

For Shi Wanbang, a district procurator who was left with three children and later married a woman with one son of her own, the problem was not so much emotional as financial. The wife contributed only 15 yuan a month to the family budget and saved up the rest of her 60-yuan-a-month income for her own son, who was planning to get married. When the wedding took place, Shi Wanbang offered to give his wife only 100 yuan and said it was a loan, not a gift. Deeply hurt, the woman immediately filed for a divorce.

Nevertheless, about 80 percent of the marriages have lasted. The most successful appear to be those couples who waited three or four years before marrying; and some of those whose second marriages failed learnt from experience and have married a third time. Wang Xuezhi, a district government employee, was left with three children when her husband died in the quake. Early in 1977, she married a doctor but towards the end of the year she walked out on him because he refused to support the children and was cold and indifferent to them. It was not until 1982 that Wang met and married a middle school teacher who has since treated her children like his own. Now Wang's two daughters are working and her son is studying for the college entrance examinations.

The problem of rebuilding shattered families was so important that city officials could not afford to ignore it. Trade unions, the Communist Youth League, women's federations and other organizations all took it upon

themselves to serve as matchmakers. The result was that reconstruction of the city's physical and social fabric proceeded apace, which played no small part in stabilizing and boosting the public morale.



A Federal German expert checking a coal conveyor.

XUE CHAO

Taking Care of Lonely Souls

A mong the saddest victimes of the earthquake were 895 senior citizens who had lost their homes and 2,652 orphans. But the government and a sympathetic public ensured that no one had to turn to begging for food or money. The Homeless Aged. Because Tangshan is an industrial city with a high rate of employment, it also is home to many retired workers. Most of them are well provided for by their former work places or neighbourhoods, and a few who were jobless live in welfare houses. Every care has been taken of old people who lost their families in the quake. Tangshan had only 14 nursing houses prior to 1976, but

today there are 311, accommodating 4,797 homeless old people.

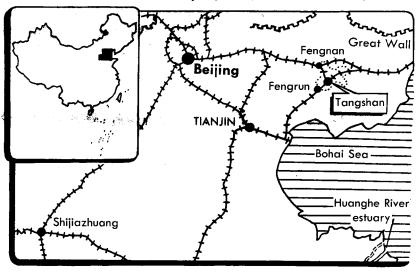
Lu Baohai, a retired coal miner who had been widowed for many

years, was so distraught over his only daughter's death during the quake that he attempted suicide several times. Officials of the coal mine trade union immediately had Lu admitted to a well-equipped nursing centre, where a personal maid was assigned him. Before Lu died last year at 80, he told his caretakers, "Thank you all. I'll never forget you."

Many of Tangshan's senior citizens are spending their twilight years under the care of special groups established by neighbourhood committees. Members of these groups take care of all their needs and are paid by their former work places.

Orphans. The quake orphaned 2,652 children in the city proper and another 1,552 in the suburban areas. The major factories and mines in the area moved quickly to care for the children left behind by employees who had perished. The junior middle school graduates, for example, were given jobs and placed on the payroll. It was also common for close relatives to adopt the orphans and bring them up as their own, taking care of their daily needs and education and later helping them with their weddings. About 1,000 schoolers and school-age children were placed in state orphanages and special schools set up in Xingtai and Shijiazhuang, two other cities in Hebei Province.

The Yuhong School in Shijiazhuang was established for eight years (from 1976 to 1984) with a





government investment of more than 3 million yuan. The school was home to 655 orphans; 135 of them received a senior middle school education and 354 a junior middle school education.

By June 1984, the last group of over a hundred homeless children returned to Tangshan. Only 31 children, the youngest 10, are still in an orphanage in Tangshan.

Orphans receive the best Tangshan has to offer. When they reach school age they are sent to the best schools. When they apply for jobs, labour departments make sure they are placed in units with good dormitories and cafeterias. At the Tangshan Locomotive and Rolling Stock Factory, arrangements were made for orphans of staff members and workers who had died during the quake to study in the factory's own schools or to work as apprentices.

Over the last decade, many of the orphans have found their place in society. Six hundred have graduated from junior or senior middle schools, 18 have become college students, 350 have become PLA soldiers, and 1,100 of them have started work.



Jingyuan Park, which was built after the quake.

ZHAO LIANSHENG

Orphans and Marriage. The auditorium of the Tangshan Post Office was the scene of an unusual wedding last April. Bian Dongsheng, 25, and his bride, Yang Guohua, 23, had both lost their parents in the quake.

She is a long-distance telephone operator, and he a telegram deliveryman. They met and fell in love the year they moved into the

post office's dormitory for single people.

The entire post office got involved in the wedding. The couple received a suite of rooms, though many other staff members deserved it more than they did, and the trade union equipped the apartment with furniture, a double bed and two armchairs. Other colleagues bought them bedding and kitchen utensils. The couple spent only 100 yuan on clothes for the wedding, which made up in camaraderie what it might have lacked in colour and lavishness.

The post office's Party committee secretary presided over the wedding and the couple's office leaders were the chief witnesses. Wang Daming, Tangshan's deputy major, attended, as did other city and provincial officials. Masatsugu Ezawa, a Japanese expert working in the office, appeared in his festival best.

The orphans' loss of their parents was irrevocable, but the care and love they have received from their fellow residents have eased their sorrow.

Beijing Review correspondent interviewing Tangshan newlyweds Bian Dongsheng and Yang Guohua.



Stories From Wheelchairs ---

Tangshan has more disabled people than any other city in China. The earthquake made paraplegics or amputees of 3,800 people, not to mention thousands of others who were left with less serious handicaps.

The result has been a veritable army of wheelchair-bound resi-

love me, but I couldn't handle the loneliness after they all went to work or school. It is much better here, where I have constant companionships. Also, living in this single-story house here makes it easy to go out to sun myself or window-shop. Sometimes I drive myself 10 km away for a movie.

An athlete in action at the first national games for the disabled.

dents. These people may never be able to walk again, but most are full of hope because they have found a place in society—in Tangshan, discrimination against the handicapped is all but unknown because everyone realizes that escape from death and disability was only a matter of luck.

Cao Shaohuai, 66, was a Chinese language teacher at a middle school until the quake struck and killed her husband, a daughter-in-law and a grandson. A beam fell on her and cracked three lumbar vertebrae.

I had been recuperating at home for sometime until I moved to the city's sanitorium for the handicapped in May 1984. My children The only thing that bothers me is that very few public buildings and facilities are accessible to those of us in wheelchairs. They should have thought about this when they rebuilt Tangshan.

I'm still in the habit of listening to the radio and reading newspaper. Sometimes I teach youngsters here how to read and write.

I love and admire the young people here. Indeed I do. They will probably spend their whole lives in wheelchairs but they are optimistic and love life all the same. Many of them have started dating. Some have married fellow residents here or even able-bodied people. I know four who have gotten married, and 14 couples who are going steady. They fill me

with confidence that I can make the best of my remaining years.

> Fu Pingsheng, 29, lost his parents during the earthquake, and he himself was left paralysed.

At the time I wished I had been killed, because once you die you feel no pain. I wept. Sometimes I thought of killing myself, just to be done with it. That's the way I was, trapped in my pain, for the first five years after the quake. I've sort of picked myself up these last few years, because I've found that life is still worth living and that I still have a chance for happiness.

I was moved here in 1981, just after the sanitorium opened. My health became stable and I picked up my old hobby of playing the accordion and singing songs. Then we organized a handicapped people's performing troupe, which staged a performance in May last year in Beijing's Zhongnanhai where the central government is located. I have composed songs to praise our life and society.

Liu Yuhua, another member of the troupe, is now my fiance. She is a saleswoman at the small sanitorium store and I work in the repair department. We both feel so good about being able to do something useful for our country.

In the past the only thing patients did here was receive treatment. Now many do what jobs they can while they are recuperating.

Yang Jiaxuan, a 34-year-old film projector at the club of the Tangshan Metallurgical and Mining Equipment Factory, lost half a leg during the quake. Eight months later she was fitted with an artificial limb.

For a long time I could not accept the harsh reality that I was crippled. When I returned to my job, my comrades felt so sorry for me that they tried to make me feel better by telling me I looked "as good as normal." Some of them

(Continued on P. 25)

The Benefits of the Three Gorges Project

by Our Correspondent Han Baocheng

any people have questioned both the feasibility and value of the 10-billion-yuan Three Gorges water conservancy project on the Changjiang (Yangtze) River. They have also raised numerous questions about the project's potential effects on the area's social and natural environment. In this second report, which is based on interviews with local residents, officials and experts, Beijing Review attempts to shed some light on these and other concerns.

Relocating Residents

Li Zhennan, 76, was the chief engineer for the Three Gorges project from 1956 to 1983 and is now an adviser to the project. He recently told *Beijing Review* that he thinks the project will, despite drawbacks. prove worthwhile. "The Three Gorges reservoir will destroy a vast amount of farmland. That damage, however, is worthwhile because of the economic benefits the project will bring later on."

In densely populated China, almost every key construction project will involve the problem of displacement. Stretching 600 km, the would-be Three Gorges reservoir will take the shape of a river. About 500,000 local residents will have to be moved because 10 towns along the Changjiang River will be submerged once the damming is under way to build a reservoir 150 metres deep. Moreover, more than 10,000 hectares of farmland, about 3,200 hectares of orange groves, 400 medium-sized and small industrial and mining enterprises and scores of wharves

This is the second part of a series on the Three Gorges project on the Changjiang River. The first appeared in issue No. 29.



Project Adviser Li Zhennan.

and historical relics will also be under water. Solving the problem of displacement of area residents and minimizing damages is decisive for starting construction of the Three Gorges project.

Some of the local residents, however, have taken a positive attitude towards the project. They say they are looking forward to its completion so that they might benefit from its economic effects in the region.

In Fengjie County at the mouth of the Three Gorges section, Wen Zuoyao, a businessman who sells wooden articles, said the gains of the project outweighed the losses. "Though personally I am not looking forward to moving," he said, "considering the interests of the country, I am all for the project. Anything I lose is nothing compared to what the country will gain."

According to Mo Kunliang, who sells bamboo mats, the future looks bright. "The 0.33 hectares of farmland my family has contracted will be under water, but I will continue to do farmwork in the new fields or grow oranges, or perhaps I'll find a job in some factory in the future as the local economy develops. I have nothing

to worry about in the days to come."

Chen Xuefa, head of the relocation office in Wanxian prefecture, where the most serious losses are expected, said that the state's urban construction department has made plans for cities in the new areas to replace those that will get submerged.

He said his office will continue to follow the methods used in resettling dislocated people when construction of the Gezhouba Dam began. He said those methods include involving the farmers in the construction of the reservoir and in the development of the local economy with the support of the state's preferential policy and funding. Some of this funding will go towards relocating the area's residents and some will be used to start up various undertakings to give them employment. At present, evacuations in the reservoir area have only been carried out in some trial locations.

The Silt Problem

Some people have expressed concern about the potential problem of silt in the reservoir. The silt, they say, could cause losses and even disaster. Project Adviser Li, however, said a long-term study showed that the silt problem could be solved, and that its threat was not as serious as some have imagined.

From research and experience, China has learnt how to deal with the silt problem by lowering the water level to drain the floods along with mud and sand from the reservoir during the flood season and by storing water during the dry season when the river water

contains less mud and sand. The Sanmenxia (Three-Gates-Gorge) Reservoir located on the middle reaches of the Huanghe (Yellow) river was drained of silt through this method. The Three Gorges area is located close to the subtropical zone where the annual rainfall is between 750 mm and 2.500 mm and beneficial to forests. The area of the reservoir and the upper reaches of the Changjiang River is mountainous, which is why the Changjiang is less sandy. Statistics show that water erosion to the banks of the Changiang along the section north of Yichang is only 2.5-5 percent per square kilometre annually of that by the Huanghe River water to the loess plateau. Experts estimate that the bottom of the reservoir under the discharge gate would be levelled by the silt 70 or 80 years after the reservoir commissioned. is But after that time, a balance between silt and drainage would be created, and the reservoir could be used permanently.

Most silt research has focused on the end section of the reservoir, because the water level at the end section varies greatly from season season with changes in water volume and the control of the reservoir hampering navigation. Engineer Li Zhennan said navigation may be disrupted for a short period of time along this section during the first year when the river is full of sand and the following year when the water is low. This problem could be solved by regulating the water level, dredging the river and by changing the design of ships.

Others have said the smaller water volume on the upper reaches of the river may cause sea water to flow in at the lower reaches and pose a threat to the water supply for people living along the coast. Li said this scenario could materialize if the situation is not handled properly. At the mouth of the Changjiang, the tide usually comes in before November every year, and the river's low-water season is from November to

December. The water stored during the low water season is to be chiefly used for power generation and navigation. The problem of salt water invading the river could be solved easily if the water in the reservoir is properly controlled.

The Three Gorges
Reservoir will submerge a
vast stretch of farmland.
That loss, however, is
worth taking because of the
great economic benefits the
project will bring later.

Environmental Impact

The eventual damage to the ecological environment along the several-hundred-kilometre long reservoir has also sparked some concern.

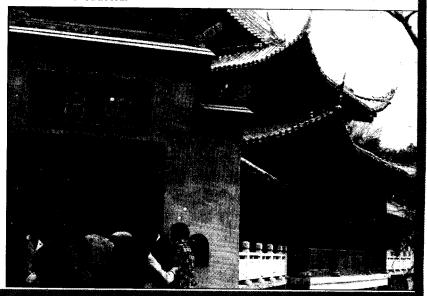
Tao Jingliang, an engineer who also is one of the Three Gorges project planners, said the projected reservoir, unlike the Aswan Reservoir, which is shaped like a lake, will take the form of a river. In the water-damming period, its

storage capacity will be 22 billion cubic metres, while the Aswan Reservoir can hold 157 billion cubic metres of water, seven times that of the Three Gorges reservoir. If the ecological environment around the Aswan Reservoir has not been disastrously affected by the reservoir, Tao says one may safely say the Three Gorges reservoir will have even slighter effects on its environment.

Tao said much attention has been given to the co-ordination of the relationship between the project and the local environment when relocation and the development of the economy in the reservoir area have been considered. To make it more effective. he said, the relocation has been planned with the help of ecologists, agronomists and social scientists. Agricultural experts have also been conducting surveys on farming in the Three Gorges area and have been trying to devise a practical land development programme that will halt soil erosion.

The land on both sides of the Changjiang is suitable for growing oranges because of the warm and humid weather there. Since ancient times, this area has been one of the major citrus producing centres in China. If 10 percent of

The native home of Tang Dynasty poet Du Fu, which will be submerged when the reservoir is constructed.



ora Review

the area is allotted to growing oranges, 2 million tons of the fruit will be produced every year, which is twice the nation's current output. Li Wencai, a professor of the Central China Institute of Agriculture, said this area could be developed into the largest orange-growing base in Asia. Orange trees not only have economic value, but also help conserve water and soil. Local farmers have been reluctant to grow oranges because of limited transportation during the harvest season.

In the past, ecological changes caused by the lop-sided emphasis on grain production did not receive adequate attention. Now, study the of ecology broadens, the Chinese government is paying increasing attention to the environment when it plans the development of agriculture and the economy. Last year, the Ministry of Water Resources and Electric Power invited experts from various fields to discuss the project's impact on the ecological environment.

In their reports written after tours to the Three Gorges area, some experts said changes in the geological structure of the area after the grand dam of the reservoir is completed could be disastrous because they were likely to cause rock slides and induce earthquakes.

Another senior engineer of the preparatory office of the Three Gorges Project Development Corp., Yu Shizhong, said he thought their predictions unfounded. "We think highly of the views of these experts and scholars. Even opposite views are helpful to the feasibility studies of this project...."

A conference on geological structure held last year, however, showed that we have learnt much about collapsing banks and landslides since opening our investigations into the effects of building the Three Gorges re-

servoir, Yu said. In the past, collapses and landslides were quite frequent. One of the larger landslides occurred in Xintan in June last year when 2.6 million cubic metres of rock fell into the river. The surging waves caused by the slide died down quickly beacuse of the numerous bends in the Changjiang in the area.

He said scientists have learnt that in the event of a huge landslide of 16 million cubic metres of rocks in the Xintan area, from where the most serious threat would be posed to the dam, the waves surging up to the front of the dam would rise as high as 2.7 metres. Farther away from the dam, the waves would be slighter.

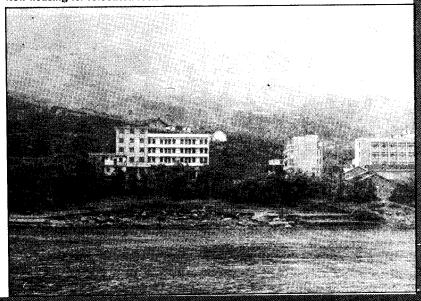
As a permanent project to benefit posterity, the Three Gorges water conservancy project will be designed to meet the demands of future economic development.

According to the present plan, no serious impacts on navigation and the reservoir would be caused by the waves, even if large landslides were to occur simultaneously at many points along the river.

There is no precedent in world history that a dam can be damaged by an earthquake induced by the strain of a reservoir, Yu Shizhong said. He also said the magnitude of an induced quake is lower than that of a spontaneous quake. Though the site of the reservoir is on a fault zone, geologists have estimated that the scale of the largest induced quake would be no stronger than 5.5 on the Richter scale. In the event of such a quake on the fault line, the magnitude would still be within the limits of the dam's anti-quake capability.

As a permanent project to benefit the coming generations, the Three Gorges water conservancy project will be designed not only to meet the demands of future economic development, but also to withstand conventional warfare. The designers have also included a protective measure for the dam against non-conventional attacks.

New housing for relocated residents downstream from the dam.



Retaining Tourism

Nearly 1 million Chinese and foreign tourists sail along the Three Gorges every year. The area is distinguished for its unique mountains and rivers and rich historical relics. With the project, would these wonders also be submerged and then forgotten? Certainly some of the beautiful landscape in many valleys along the river will be lost. But the most magnificent Wuxia Gorge with itstowering peaks that stretch several hundred metres towards the sky, will still be there to be admired once the dam and reservoir are completed.

The Chinese government gives considerable weight to protecting historical relics in the reservoir area. A commission for the management of the historical relics and archaeological affairs in the Three Gorges area will be set up to oversee the preservation of the relics. Zhuang Ming, deputy head of the State Historical Relics Bureau, will head the commission. Yu Weichao, professor of archaeology at Beijing University and researcher at the Chinese Historical Museum, will be in charge of the commission's routine. A general survey of the area's historical sites has been done, and the excavation of relics around the reservoir area has been going on for several years. Open relics will be moved away or rebuilt with

specially allocated funds. For example, the house of poet Qu Yuan (339-278BC), located in Zigui County in Hubei Province within the reservoir area, will be rebuilt safely away from the water.

Li Boning, an official of the Three Gorges area, said thousands of small lakes, channels and gorges will be formed at the depth of the reservoir as the water level rises. These waterways, he said will be beneficial to the development of tourism and fishery production. After the reservoir is constructed, the scenic areas will cover those traditional landscapes and historical relics, newly formed gorges and other sights. Li said he expects tourism in the area to develop further after the Three Gorges project is completed.

(Continued from p. 21)

TANGSHAN REBORN

would ask me how I felt about my artificial leg, but I was so sensitive and unhappy about it that I refused to reply. Soon people started to say I was odd.

The sports meet for the handicapped changed my attitude. Mingling with people who shared my misfortune enabled me to face my disability squarely. Before the earthquake I was a table-tennis nut, and I never missed a single competition in the factory. But after the quake I never picked up my bat again, until I took part in the first national sports meet for the handicapped in 1984. In the preliminaries, I finished first in the women's singles in table-tennis and in the shot-put. In the final round, I and my teammates won the women's table-tennis team event. I also won a number of individual events in Group A4, for those who have lost half a leg from the knee down-women's tabletennis singles, shot-put, discusthrow and long jump.

Even though I did well in the games I am not really keen about it because I believe that athletics is not my cup of tea - it belongs to healthy people. But my handicapped friends are a real inspiration to me. No able-bodied person can match them in willpower. This is really important if we are to feel at home among those who are healthy and sound, or else you'll remain the object of sympathy and, worse vet. discrimination.

Last April I went to Hong Kong as a member of a delegation that was invited to visit recuperation centres there. In Hong Kong the handicapped are well cared-for. Public places all have elevators and toilets designed for them. But it is hard for a handicapped person to get a job, much less get married. So they all envied us because we can marry able-bodied people. All nine of us on the delegation have married able-bodied people.

My husband, Wang Ning, is an able-bodied man. He graduated from the Hebei Construction and

Engineering Institute and is now deputy director of the city's tap water network bureau. We got married in January this year and live with his mother. He is busier than I am, so I've been doing more household chores, like mopping the floor, washing clothes and cooking. I love reading novels. Sometimes I do knitting or make clothes.

It's been 10 years since I last wore a skirt. This year I think I should pick one up, and I feel there's no need for me to conceal my handicap.



Exports Increase, Imports Decrease

China's foreign trade made big jumps in the first six months of 1986, with exports increasing and imports dropping. The change also shored China's 1985 half-year deficit of US\$3.16 billion down to US\$1.24 billion.

Expots. Export from January to June came to US\$12.8 billion, a rise of 13.7 percent over the US\$11.261 billion of the same period last year. Income from oil exports fell by a big margin because of a price slump. The volume of other exports, however, was up by 38.9 percent. The following items experienced the major increases: grain, edible oil, foodstuffs, light industrial articles, textiles, local produce, animal byhandicraft articles. products. metals, minerals and machine tools.

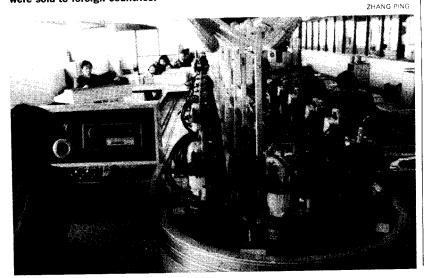
Imports. The goods arrived in port from January to June were valued at US\$14.04 billion, a decrease of 2.7 percent from the US\$14.422 billion over the same

period last year. Big increases have been logged in new technology, machines, instrument, rolled steel, grain and chemical raw materials. Marked reduction has been seen in copper, aluminum, chemical fertilizer, insecticides, granulated sugar and household electrical appliances.

trade has China's foreign rapidly since the developed implementation of the open policy in 1979. Surpluses were registered between 1981 and 1983. However, deficits set in in 1984 and continued to increase. The total volume of foreign trade in 1984 was U\$\$49.97 billion, U\$\$25.53 imports billion from US\$24.44 billion from exports, and the deficit was US\$1.09 billion. However, that of 1985 was U\$\$59.21 billion, U\$\$33.41 billion from imports and US\$25.8 billion from exports, and the deficit came to US\$7.61 billion.

The greatest deficit is in trade with Japan. In 1985 it was US\$4.3 billion. The trade deficit with the European Economic Community was US\$3.04 billion and with the United States, US\$2.04 billion.

Four thousand portable submersible pumps produced in the first half of 1986 by the Shanghai People's Electrical Machinery Plant with imported advanced technology were sold to foreign countries.



Foreign Companies Expand Trade

Recently some internationally renowned companies have adopted flexible measures to expand their trade with China, in part because China is short of foreign currency.

*The B.K. International Corp. of the United States will process vegetables and fruits in China.

China has a great variety of farm produce, and its labour costs are low. However, it lacks foreign currency on hand to buy processing technology. The B.K. International will provide bank loans, and the Bank of China and the China International Trust and Investment Corp. will provide letters of guarantee so that the Chinese partners will be able to pay the principal and interest with income from processed food exports. The period of repayment will vary from three to five years. The interest rate is fixed at the average international rate on the day of signing the contract.

B.K. International will oversee the sales of all the processed food, and it will be allowed to float the price 10 percent over and below the international market price.

The US company has signed contracts with Guangdong, Anhui and Shandong provinces to process pineapples, tomatoes and peanuts.

*A British firm founded in April 1985 and specialized in subsidizing export companies has started a programme aimed at securing Chinese orders for British companies.

The programme will permit Chinese importers to pay Renminbi for 10 percent of the total cost. The British company will ensure a fixed exchange rate between pound sterling and Renminbi for a duration of 12 months before the commodities leave the coast. The Chinese buyer will also be entitled to a 180 day credit purchase period.



A Warrior Slaying the Flood Dragon (a mythical creature of storms and floods).

Traditional Chinese Paintings by Liu Hongkuan

Liu Hongkuan, born in Yutian County, Hebei Province, in 1938, now teaches at a Beijing's children's palace. Liu excels at portraiture, particularly of ancient Chinese figures.





A Maiden.

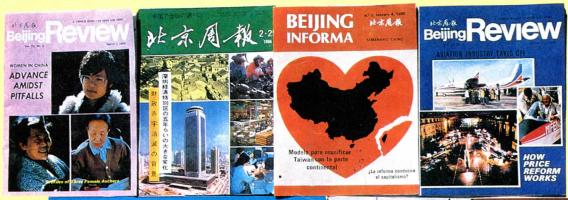
Children at Play.



Know China Through a Chinese Smith

Also available in French, German, Spanish and Japanese editions

Advertisements to be printed on back: cover of BEIJING REVIEW are cordially invited.





Airmailed direct to you every week from Beijing.

- Keeps you abreast of political, theoretical, economic and cultural developments in China.
- Acquaints you with Chinese views on major international issues.
- Carries translations of important Party and government documents.
- Standing columns and regular features include: "Notes From the Editors"; "Events & Trends"; "International"; "Special Report"; "From the Chinese Press"; "Business & Trade"; "Culture & Science"; "Sports"; "Books"; "Letters" and "Art Page."

SUBSCRIPTION RATES

	_	1 year	2 years	3 years
USA	US\$	22	37	52
England	£	12	22	30
Other				
Countries				
in Europe	US\$	16	27	37
Australia	A\$	22	37	52
New Zealand	NZ\$	30	52	72
Canada	C\$	21	36	50
Switzerland	SF	45	77	108
W. Germany	DM	50	90	125
Austria	Sch	330	560	780
Italy	Lire	29,000	49,000	68,000