

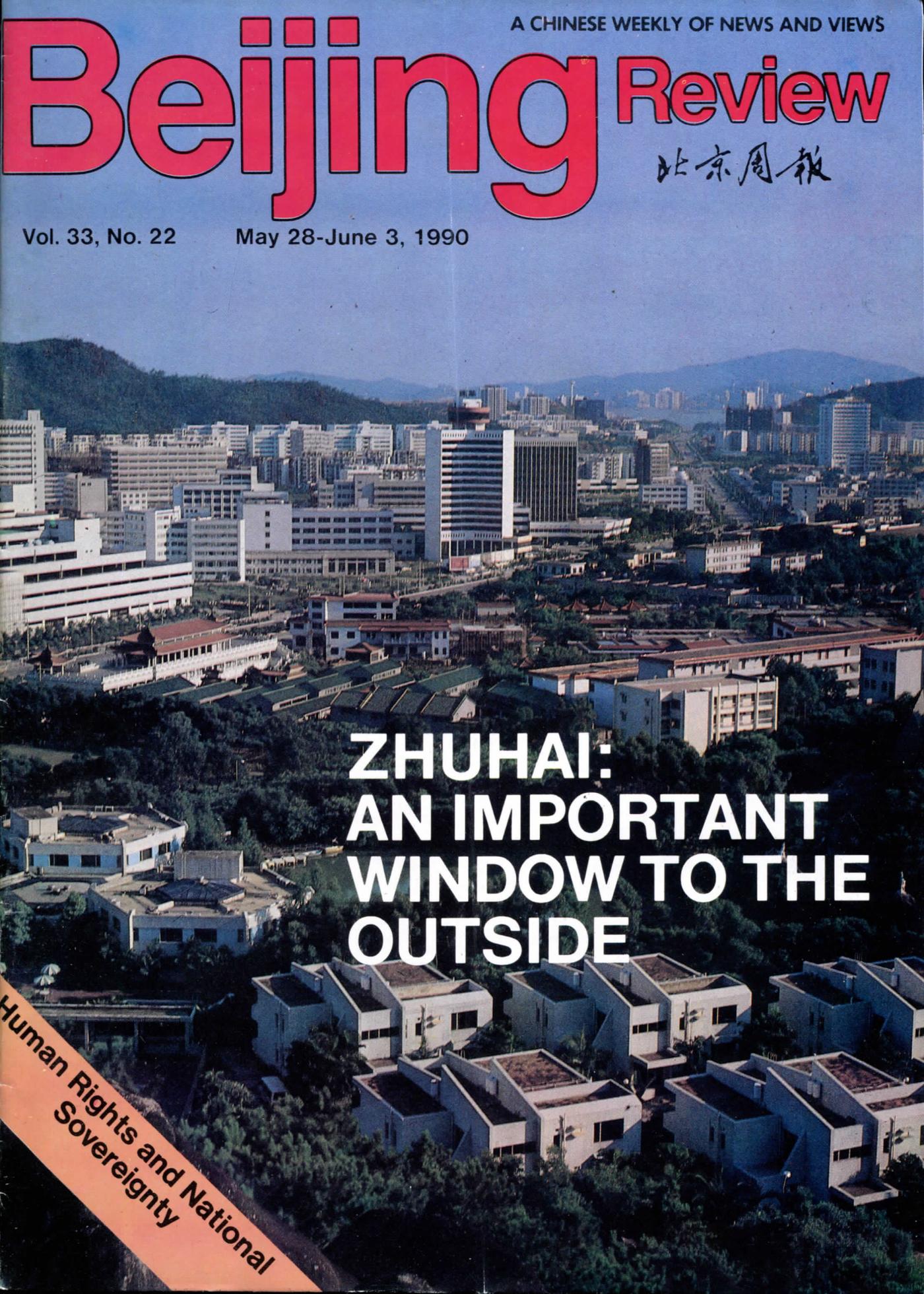
A CHINESE WEEKLY OF NEWS AND VIEWS

# Beijing Review

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An aerial photograph of a city, likely Beijing, showing a mix of modern high-rise buildings and older, lower-rise structures. The city is surrounded by green hills and mountains in the background. The sky is clear and blue.

## ZHUHAI: AN IMPORTANT WINDOW TO THE OUTSIDE

Human Rights and National  
Sovereignty



Foreign tourists enjoying themselves on a visit to Xishuangbanna, Yunnan Province.

*Photo by Yu Xueqin*



## Planned Economy, Market Regulation

□ The integration of the planned economy with market regulation in China does not mean a return to the former extremely centralized economy, and differs also from the market-economy mode of the capitalist countries, according to the Chinese economists and scholars who met in Beijing recently. A summary of their statements made at the symposium (p. 16).

## China Sets Principles for L. American Ties

Beginning on May 14, Chinese President Yang Shangkun started his five-state tour in Latin America. He proposed four principles for developing friendly co-operative relations between China and Latin American countries. (p. 4).

## MFN Status: A Boon to Both China, US

□ It is wrong for some people to judge China's policies according to their own customary criteria. And any effort to isolate it will get nowhere. Should China's most-favoured-nation status be terminated, warns the Chinese ambassador to the United States, it would not only hurt the Chinese people but America's own interests as well (pp. 5 and 25).

## Zhuhai SEZ Comes a Long Way

□ As one of China's four special economic zones opened to the international business community, Zhuhai, a seaboard city in south China, has made great headway in establishing an export-oriented economy by taking advantage of the preferential policy granted by the central authorities to attract foreign capital and technology. The new economic boom has enabled local officials to draw up ambitious plans for future development (Centrefold).

## Guangzhou Thrives in Mass Culture

□ In its effort to crack down on smuggling, as well as on reproducing, marketing and spreading obscene material, Guangzhou strives to encourage and enliven healthy cultural activities among the masses. A flourishing situation prevails in the city (p. 18).

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**COVER:** A glimpse of the coastal city,  
Zhuhai, Guangdong Province.

Photo by Peng Guan

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## China Sets Principles for L. American Ties

China's "diplomatic season" is continuing with President Yang Shangkun's latest tour of five nations in Latin America.

In Mexico, his first stop of the tour on May 14, Yang declared that China is willing to actively develop Sino-Latin American relations on the basis of the following principles:

First, China will establish and develop friendly co-operative relations with all Latin American countries, including those having not yet established diplomatic relations, on the basis of the Five Principles of Peaceful Co-existence.

Second, bilateral trade and economic and technological co-operation should be expanded on the basis of equality and mutual benefit, for the purpose of meeting each other's needs, and by way of learning from each other's strong points to offset weaknesses. Policy measures should start now and with an eye to the future.

Third, both China and Latin American nations should respect each other's traditions and concepts of values, learn and draw on each other's experience, strengthen people-to-people contacts, promote understanding and friendship and develop various forms of cultural exchanges on a broad basis.

Fourth, China and Latin American countries should make joint efforts for establishing new international political and economic orders through mutual support, earnest consultation and closer co-operation in world affairs.

"I am convinced that the relations of friendly co-operation between China and Latin American countries, Mexico included,



Chinese President Yang Shangkun in Mexico.

LIU SHAOSHAN

will certainly further develop as long as both sides adhere to the spirit of peace, friendship and common development," Yang said at a state banquet given by Mexican President Carlos Salinas de Gortari.

Speaking of the role Latin America plays in international affairs, Yang said the emergence of the Rio Group, or the Group of Eight, marks a new phase of solidarity and co-operation in the continent.

China as always, he added, supports the principles of self-determination, non-interference and settlement of conflicts by peaceful means, which are advocated by Latin American countries, as well as various efforts they have made along these lines.

He also said China would continue to support the Latin American nations' policy of promoting disarmament, opposing the arms race and establishing a Latin American nuclear-free zone, and their efforts for enhancing regional unity and co-operation.

Referring to bilateral relations, Yang noted that since

Sino-Mexican diplomatic relations were established in 1972, the friendly co-operation between the two nations has developed steadily despite changes in the international situation.

Salinas agreed that major changes were taking place in today's world, which means both opportunity and danger. Under this situation, he said, Mexico desires to further develop its relations with China because China plays an important role in the world today.

As the first Chinese head of state ever to visit Brazil, Yang received a warm welcome as he arrived in Brasilia on May 17. Both Yang and Brazilian President Fernando Collor pledged better bilateral co-operations during their talks.

Yang pointed out that China's open policy was not only targeted at the industrialized world, but also at developing countries.

He told his hosts that China supported the reasonable proposals of facilitating debt repayment through development forwarded by Brazil and other Latin Amer-

ican countries.

"We hope that the creditor nations will sincerely and co-operatively hold discussions with the debtor nations to seek a fair and reasonable solution through dialogue on an equal footing," Yang added.

In terms of bilateral economic relations, Yang said that Brazil has become China's largest trading partner in Latin America, and the two countries have started effective scientific and technological co-operation including that in the field of high-tech.

The Brazilian president said that 25 agreements signed be-

tween the two countries over the past 15 years have created a good legal framework for bilateral co-operation. Collor added that he hopes the co-operation may extend into precision chemicals, new materials and other fields of advanced technology.

Later, when asked about Deng Xiaoping, Yang said that Deng had retired from all his posts.

Deng, he said, no longer involved himself in daily administrative work but, as a member of New China's first generation leadership, Deng and his wisdom, his rich experiences and his policies on development were the wealth of the Chinese people. ■

relations laid down in the three joint communiques between the two countries;

— To increase genuine mutual understanding between the two countries;

— To handle China-US relations from a long-term perspective and to avoid drastic ups and downs as a result of immediate considerations.

The United States is well on the way of becoming China's largest trading partner, Zhu said, and "this prospect could be permanently dimmed.

"What is more," Zhu said, "America's huge share of the China market will be quickly taken over by other developed countries. I am sure this is a prospect that none of you want to see.

"While developing the China-US relations, both sides could retain their own ideas of value, ideology and social system," Zhu stressed.

He pointed out that "to exert any outside pressure or to take any sanctions against China should not be the approach in handling the relations between our two countries. Such methods came to nothing in the past and will never work at present."

As one of the important members of the international community, China, a country playing a significant role in world affairs, cannot be isolated, the ambassador said. Any attempt to isolate China from world affairs proved a failure in the past and any such new attempt is also doomed to failure, he said.

Zhu hoped both China and the United States could successfully overcome their temporary difficulties in their bilateral relations and get back on the normal track (For a full text of the Chinese ambassador's speech, see our "North 'American Special'" section on p. 25). ■

## MFN: A Boon to Both China, US

**T**he termination of the most favoured nation status would be destructive to China-US economic and trade relations and "might lead to a major retrogression in over-all relations between the two countries," said Zhu Qizhen, China's ambassador to the United States.

"It will hurt the United States as much as it hurts China," Zhu said in an address to the World Affairs Council in Los Angeles on May 16.

The most favoured nation status granted by China and the United States to each other since 1980 has provided a great stimulus to the rapid development of China-US trade and economic relations, he said.

It is self-evident, he stressed, that "both the United States and China have benefitted tremendously from this mutually beneficial mechanism which has in a sense become a cornerstone of our economic relations."

Citing the losses the United

States would suffer if it fails to renew China's most favoured nation status, Zhu called on the US administration and Congress to give the issue "a thorough consideration and act wisely" in the long-term interests of China-US relations and in the interests of the peoples of both countries.

Under the changing world situation, he said, China and the United States have every reason to "have a friendly rather than a hostile relationship, to engage in consultation and co-operation rather than confrontation."

Zhu noted that the development of China-US relations not only conforms to the common aspirations and interests of both countries, but also contributes to world peace and stability in the Asian-Pacific region.

To further relations, he said, three key factors deserve serious consideration:

— To strictly abide by the underlying principles guiding the development of China-US



Jiang Zemin, general secretary of the CPC Central Committee, meets with Egyptian President Mubarak on May 12.

GUO ZHANYING

## Chinese Leaders Meet Mubarak

The presidents of China and Egypt have expressed satisfaction over the smooth development of relations between their two countries and predicted further improvements.

While meeting with Egyptian President Hosni Mubarak in the Great Hall of the People in Beijing on May 11, Chinese President Yang Shangkun said Mubarak's visit to China and his to Egypt last December were both signs of the two countries' good and friendly relations.

Mubarak, who arrived in Beijing for a three-day visit on May 11, his fourth to China, said that a special and solid friendship exists between the Chinese and Egyptian people. The visits and meetings between their leaders, he said, "are like the meetings between brothers."

Mubarak told the Chinese president that his delegation was "very glad to find that the situation is very stable and everything is normal here."

Stability in China is very important to Egypt, so the Egyptian people were very much concerned about the Chinese situation, he said.

Yang remarked that "the present situation in China is better than at the end of last year when I was visiting Cairo."

Nowadays, he added, more and more people understand the truth about China. Numerous visits by foreign guests to China have provided them with a clearer understanding of the situation, the Chinese president said.

Prior to the meeting, Yang presided over a welcoming ceremony for Mubarak in front of the Great Hall of the People.

In his welcoming address, Yang said that despite changes in the international situation, China would adhere to its foreign policy of independence and peace.

The Chinese government will always stand firmly by the Arab and Palestinian people and sup-

port a comprehensive and fair political solution to the Middle East issue, he stated. The goal, he explained, is for the states of Palestine and Israel to recognize each other and coexist in peace.

As a permanent member of the United Nations Security Council, China is willing to co-operate with other Middle East countries to reach that goal, Yang said.

Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, called Mubarak "a respected old friend of the Chinese people" when the two leaders met on the morning of May 12.

During the meeting, Jiang stressed that China and Egypt had experienced same woes in the past and were now facing the common mission of maintaining world peace and developing their economies under an international situation characterized by drastic changes.

Under the current world situation, the strengthening of unity and co-operation between third world countries had become even more important, he said.

The general secretary also said that some people in the West had gone so far as to maintain that the rapid growth of science and technology and the increase in matters concerning interstate relations had made the term "non-interference in each other's internal affairs" obsolete.

"We cannot agree with this," Jiang stressed.

There is a strict distinction between the external links of different countries and their internal affairs, he said. The question of what system a country should take is decided by its historical development and its people, and allows for no external interference, he added.

Chinese Premier Li Peng held formal talks with Mubarak on the afternoon of May 12 following a private chat in the morning.

## Three-Nation Expedition Conquers M. Everest



WANG YONGZHI

Climbers who reached the summit on May 8 and May 9: (upper row, from left) Qui San, Da Qiong, Lo Ze and Ren Na from China; (bottom row, from left) Celishev Andrey and Gorbenko Mstislav from the Soviet Union, Ian Richard Wade and Edmund Karl Viesturs from the United States; The leaders of the three-nation expedition congratulate each other at the Qomolangma camp after conquering Mount Everest.

CHENG TIANLIANG

The fourth and final group of a Sino-Soviet-American expedition consisting of four climbers from the Soviet Union and one each from China and the United States reached the summit of Mount Everest on May 10.

A total of 20 climbers in the expedition — eight Soviets, sev-

en Chinese and five Americans — conquered the 8,848-metre high mountain since the first group of six climbers reached the peak on May 7.

The second and third groups of eight climbers conquered Mount Qomolangma, as it is also known in the Tibetan language, on May 8 and 9. Among them was a

woman climber, Qui San from China.

Ivanova Ekaterina, who was a member of the fourth climbing team, became the first woman climber from the Soviet Union and the 10th in the world to conquer the world's highest peak. ■

Li and Mubarak had a wide and in-depth exchange of views on the current international situation and found much common ground on many issues of common concern.

Mubarak briefed Li on the latest developments in the Middle East. Li told him that the Chinese government has always followed the situation in the Middle East closely and supported the just struggle of the Palestinian people.

"We welcome the development in recent years of the trend towards seeking a political solution to the Middle East question, and the Chinese government firmly supports a just, comprehensive

and peaceful solution to this question," Li said.

The fact that Israeli authorities have recently settled a large number of Soviet Jews in the occupied territories has aroused anxiety and a strong reaction from the Palestine Liberation Organization and the Arab nations, the Chinese premier said.

The Chinese government, Li said, is deeply concerned about this action and resolutely opposes Israel's settlement of Soviet Jews in the West Bank and Gaza Strip as this runs counter to international law and creates new obstacles to the Middle East peace process. ■

## Tourism Picks Up in China

The first quarter of this year saw a steady recovery in China's tourism, which suffered a serious setback following last June's anti-government rioting.

Statistics by the State Administration of Tourism (SAT) indicate that China received 6.46 million tourists from overseas in the first three months. The figure was equal to 90 percent of that for the same period last year.

"It is an optimistic sign, for the January-March period is usually an off-season for tourism," a SAT official said.

Beijing played host to 170,000 ov-

erseas visitors during the first three months, and in April it received 103,000 tourists, a record high for one month in recent years.

Tourist revenue amounted to more than US\$130 million in the first four months, almost as much as in the same period last year, statistics showed.

Tourism in southeastern China's Fujian Province has also registered a comeback in recent months. As an example, Xiamen City hosted 30,000 overseas tourists in the first quarter.

Among 14 major tourist cities in China, Hangzhou, Xiamen, Fuzhou and Kunming received more tourists this year than during the same period last year.

However, SAT statistics show that overseas Chinese and Taiwanese accounted for most of the tourists. Only 310,000 foreign tourists came to China between January and March, 23 percent fewer than the same period last year.

China's tourism departments are reportedly taking measures to im-

prove the situation.

While beefing up professional training and improving services, the departments are preparing new large-scale tourist programmes. These include Beijing's selected antiques exhibition in June, Shanghai's international tourist fair in October, and souvenir festivals in Guangzhou, Shanghai and Beijing, as well as the Guangzhou tourism art festival and the world tourism day in Fujian.

The SAT and the People's Insurance Company of China have also decided to begin accident insurance services for visitors to China, with a maximum reparation of 200,000 yuan.

The programme will offer insurance services to all visitors coming from abroad through the arrangement of China's travel agencies.

Each traveller who stays in China for not more than 20 days will pay 20 yuan as an insurance premium. And one yuan more for each day will be charged if one wants to stay longer in the country. ■

## 238,000 Citizens Go Abroad in 1989

More than 238,000 Chinese citizens were granted approval to go abroad last year on personal errands, an increase of 11 percent over 1988, according to an official from the Exit-Entry Control Bureau of the Ministry of Public Security.

More than 690,000 Chinese citizens had applied to go abroad on personal business, such as visiting relatives, after the Law of the People's Republic of China on Entry and Exit of Chinese Citizens came into effect on February 1, 1986, the official said.

The numbers of citizens applying to go abroad for personal purposes, passports issued and people who leave China are on the rise on an annual basis, which is the result of China's current open policy, he added.

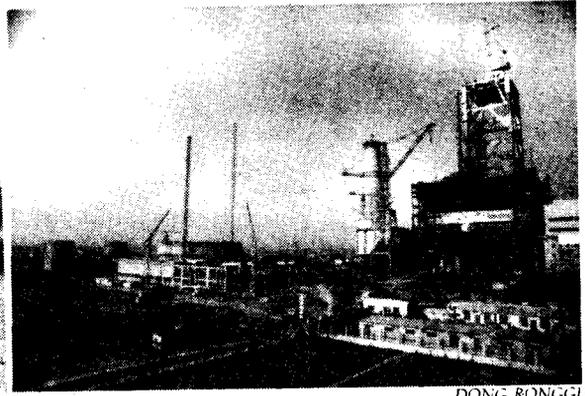
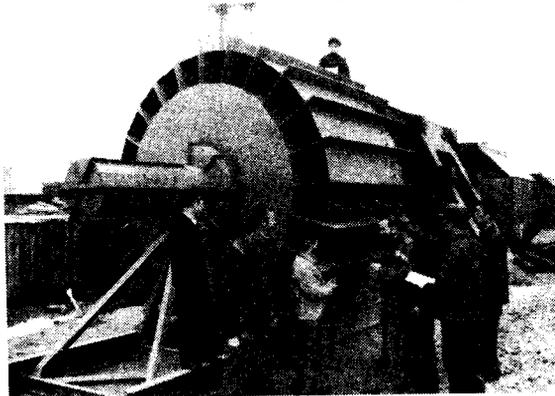
On the other hand, during this

## New Power Station Under Construction

Located in Shanxi Province, a coal mine power station with a total designed capacity of 2.2 million kilowatt has entered the overall installation stage. The first two imported 500,000-kilowatt generating sets will be put into operation

in 1991 and 1992 respectively.

The picture on the left shows Chinese and Czechoslovakian engineers and technicians examining the imported sets of equipment. Pictured on the right is the construction site of the power station.



DONG RONGGUI

period more than 280,000 passport-holders failed to get visas from the countries they intended to visit and were therefore unable to go, the official said.

Over the past four years, fewer than 10 out of every 1,000 applications to go abroad for private matters were turned down by China's public security bureau.

Passports were denied based on regulations that prohibit people involved in any unsettled criminal or civil court cases from leaving the country, the official said, adding that there were few cases like this.

As for other applicants who were not issued passports, it was mainly because they failed to go through all the required procedures or failed to present full and proper documents as required.

Applicants who were turned down for this reason, he said, can reapply when they have collected all the required documents. He added that many applicants have in fact received their passports this way.

Commenting on the fact that more than 100 Chinese passport-holders with foreign visas were recently stopped from leaving the country, the official said this was due to reasons on the part of a few foreign embassies in China in issuing visas to Chinese applicants.

Those people had asked for visas for the purpose of visiting relatives, but the embassies issued asylum or immigration visas against the applicants' wishes.

"This not only violated international practice, but also was a manifestation of discrimination against and contempt for the Chinese people," the official said.

People with fake passports should by no means go abroad, and moreover, they should be dealt with according to the law.

The official also cautioned that people who buy foreign passports risk being cheated.

Yet, going abroad is now enticing more and more people, even middle school students.

An investigation of 10 middle schools in Shanghai revealed that 96 senior and junior students went abroad last year alone.

Investigators found that young students think the pace of life abroad is faster than at home, that they can learn more and achieve more in their careers. As well, some think they can make a small fortune if they find a part-time job — buy a car in their first year and a house a few years later.

"Our parents' going to Yanan in the 1930s was necessary for the revolution just as it is necessary for us to go abroad for reform and opening to the outside world," some students say.

This has raised quite a few eyebrows not only in the educational circles but in the entire society, the investigation revealed. ■

## News in Brief

### Grain Harvest Expected

About half of China's major grain producing provinces are expecting bumper grain and rapeseed harvests this summer, according to some officials in charge of grain production.

Barring natural disasters, 13 provinces and municipalities mainly in central and northern China, will have reaped more grain and rapeseed this summer.

Meanwhile, five provinces in southern China are busy harvesting spring grain crops. Spring grain output of these areas will be increased by 350 million kilograms compared with the previous year.

### Satellite Network Set

After three years of effort, the construction of a nationwide pilot network of satellite telecommunication stations has been completed.

The trial operation of these satellite stations has produced remarkable results in raising the speed and quality of telecommunications and data transmission services.

The network has paved the way for large-scale application of satellite telecommunications throughout the country. Since 1987 the

central and local governments have poured more than 12 million yuan into the construction of ground satellite stations in 12 prefectures in remote areas such as Tibet, Inner Mongolia and Xinjiang.

Meanwhile, a nationwide network of satellite telecommunication data banks has been established, with the national centre in Beijing and 34 branches in some government departments.

### Taiwan Investors Welcomed

The Chinese mainland welcomes Taiwanese business people to invest, explore new projects and set up export-oriented enterprises with advanced technology on the mainland, Chinese Premier Li Peng said on May 15 when meeting a Taiwanese delegation.

The Chinese government will provide necessary guidelines for the Taiwanese investment, Li said.

Li pointed out that a good opportunity has presented itself to Taiwanese business people to invest in the mainland, adding that this will not only benefit both sides of the Taiwan Straits economically, but more importantly will also promote contacts between the two sides and will facilitate the reunification of the motherland.

### Opium War Marked

A month-long film festival was unveiled and a series of new books released in Beijing on May 16 to mark the 150th anniversary of the outbreak of the Opium War.

From May 15 through June 15 a total of 30 films reflecting the Chinese people's patriotic struggles against imperialism since the Opium War will be reshowed nationwide, among which are *The Naval Battle of 1894* and *The Burning of the Yuan Ming Yuan*.

During the film month, film criticism and speech contests will be conducted at schools and universities all over the country. ■

# Complexities of Human Rights In Today's World

*This is a speech delivered by the author at the 14th Conference on the Law of the World held April 22-27 in Beijing. It is entitled: "A Look at the Relationship Between Human Rights, National Sovereignty, International Peace and Development." — Ed.*

by Tian Jin

**H**uman rights has become a much-talked-about topic in international circles these days. This complex problem may be discussed from many different angles but I will concentrate on the relationship between human rights, national sovereignty and international peace and development.

**I. Because each country has different national characteristics, there are varying perceptions and practices with regard to human rights.**

History and the current global realities show that human rights are something concrete, rather than abstract. Different eras and different countries naturally have different perceptions and practices concerning human rights.

For example, there are more than 120 developing countries, with three-quarters of the world's population. Among them are 42 least-developed countries, with a population of 340 million, not far from the 360 million population of all West European countries. According to World Bank statistics, the 1986 per capita gross national product (GNP) for developed countries was US\$11,080. For developing countries it was US\$884 and for least-developed countries it was US\$221. There-

fore, the per capita GNP for developed countries was on average 12 times higher than that of developing countries, and 50 times more than least-developed countries. This astonishing gap has continued to widen. Needless to say, the per capita GNP more or less reflects a country's level of economic development. The disparity in economic development cannot but affect the way countries deal with such important issues as human rights. Therefore, such reasoning is not difficult to understand.

Western countries' perspective of human rights has developed along with capitalism over several centuries. Developing countries were colonies or semi-colonies of the Western nations. To a great extent, colonialism and the subsequent imperialism and hegemonism hindered the independence and development of developing countries. Developing countries feel that to change their economic, social and cultural conditions in an independent and self-oriented environment is the biggest human rights problem of the world today.

The over-all picture features a great divergence in many countries of political systems, social structures, legal institutions, the composition of nationalities, cultural heritages, religious beliefs, historical backgrounds, etc. Because of such divergences, the perception of value and of human rights by these countries natural-

ly is very different. Moreover, there are differences from continent to continent. For instance, the 1950 European Convention on Human Rights and the 1981 African Charter on Human Rights and Peoples' Rights each have special features. And one has to admit that such differences will exist for a long time to come. To insist on uniformity will amount to imposing a specific political system, ideology or perspective of human rights on other countries. Such an approach contradicts the principle of mutual respect and equality among nations, and is untenable.

As to the freedom of expression, publication and association, it also cannot be detached from the national conditions of various countries. First of all, developing and Western countries have different perceptions and practices regarding the content of such freedoms. More than that, Western countries command almost round the clock TV and radio stations as well as big news agencies and thousands of newspapers and magazines. On the other hand, many developing countries have few TV and radio stations and newspapers, yet a large proportion of illiterates. There, the primary concern of the masses is to have enough food rather than freedom of expression. Last November, during the sessions of the United Nations Social, Humanitarian and Cultural Committee, some Western countries put for-

The author is a member of the United Nations' sub-commission on the Prevention of Discrimination and Protection of Minorities. He is also a former ambassador of the People's Republic of China to Switzerland.

ward a framework they designed for domestic elections in different countries and a draft on freedom of expression and peaceful demonstration. They tried to have them adopted as UN resolutions. Many developing countries opposed such moves and presented a counter-proposal plus amendments. This shows that there are significant differences between the two sides on how to implement democracy and freedom. It is worthy to note too that developing countries' mass media are rather weak. The Western countries' powerful mass media incessantly exert their influence on developing countries. They are actually imposing their political standards and perceptions of value upon the latter. In recent years, developing countries have been compelled to appeal repeatedly for the establishment of a new international information order. Unfortunately, their efforts have been resisted by some Western countries.

On the question of human rights, while different countries have different perceptions and practices, there are also some common needs, targets, aspirations and standards among them. For example, the United Nations Charter asks for "international co-operation in...promoting and encouraging respect for human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion." This is universally accepted. To oppose racism, colonialism and gross violations of human rights caused by foreign occupation and aggression, is the position of almost all states. A number of conventions and declarations concerning such vulnerable groups as women, children, disabled persons and refugees have been agreed upon by the world community. Nowadays, problems with the environment, population, drug abuse and AIDS demand that nations work out global measures.

The focal point is that people everywhere can comprehend that it is coherent to underscore the common aims of human rights on the one hand and the specific national conditions of various countries on the other. These two aspects are not inconsistent. They are actually complementary.

**II. The main responsibility for protecting human rights rests with governments. The principle of non-interference in the internal affairs of other nations is applicable to the question of human rights.**

Human rights cover an extensive, complex area. Nations have to identify, codify and implement them by adopting legislative, judicial and administrative measures according to their respective national conditions. Such state responsibility cannot be substituted by other states. The state is also the subject of international law. International conventions and declarations on human rights are drawn up by sovereign states. The obligations and measures for implementation stipulated in international instruments are borne by the signatories. It is up to the signatories to decide whether to accede to Article 41 or the Optional Protocol of the International Covenant on Civil and Political Rights. This indicates that respect for national sovereignty is the prerequisite in international law concerning human rights.

Human rights mainly fall within the domestic jurisdiction of states. The principle of non-interference in the internal affairs of other states, as a fundamental principle of international law, logically applies to matters of human rights. Only matters such as the practice of genocide and apartheid which have long been unanimously condemned by the world community and opposed in the form of international conventions go beyond the sphere of internal affairs of states. The difference here is evident.

Consequently, it is untenable for someone to advocate that hu-

man rights knows no national borders. Paragraph 7, Article 2 of the UN Charter provides that "nothing contained in the present charter shall authorize the UN to intervene in matters which are essentially within the domestic jurisdiction of any state." Having explicit stipulations in this regard are the UN "Declaration on the Inadmissibility of Intervention in the Domestic Affairs of States and the Protection of Their Independence and Sovereignty" adopted in 1965, the UN "Principles of International Law Concerning Friendly Relations and Co-operation among States in Accordance with the Charter of the UN" adopted in 1970 and the UN "Declaration on the Inadmissibility of Intervention and Interference in the Internal Affairs of States" adopted in 1981. It is solemnly declared that "no state or group of states has the right to intervene or interfere in any form or for any reason whatsoever in the internal and external affairs of other states." There is also a paragraph particularly directed at the question of human rights. It declares that "the duty of a state is to refrain from the exploitation and the distortion of human rights issues as a means of interference in the internal affairs of states, of exerting pressure on other states or creating distrust and disorder within and among states or groups of states." Such declarations embody the will of the overwhelming majority of nations in maintaining the basic norms of international law and the normal relations among states.

Now, some people, disregarding the explicit stipulations quoted above, attempt to present human rights as something supreme. Decision-making institutions in a few countries have intervened in entirely domestic matters of other countries. They make accusations at will and even adopt resolutions and sanctions. In relation to the human rights as they present them, the basic norms regulating

international relations are inconsequential, or even cease to exist. It must be pointed out that no international legal instrument that is accepted by all nations says the question of human rights takes first place in international relations and is exclusive in the sense that the basic norms, regulating international relations are hereby out of place. It is therefore logical that the overwhelming majority of states are against attempts to contradict human rights and national sovereignty, or even deny national sovereignty, under the pretense of protecting human rights. To contend that human rights supercedes national sovereignty is not only without foundation in international law, but also reveals the ulterior motives of a few countries. Numerous facts have proved that some people are exploiting human rights to serve their political intention of exerting pressure and imposing their ideology on other countries. Actually, it is no longer a human rights issue, but has become a political issue — an expression of power politics.

In order to maintain and develop normal relations among states, it is imperative to reiterate the basic norms for international relations: sovereignty of states, mutual respect for sovereignty and equality, non-interference in domestic affairs, etc. National sovereignty and human rights should not be made to be antagonistic of each other. Respect for national sovereignty should be the prerequisite for realizing human rights.

### **III. The importance of the relationship between collective human rights and world peace and development must be emphasized.**

"Law for World Peace and Development" was the theme of the 14th Biennial Conference on the Law of the World held in Beijing from April 22 to 27, 1990. Indeed, peace and development are the two main themes of the world

today. Peace is the precondition for development and development can promote peace. They are closely related. The relationship between these two and human rights, especially collective human rights, is also close.

The Secretary-General of the UN, Javier Perez de Cuellar, submitted a report in June 1988 entitled "The Inter-relationship Between Human Rights and International Peace." One of the report's initial paragraphs said: "The full achievement of human rights and fundamental freedoms and the over-all achievement of international development goals are clearly facilitated by the conditions of peace and security and friendly relations and co-operation among nations large and small. As long as there is hunger, disease and a lack of opportunities for education, shelter and employment, as long as there is oppression in the world, there can be neither lasting peace nor significant development."

It can be said that the Secretary-General's observations explain clearly the inter-relationship between human rights, particularly collective human rights, and peace and development.

What is to be noted is that after World War II, the question of the relationship between human rights and peace has attracted wide attention, while the question of the relationship between human rights and development, though already on the agenda, has not yet received the universal attention it deserves. The question of development is mainly a North-South problem. The developing countries underscore such collective rights as the right of survival, right of self-determination of nations, right of sovereignty over natural wealth and resources, the right to development. They strongly urge changing the old, unequal international economic order and setting up a new one. In relation to

human rights, they emphasize the collective rights mentioned above. Through their untiring efforts, certain results have been obtained. For example, the UN "Declaration on Social Progress and Development" adopted in 1969 considers the above-mentioned collective rights as the primary conditions for social progress and development. It also asks for change in international economic relations and equality of opportunity as a prerogative of nations. The UN "Declaration on the Right to Development" adopted in 1986 proclaims this right as "an inalienable human right." It also proclaims that "states should realize their rights and fulfil their duties in such a manner as to promote a new international economic order based on sovereign equality, interdependence, mutual interest and co-operation among all states, as well as to encourage the observance and realization of human rights." Obviously, these principles are very important. However, they should be further elaborated and defined on the one hand and universally acknowledged and adhered to on the other. Only in this way, can the alarming North-South imbalance be altered, can the people in developing countries have the external conditions for enjoying their economic, social and cultural as well as civil and political rights, and can international and regional peace be ensured.

Briefly, the relationship between human rights and a new international economic order as well as the right to development, as a problem of basic human rights, is a relatively new domain of international law. Much is to be done in this area. To study and promote human rights from such a perspective and on such a plane is a major task before the legal professionals of various countries. This task is urgent and has far-reaching significance as well. The developing countries entertain great expectations on its outcome. ■

# Warsaw Pact Faces Uncertain Prospects

by Xiao Bin

*The dramatic political turbulence in the Soviet Union and Eastern Europe fiercely defeated the Warsaw Pact's traditional function and role. Apart from the body's historical turn of events occurring last year, the German unification process had a subtle but significant impact on it.*

This May is the 35th anniversary of the founding of the Warsaw Pact. When the body's defence ministers met last November in Budapest, the decision was not to hold a grand celebration, but to allow member states to separately celebrate the anniversary according to their actual situations. The low key treatment by the Warsaw Pact to its 35th anniversary was regarded as closely related to the rapid changes in Eastern Europe's situation and it indicated that an important internal change would soon occur.

## Outcome of the Cold War

Soon after World War II, East European countries established a people's democratic regime and took the socialist road. To check the Soviet Union's expanding influence, Western countries, with the United States as their head, organized in 1949 a military alliance, located in Europe — the North Atlantic Treaty Organization — to confront the socialist countries in Eastern Europe. Thus, the United States and the Soviet Union, the former anti-fascist allies, became rivals causing tensions between East and West.

At that time, Federal Germany's position was very sensitive, and the Soviet Union struggled hard against the United States in a bid to prevent West Germany from joining NATO. But in 1955, Federal Germany finally became a

member of this military alliance.

Responding to this challenge, in May of the same year, the Soviet Union, Albania, Bulgaria, Poland, the German Democratic Republic, Czechoslovakia, Romania and Hungary signed the Warsaw Treaty of Friendship, Co-operation and Mutual Assistance.

The two military blocs formed in the East and West constituted military confrontation and marked the start and subsequent intensification of the Cold War.

Since the end of World War II, the Soviet troops had remained stationed in Poland, Democratic Germany and Hungary. After the signing of the Warsaw Treaty, the Soviet Union dispatched military advisory groups to the East European countries to help them in training the armed forces.

Starting from the 1960s, Warsaw Pact countries began to assemble joint armed forces composed mainly of Pact members' troops with senior Soviet generals as its Commander-in-Chief.

After Moscow invaded Czechoslovakia in 1968, Soviet troops were stationed in the country. Soviet troops in East European countries added up to 31 divisions of about 650,000 soldiers.

As time progressed, troops from the Soviet Union, Poland, Hungary, Czechoslovakia, Bulgaria and Democratic Germany formed a "unified army," and began to conduct regular military manoeuvres in the territories of mem-

ber states. In this way, the Soviet Union tightened its control over the other Pact countries and intensified its military confrontation with NATO.

The Warsaw Pact had long been used by the Soviet Union as an important political, military, propagandist and psychological force to offset NATO's influence in Europe. Soviet strategy was utilized in opposing ways. On one hand, the Soviet Union vigorously increased its military strength, which led to the widely-known European intermediate-range missile crisis; on the other hand, the Soviet Union used the Warsaw Pact body to launch offensive waves of peace and disarmament.

## Historical Changes

Since the mid-1980s, the Soviet Union has constantly readjusted its policies towards Eastern Europe by relaxing its strict control and letting East European countries deal with their own internal affairs. These countries, wanting to enjoy equal rights, immediately demanded reform of internal relations and the mechanism of the Warsaw Pact.

In 1989, the Warsaw Pact experienced a revolutionary change. At last July's Warsaw Pact summit, Mikhail Gorbachev stated that each member had the right to choose its own political line without interference from the outside and that multilateral co-operation

should be developed on the basis of peace and mutual respect. He also suggested that the body should change from the original military-political organization to a political-military one.

This summit formally decided to permit a partial reshuffling of the body's leadership system and to freshly establish the General-Secretary position, paying more attention to co-ordinating its political and diplomatic responsibilities.

In addition, the summit documents, for the first time in more than three decades, stated that each member country had a specific right to devise its own development patterns of socialism.

In the wake of the summit, the political situation changed greatly in the East European countries, each country underscoring the need to speed up internal reforms arising from the Warsaw Pact.

Poland was at the forefront, pointing out that the Warsaw Pact should mainly be a political alliance and not military.

Hungary advocated that the body should become a group with more political colour, becoming more visible to the world's eye.

Czechoslovakia wished to institute an over-all reform, affecting the structure of international relations. Romanian leader Ion Iliescu said that the Warsaw Pact could no longer be only a military treaty organization, but instead, it should develop into a political alliance of regional countries.

On March 17, at the Warsaw Pact foreign ministers conference, seven ministers pointed out that both NATO and the Warsaw Pact should move their work from military concerns to political problems and, to take the first step, the two bodies should be changed into political organizations. Soviet Foreign Minister Eduard Shevardnadze suggested that the Warsaw Pact's military factors should increasingly take on less importance.

Because of the Pact states' emphasis on the equal rights and the body's internal changes, the Warsaw Pact countries raised ob-

jections concerning some sensitive and important historical problems. The entrance into Czechoslovakia in 1968 by troops from five Pact countries—the Soviet Union, Democratic Germany, Poland, Hungary and Bulgaria—was prominently questioned. Poland and Hungary initially condemned the action as an invasion.

During the summit on December 4 last year, the five countries which participated in sending troops into Czechoslovakia issued a joint declaration, stating that their activities in August of 1968 did in fact interfere in the internal affairs of a sovereign state and recognized that the actions deserved to be condemned.

Independently, the Soviet government issued a statement stating that the decision to send troops to Czechoslovakia was a mistake and viewed the action as an invasion, thus completely negating Leonid Brezhnev's theory of limited sovereignty.

With the rapid changes occurring in the political situation, Czechoslovakia, Hungary and Poland requested the Soviet Union to quicken its pace in withdrawing all its troops from their lands. Recently, an agreement between Czechoslovakia and Moscow was signed concerning the withdrawal of Soviet troops. The Soviet Union agreed to pull out a total of 73,500 troops in three stages before July 1, 1991. Hungary also signed a similar agreement with the Soviet Union which required Moscow to withdraw all its troops from Hungary before June 30, 1991.

Last October, Poland raised the question in the Warsaw Pact's foreign ministers conference, saying that the Soviet army stationed in the Polish territories was losing its military meaning. Chairman Lech Walesa of the Solidarity Union twice demanded the withdrawal of the Soviet troops from Poland, reasoning that Soviet troops stationed in Poland had a more psychological role than a military one. Polish President Wojciech Jaruzelski expressed that he favoured Soviet

withdrawal only if a favourable result to Poland was guaranteed.

The chairman of the GDR's Democratic Socialist Party, Gregor Gysi, fathered a peaceful disarmament proposal suggesting that both East Germany and West Germany should decrease their armies by half and by 1999 all foreign troops in German territories should disappear.

The Soviet government also stated that it would discuss withdrawing Soviet troops stationed in Poland as long as the Polish government initiated the demand. Moscow has already unilaterally reduced its troops in Democratic Germany. It now appears that Soviet withdrawal from Eastern Europe is only a matter of time.

### German Unification

With the process of German unification accelerated, different opinions arose among the Warsaw Pact countries over military status of a unified Germany, the method of unification and the security guarantee problems caused by a unified Germany.

On March 17, the Warsaw Pact foreign ministers committee held a special meeting to discuss the issue of German unification. Although the attendants favoured a unified Germany and regarded it as a natural process, Poland and Czechoslovakia, which were most sensitive to German unification, were in opposition to the proposal raised by the Soviet Union and Democratic Germany that suggested a neutral unified Germany. They stated that a unified Germany joining NATO would be positive and constructive and, they believed, that only the political and military structure of NATO could control a unified Germany.

Czechoslovakia stated that a neutral Germany was the worst solution. Poland emphasized that the most practical solution was to allow a unified Germany to remain in NATO, believing that neutralization would lead Germany to a road unfavourable to Europe's de-

velopment. Therefore, the Polish government issued a statement that it would temporarily suspend the request that the Soviet troops withdraw from Poland due to the changes in the European situation.

Observers' analysis showed that, on one hand, the withdrawal of the Soviet troops from Poland and Democratic Germany was a complex problem that would affect the stability of the European situation and the commitments of the Soviet Union, the United States, France and Britain to station troops in Germany; on the other hand, because of the difference of opinions within the Warsaw Pact countries on the position of a unified Germany, it was difficult to achieve a total withdrawal of Soviet troops from Poland and Democratic Germany within a short time.

### Subtle Prospects

The easing of East-West relations, especially the progress of disarmament talks between Moscow and Washington, has reduced the importance of the utilization of the Warsaw Pact from the outside, while the historical turn of the political situation in East European countries pounded at the body's political and military systems and its policies from inside. This kind of impact was so fierce that some experts of international studies expected that the body would soon disintegrate by itself.

However, it seemed that a delicate change of the Warsaw Pact's intention came amid the hot issue of German unification. At the Warsaw Pact foreign ministers' conference, seven ministers emphasized that the problem of German unification had already become the focus of the European political pattern, therefore, NATO and the Warsaw Pact should be preserved for some time. In considering their all-round interests, East European countries openly showed their intention that they would not withdraw from the Warsaw Pact and that they would continue to perform their duties to the



Last August, Soviet President Mikhail Gorbachev and Prime Minister Nikolai Ryzhkov attended the Bucharest Summit of Warsaw Pact. by WEN CHANG

body.

Czechoslovak President Vaclav Havel voiced that his country would remain in the organization, otherwise, Czechoslovakia would lose its influence over it. He stated that Czechoslovakia would promote from inside the body to establish a new European security system.

It appears that the Warsaw Pact will exist for a certain time. But observers generally hold the opinion that the body is no longer an organization speaking with one voice as before. They believed that the body's member states, in regarding their own interests, will pay more attention to protecting their national interests other than the collective group's, as in the past.

Some changes have occurred in the Warsaw Pact and more changes will surely come. An officer of the Department of the General Staff of the Soviet armed forces expects that the body will continue to change in terms of its organization, because the Communist Parties in East European

countries are no longer the ruling parties. The Political Consultative Commission might be replaced by some other organ.

The Hungarian parliament recently decided that in the future the president of the Hungarian Republic will represent the country at the meeting of the commission, because it has begun to practise a multi-party system and the future government will not belong to any specific party. There were similar changes in other East European countries.

The Soviet Union had repeatedly proclaimed that it did not want to see Europe permanently divided into two hostile blocs. It proposes to dismantle NATO and the Warsaw Pact simultaneously and build a Common European Home. In the February 23 session of the Supreme Soviet, Shevardnadze reiterated the Soviet's position when he spoke about Moscow's foreign policies. The Polish president also said that NATO and the Warsaw Pact would possibly disintegrate within this century. ■

## Integrating Planned Economy With Market Regulation

*How to integrate the planned economy with market regulation has been a major question concerning the building of socialism with distinctive Chinese characteristics. China's decades of economic work show that its achievements as well as its problems have much to do with the way the relations between the two are handled.*

**T**he integration of the planned economy with market regulation in China differs from either the former highly centralized and rigidly controlled planned economy or the market economy of the capitalist countries. It is an organic integration of the strong points of the planned economy and market regulation for the establishment of an economic operational mode according to the Chinese situation.

Plans, which can help maintain comprehensive balance in the national economy, can also place the economy under extremely rigid control when implemented in an incorrect way. Market mechanisms can flexibly regulate the relations between supply and demand and embody the law of value, but they can also make a mess of things. This indicates that both planning and the market have strong and weak points. Integrating the planned economy with market regulation is aimed at nothing less than giving play to their strong points and offsetting their weaknesses.

In his government work report

delivered at the Third Session of the Seventh National People's Congress in March, Chinese Premier Li Peng spelled out what is meant by the integration of the planned economy with market regulation. What Li expounded differs theoretically from past theses.

### New Connotations

1. In the past, it was believed that the mandatory plan would become less and less significant and would die out eventually. But the new proposition states that the mandatory plan constitute one of the important forms for the integration of the planned economy with market regulation. At present and for some time in the future, mandatory plans should be executed on a measured scale for certain economic sectors. Such plans, of course, should take into account the relations between supply and conform to the law of value.

2. The guidance plan was only associated with principled matters in the past. The new proposition states that the guidance plan should be vested with a binding force and fulfilled main-

ly through the enforcement of economic policies and measures, charting a direction for economic activities.

3. In the past, market regulation was mentioned in generalized terms and its real implication was vaguely defined. The new proposition states that market regulation must be achieved through changes in the relations between supply and demand and in market prices, under the guidance of the overall plans and laws of the state.

4. Which plays the leading role, the planned economy or market regulation, was the focus of attention discussing the relationship of the two in the past. The new proposition states that the form of integration as well as their proportionate relationship should vary somewhat with different forms of ownership, enterprises, production fields, industries and products; they should also be readjusted and improved in the light of concrete conditions.

### Three Angles

The integration of the planned economy with market regulation

is the best embodiment of the relations between planning and the market under the socialist economic system. Capitalist countries also need to deal with this relationship. When we do so, we take into consideration not only the economic structure but also the economic system and economic relations as a whole. This distinguishes our approach to the relationship of planning and the market from that in capitalist countries.

This proposition may be explained from three perspectives:

First, the planned economy should be understood in a broad sense. The planned socialist commodity economy is characterized by development in a planned and proportionate way, and is aimed at achieving a balance between overall supply and overall demand, or more exactly, a balance in the fields of finance, credit, foreign exchange and materials. This embodies the law of the socialist economy. Only by achieving a macroeconomic balance can plans be really implemented, market mechanisms operate normally, price signals be accurate and various enterprises enjoy real equality in market competition. Otherwise, there will be serious imbalance in proportional relations, worsening inflation and distorted market mechanisms. In such a situation, the integration of planning with market regulation would be out of the question.

Second, in mapping out plans, mandatory and guidance plans included, the relations between supply and demand should be taken into consideration and the law of value be used consciously. This is especially true in the case of the guidance plan which work mainly through the enforcement of the economic policies and means.

Third, the market regulation should be understood correctly.

By market regulation we mean state organizes and plans regulation of and management over the market on the basis of public ownership and through the use of policies, plans, economic levers and laws and regulations. For example, China's means of production market, monetary market, labour market and technology market, set up by the state in an organizes, plans way instead of spontaneously, function under state regulation and management through economic, legal and administrative means; this has reduced blind manoeuvring.

### Key Lies in Guidance Plan

The integrated form of planned economy and market regulation is composed of the mandatory plan, guidance plan and market regulation. None of the three is dispensable, but the guidance plan plays the pivotal role. Whether China's planned economy can be well integrated with market regulation depends on whether breakthroughs can be achieved in the guidance plan, and any breakthrough made in the guidance plan relies on the efficient operation of economic levers.

Although the idea of a guidance plan has been advanced for seven to eight years, in practice, it exists only in form. It is either the mandatory plan or market regulation that has been holding sway. A nationwide survey made by the State Planning Commission last year found that the mandatory plans covered 17 percent of the nation's industrial production; the guidance plans of the various departments of the State Council and various provinces and cities, 43 percent; and market regulation, 40 percent. Here, the guidance plan seems to make up a large proportion. In practice, however, it has

been warped.

### Non-Economic Obstacles

China's four decades of socialist economic construction divides into several stages, each with its own characteristics contributed by both economic and non-economic factors. For instance, the series of high targets for economic development and the "big leap forward" in 1958 were chiefly due to mistakes in policy decision, while the panic buying in 1988 was a result of ideological and psychological factors in people's thinking as well as mistakes in policy. For more than 30 years, the Chinese people had been accustomed to stable prices and were therefore ideologically and psychologically unprepared for major price changes. Earlier, rise in the prices of cigarettes and alcoholic drinks had already aroused uneasiness among the masses. The slogan of "passing the barrier of prices" raised later to seek immediate results of the price reform disturbed the public further to the point of panic buying and bank run. Another example is the swollen scale of capital construction brought about by such factors as the lure of short-term interests, being over-anxiousness for quick results, and the multiplication of projects started at the whim of some officials. Apart from economic reasons, non-economic factors should not be overlooked. In the practice of integrating planned economy with market regulation, both economic and non-economic factors must be taken into account; a purely economic approach is unlikely to bring expected results.

In the process of integrating planned economy with market regulation, the behaviour of the executors, including local gov-

ernments, entrepreneurs and farmers, should also be considered. In the past, people were used to implementing plans as orders. Now the situation is different. With the introduction of systems under which each locality assumes responsibility for its own finances and of enterprises take responsibility for their own profits and losses, and the rural contract system of responsibility with remuneration linked to production, the decision-making power of local governments, enterprises and farmers has expanded, and conflict of interests has emerged in local economy and various trades. Old practices, therefore, can hardly work under these new circumstances, as the central authorities' orders will often become distorted in practice, the central authorities' plans and intentions might be changed in various localities, departments, trades and enterprises, and the executors may not always carry out the leadership's instructions to the letter or might instead go in for things they themselves need by taking advantage of the central government's policies.

In addition, China's market is still underdeveloped; market rules are incomplete, market management is inefficient, and the public's market behaviour is far from normal. An abnormal market not only violates market principles but also upset economic plans. Hence, in drafting plans and practising market regulation, these non-economic factors should be taken into full account and both plans and market regulation be placed within definite limits. Actions proceeding from idealistic plans or neglect will fail to bring the roles of both planning and market regulation into play, and their integration would fall through. ■

## Mass Cultural Activities Flourish in Guangzhou

by Our Guest Reporter Lu Yonghong and  
Our Staff Reporter Hong Lanxing

*Some people worried that the campaign against pornography would throw cold water on the cultural market in China. But in Guangzhou, mass cultural activities are now flourishing.*

**P**rior to the nationwide anti-porn campaign started in April 1989, Guangzhou City had launched a big campaign in its eight districts and four counties to crack down on smuggling, reproducing, marketing and spreading obscene video and audio products and publications. Later, it co-ordinated with the national efforts and deepened the campaign, while encouraging more healthy cultural activities among the masses. A flourishing situation has thus emerged in the city.

### Mass Cultural Troupes

At nightfall, the myriad-lighted Guangzhou City, after experiencing all the noises and excitement of the day, looks calm and leisurely. As we strolled along ancient streets and marketplaces, the sprightly tunes of music and songs wafted in the breeze reached our ears.

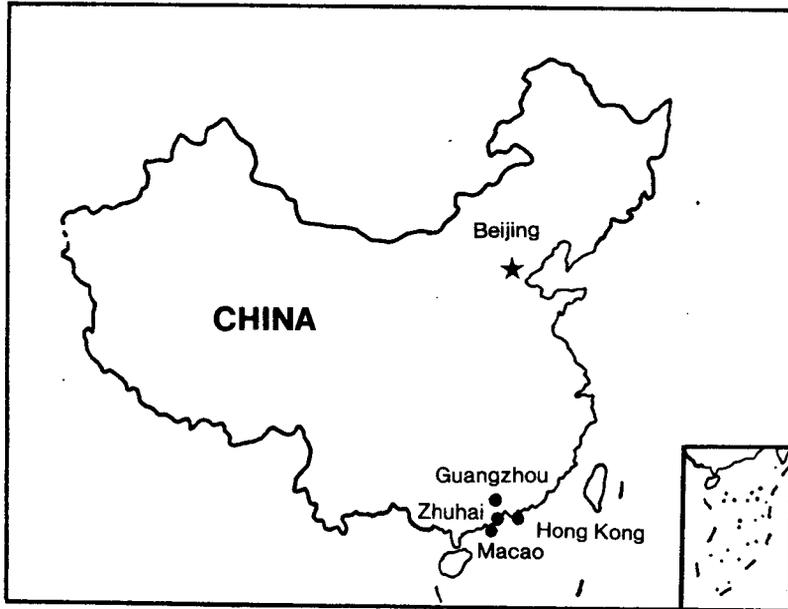
Following the sound, we came to the second floor of an old-style wooden building. On the wall is a placard with the words "Hesheng Music Club." The most famous mass music organization in Guangzhou, the club is composed of amateur enthusiasts of Guangdong opera and music. They gather together in their leisure time to perform Guangdong opera and music selections, choosing whatever place is convenient, whether it

is a member's home, the street, a country village or an open spot in the park.

We entered and sat down. There were around 20 people in the room, each having brought his/her own instrument. They stroked up a famous folk tune. The music, played with various kinds of musical instruments, was rich and pleasant, and the players were natural and unrestrained.

Feng Guoliang, the founder and head of the club, told us that 40 years ago when he was working as a mail escort, he began to organize spare-time cultural activities at his neighbourhood. At the beginning, the members were mainly workers and staff members of post and telecommunications offices. Later on, the group gradually expanded, taking in art amateurs from institutions, factories, shops, hotels and schools, and retired performers from professional art troupes. A strong love of national and folk art spurred them on to persist in these activities for several decades. In recent years, the club has established contacts with artists in Hong Kong and Macao, and some noted Guangdong opera and music artists of Hong Kong and the United States have visited the club and performed together with its members. At the First Guangdong Folk Music Competition, the Hesheng Music Club captured first prize.

There are around 100 amateur



## A Showcase of Open Policy

by Liang Guangda

**Z**huhai, a city on the western bank of the Zhujiang (Pearl) River estuary, is one of the Zhujiang Delta's export commodity distributing centres and an important venue for China's friendly exchanges with Hong Kong, Macao and countries throughout the world.

Zhuhai was originally a county. It was incorporated as a city under Guangdong Province in 1979 with State Council approval. In 1980, when the Zhuhai Special Economic Zone (SEZ) was established, the city's territory expanded from six square kilometres to 121 square kilometres.

Zhuhai enjoys multiple benefits granted by the state as a special economic zone, a coastal open city and part of the Zhujiang Delta economic development district. It is also allowed to carry on small-volume frontier trade and implement preferen-



Mayor of Zhuhai Liang Guangda. YANG LIMING

tial policies as an island city.

The reform and open policy has brought Zhuhai vigour and vitality. After a decade of hard work, the city has drawn worldwide attention for its impressive economic growth and its increasing role as a window for China's open policy. In 1989, its contribution to the GNP was 9.6 times higher than in 1979 when the city was first incorporated. In the meantime its industrial and agricultural output value multiplied 12.5 times; its volume of exports, 38.8 times; and its revenue, 22.7 times. The per capita annual income was US\$917, indicating a marked improvement in living standards. Apart from this, much have been done to cultivate socialist culture and ethics and improve people's cultural qualities. Zhuhai has truly emerged as a new garden-styled coastal city and burgeoning special economic zone where export-oriented industry dominates agriculture, ani-

mal husbandry, fishery, commerce, trade, tourism and real estate in a comprehensive economic setup.

Like China's other special economic zones, Zhuhai has made notable headway in attracting foreign investment and developing an export-oriented economy. What is worth mentioning is that Zhuhai's beautiful scenery has set the stage for the development of tourism. Situated at the foot of undulating mountains and beside an ocean that is strewn with sailing junks and sparking islands, Zhuhai is a beautiful winter and summer resort. Its unique architecture and coastal landscape have attracted large numbers of overseas Chinese and foreign tourists. In 1989, China's first island yachting service company was set up here, providing a 300-square-kilometres fishing and surfing ground around Guishan Island for people from Hong Kong and Macao.

Recreational facilities built in recent years by utilizing local resources and incorporating foreign investment include a golf course of international standard, a pearl culturing centre, a bowling alley, the Zhuhai Holiday Village and Baitenghu Farmers' Holiday Village. Furthermore, dozens of hotels, three-stars or better have sprung up, such as Zhuhai Hotel, Holiday Village Hotel, Gongbei Hotel, Shijingshan Travel Centre and Yindu Hotel. The International Trade Exhibition Centre and the South China Petroleum Development Service Centre provide complete facilities and fine services for international exhibitions, trade talks and those who come to set up trade organizations. In a few months, Zhuhai will establish a jointly funded International Holiday Village with 3,500 flats to accommodate tourists from all countries on arrangement by an international tour operator.

Construction of the Zhuhai SEZ is proceeding apace. This has not only reflected the achievements of China's modernization drive, but also vindicated the reform and open policy as the recourse to a prosperous China.

After the Beijing turmoil last year, Zhuhai's social and economic environment has been stable, and production and work have gone on nor-

The author is the mayor of Zhuhai.

mally. Compared with the year before, its industrial output value, retail sales volume, financial revenue, bank savings deposits of urban and rural residents have all increased to varying degrees. Transnational companies and financial groups kept coming in continually. Eighty-one investment contracts and letters of intent were signed with foreign businessmen in last June alone. Total investment reached US\$32 million, including that in projects of processing with imported materials, in designs and assembling with imported spare parts, and in compensatory trade. Foreign businessmen invest in Zhuhai with confidence because China's reform and open policy is in accordance with its national conditions, in the common interests of the people and in conformity to the world trend.

During the ongoing process of improving the economic environment, rectifying the economic order and deepening the reform, we must tap our strength as a coastal city and special economic zone, actively participate in international economic co-operation and further enhance our role as a window and a base for the reform and open policy.

Premier Li Peng has urged the special economic zones to further develop their export-oriented economy. Zhuhai will, within three to five years, change its special economic zone into an industrial city which is export-oriented and opened to the international market. Accordingly, we have drawn up a plan to develop the eastern and western parts of Zhuhai and further expand their economic strength.

We will focus our efforts on industry while developing agriculture, fishery, animal husbandry, tourism, commerce, trade, and real estate—all for the purpose of establishing an export-oriented economic system. Small factories armed with new technology will be established to produce new, small, precision products, with priority given to electronics, machinery, petroleum, chemicals, shipbuilding, textiles, clothing, light industry, building materials, food, feed and paper-making.

We sincerely welcome friends both at home and abroad to come to Zhuhai to travel, hold trade talks, invest or establish factories. ■

## Ideal Place for Foreign Investment

by Zeng Defeng

**T**he Zhuhai SEZ, which neighbours on Macao, has been attracting more and more foreign investment. This resulted from its adherence to the principle of absorbing foreign capital as the main source of its production funds and taking foreign-funded enterprises as the main feature of its economic structure.

Over the past ten years, the Zhuhai SEZ has approved 4,813 contracts, involving a total foreign investment of US\$2.3 billion, imported more than 40,000 sets of various types of advanced equipment and related technologies and set up more than 800 foreign-funded enterprises.

What makes Zhuhai attractive to foreign investors? Important incentives include its advantageous geographical position, but besides this, there are the great efforts made by Zhuhai to improve the investment climate and to ensure that the legitimate rights and interests of foreign investors are protected. In Zhuhai, foreign investors have not only good prospects of gain, but also harmonious relations in co-operation with their Chinese partners.

Zhuhai has spent 9 billion yuan improving its investment environment over the past ten years. Now, adequate power and water supplies are available, as well as convenient roads and highways, advanced telecommunication facilities, plenty of factory buildings and warehouses and capable labourers. In short, conditions for a successful enterprise in Zhuhai are gradually being perfected.

In addition, Zhuhai has also placed a great deal of importance on improving the "soft" investment environment. Foreign businessmen

The author is director of the Zhuhai Foreign Investment Administration and Service Centre.

coming to Zhuhai will find that the procedures which they must go through for running wholly foreign-funded enterprises or joint ventures are simple. To set up a foreign-funded enterprise, a foreign businessman needs only to submit an application to the local government, or entrust someone else to do it. After getting approval, he registers with the local department of industry and commerce and obtains his business license. With this, his business is considered "established."

As to running joint ventures, foreign businessmen need first to find partners, then report their cooperative items to the local economic planning department for examination. After that they can submit their applications to the local government, along with their feasibility study reports. Upon approval, they register with the local department of industry and commerce.

The interests of foreign businessmen in Zhuhai are absolutely guaranteed. To protect their legitimate rights and interests, the Zhuhai SEZ has worked out a series of laws and regulations, and sees to their implementation. In Zhuhai, laws and regulations are strictly observed, contracts respected, and the rights and interests of foreign businessmen upheld. Concerned departments conscientiously implement policies regarding preferential treatment given to foreign-funded enterprises and clear away various charges levied on them when found to be unreasonable, with the aim of establishing an effective system of administration and production in compliance with international practice.

The Zhuhai Insurance Co. provides more than 40 kinds of services for foreign-funded enterprises, including ocean-going freight insurance, ship insurance, property in-

insurance, investment guarantee insurance and employer responsibility insurance to name a few. In short, Zhuhai offers every type of insurance that is available elsewhere in the world. The insurance company has received appreciative comments on its convenient procedures and prompt compensation for losses.

Within the limits allowed by the state, the Zhuhai SEZ grants foreign investors the most favourable treatment possible. In the sphere of land use, foreign investors will be given favourable treatment corresponding to what use the land will be put to, the period of years fixed for the use of the land, the fee set for its use and the method of payment. In the sphere of investment management and guarantee, Zhuhai extends whatever benefits it can provide. It ensures that foreign-funded enterprises have autonomous rights in management, and allows them, within the limits of their contracts, to work out production and management schedules on their own, raise and use funds, purchase the materials of production and sell their products however they wish. In the field of foreign exchange transactions, foreign-funded enterprises established in the special zone according to law, can open foreign exchange accounts at the Bank of China, foreign banks or other financial institutions which are engaged in foreign exchange business, after receiving the approval of the Zhuhai branch of the State General Administration of Foreign Exchange Control. Foreign-funded enterprises and other enterprises in the special zone can, under the supervision of the foreign exchange control department, make foreign-exchange transactions at the Foreign Exchange Coordinating Centre of Zhuhai. Foreign exchange prices are set through negotiation between the seller and the buyer. In respect to taxation, foreign-funded enterprises in the special zone can enjoy preferential treatment in enterprise income tax, industrial and commercial consolidated duties, local income sub-tax and real estate tax.

Recently, the Zhuhai people's government decided to grant preferential treatment to wholly foreign-funded enterprises, Sino-foreign joint ventures, Sino-foreign cooperative enterprises and export-oriented and high-tech projects by reducing land-use fees by 20-30 per cent. They are also allowed to pay land-use fees in instalments. The rents and prices for new marketable houses will be properly reduced from the level set for the previous year. At the same time, strict measures have been taken to make sure the workers' wages do not increase too quickly and to further cut down on the payment for labour service.

Foreign businessmen can get help from the Foreign Investment Administration and Service Centre directly under the leadership of the Zhuhai government. The centre provides a series of services such as information and advice, determination and approval of a project, as well as help needed after the founding of an enterprise. Leaders of the Zhuhai government often go on inspection tours of foreign-funded enterprises and help them solve various difficulties on the spot.

Foreign businessmen who run enterprises in Zhuhai are highly satisfied with the measures taken by the city government. They are deeply impressed by two features in particular.

First, foreign enterprises operating in Zhuhai can obtain conspicuous economic results. The foreign-funded Zhuhai compressor factory is an example. Though the factory went into operation in January 1985, it yielded an output value of 120 million yuan and put aside 23 million yuan in taxes and profits by the end of the same year. The Lizhu Medicine Co., founded in 1985 with an investment of 11.25 million yuan, had already earned 31.94 million yuan in profits by

1989.

Second, Chinese and foreign partners of joint ventures get along well with each other and co-operate closely. The Deguang Electronics Co. is a Sino-foreign joint venture. In 1983, Mr Liang, an overseas businessman, came to Zhuhai and set

up a small factory as his initial project. After several years, the number of workers at the factory has increased from several dozens to more than 1,100, and the amount of investment from HK\$200,000 to HK\$40 million. His deepest impression over the past seven years is that the Zhuhai people are very sincere. For example, Mr Liang said, he wrote a letter to the



**Zeng Defeng, director of the Zhuhai Foreign Investment Administration and Service Centre.**

mayor of Zhuhai last year, hoping to increase his area of land for use because his factory's scale of production needed to be expanded. Unexpectedly, the mayor met with him not long after and solved his problem quickly. Another example is the Weihua Foods Co. Ltd.. Harmonious and sincere co-operation between the Chinese and American sides shortened the lead time to 140 days. Representatives of the American side made a special trip to Zhuhai to attend the founding ceremony. They marveled at the quick speed and were gratified over the sincere co-operation between the two sides.

At present, the number of foreign businessmen in Zhuhai is on the increase. They seek more projects for investment or plan to expand their present scales of production. Take the Weiwang Magnetic Telecommunication Co. Ltd. for example. The company expanded production by quadrupling its investment from US\$1.5 million to US\$6 million. With the coming of more foreign businessmen to Zhuhai, a new foreign investment boom is in the offing. ■

# Burgeoning Foreign Trade

by Wang Mianquan

As a newly established seaside city, Zhuhai has made notable achievements in developing economic relations and trade with foreign countries since 1980.

Over the past decade, Zhuhai has signed contracts with foreign countries for some 4,813 projects using foreign funds. The negotiated value was US\$2.3 billion, and the US\$870 million has already been processed into the city. Meanwhile, the city also concluded 994 contracts with foreign companies for the establishment of Sino-foreign joint ventures, co-operative enterprises and wholly foreign-owned enterprises, incorporating more than US\$460 million, or 53 percent of the total foreign capital processed into the city. Up to now, 596 foreign-funded enterprises have gone into operation.

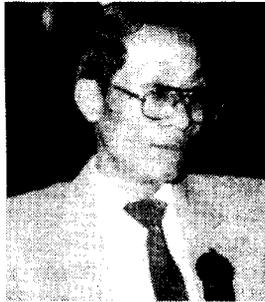
Over the last decade, the city's exports have totalled US\$1.3 billion in value. In 1989, the volume of exports was 54 times that of 1979 (before the city was designated as a special economic zone), showing an average annual increase rate 44.2 percent.

Zhuhai attracts foreign funds by processing and assembling imported materials and components, establishing joint ventures, co-operative enterprises, wholly foreign-owned enterprises, conducting compensatory trade, and by international leasing and borrowing foreign government loans. As a result, the city has undergone rapid development. In 1979, the processing and assembling industries and compensatory trade accounted for 76.1 percent of the volume of foreign investment in the city; the figure dropped to 16.8 percent in 1989. At the same time, the number of Sino-foreign joint ventures, co-operative enterprises and wholly foreign-owned

The author is director of the Zhuhai Commission for Foreign Economic Relations and Trade.

enterprises increased from 23.9 percent in 1979 to 83.2 percent in 1989. There were only 15 projects owned by foreign businessmen before 1988, and the figure increased to 45 in 1989.

The scale of foreign-funded projects is growing. In the beginning, investment in a processing enterprise amounted to no more than a few hundred thousand dollars; today, investment in a technologically advanced project is often counted in the millions of dollars. Zhuhai today boasts PTA and video equipment producing enterprises each with an investment of several hundred million US dollars.



Wang Mianquan

The number of productive and export-oriented projects has increased. Of the city's 338 foreign-funded enterprises which started operation in 1986, for instance, 53.6 percent were productive enterprises; the remainder were non-productive ones. Of the foreign-funded projects approved in 1987, 1988 and 1989, more than 90 percent were productive projects, and all were export-oriented.

Judging from the general level of imported projects, it can be seen that high-tech projects have taken up an increasing proportion, a break from the past when less sophisticated projects and labour-intensive enterprises predominated among foreign-funded projects. Some 79 items of technology were imported from abroad in 1986, 70 percent were run-of-the-mill ones; the other 30 percent were up to the level of the late 1970s. Of the projects imported from abroad in 1987 through 1989, most were technologically up to the advanced standards of the early 1980s. During this period, many processing and assembling undertakings were equipped with new facilities. Statistics show that Zhuhai has imported more than 40,000 items of advanced equipment over the past decade.

Investment has found its way into

increasingly diverse businesses, contributing to an ever-improving industrial setup. Before 1987, foreign investment went mainly to electronics, textiles, foodstuffs and building materials. Now, it goes mainly to raw materials, chemicals, medicines, leather, footwear, toys, plastics and metals and machinery manufacturing and machining building. Foreign investment has helped Zhuhai launch its own computer component manufacturing and petrochemical and rubber processing industries.

At first, investors in Zhuhai mainly came from Hong Kong and Macao; now they are from more than 20 countries including the United States, Canada, Japan, Britain, Austria, France, Singapore, Thailand and Australia.

Zhuhai has established trading ties with many foreign countries throughout the world. Over the past decade, total imports and exports increased sharply, and great changes have taken place in the export-product mix. In 1978, the year prior to the founding of the Zhuhai SEZ, for example, 72 percent of Zhuhai's exports were farm and fresh aquatic products and 25 percent were sand and stone as building materials in Hong Kong and Macao. By 1989, however, the percentage of farm and fresh aquatic products make up 20 percent of the city's total export to Hong Kong and Macao, while industrial products accounted for 80 percent. At the same time, the variety of the city's export product grew from over 10 to more than 110.

To promote the development of foreign trade, Zhuhai has built a group of technologically advanced export-oriented production bases combining trade, industry and agriculture. Statistics show that the number of such bases increased from 92 in 1985 to 342 in 1989. Many products are exported not only to Hong Kong and Macao but also to more than 20 countries of Europe, America, Australia and South-east Asia.

With the expansion of its foreign trade, the Zhuhai SEZ has set up offices in Hong Kong and Macao, and is operating enterprises in the United States, Canada, Thailand and Australia.

As Zhuhai's foreign trade and economic relations expand constantly, the city has become more attractive to foreign businessmen. A new tide of investment is in the offing, which will provide the impetus for local economy. ■

# The Zhuhai Special Economic Zone

The Zhuhai Meida Magnetic Diskette Manufacturing Factory exports all its output abroad.



The Zhuhai Xinghua Component Factory produces printed circuit plates and name plates with computerized electrolytic corrosion spark machines imported from Japan and exports part of its output.



The Zhuhai Photosensitive Paper Products Factory's high-quality blueprint paper has been used as import substitute. Here is its cloth coating workshop.

The Qiandao Electrical Engineering Co. Ltd., an affiliate to the Zhuhai Industrial Development Corp., produces various enamel-insulated wires, the quality of which is up to the international standard.





Chinese and American artists at the international art festival held at Zhuhai in 1989.

The thriving Gongbei Free Market



Zhuhai uses optical fibre in its communication long-distance international telephone lines with 14 countries and regions, and high-speed postal services to 138 countries.



Zhuhai yields bumper harvests in its effort to orient its agriculture towards the international market.

Part of the Jida Industrial Zone.

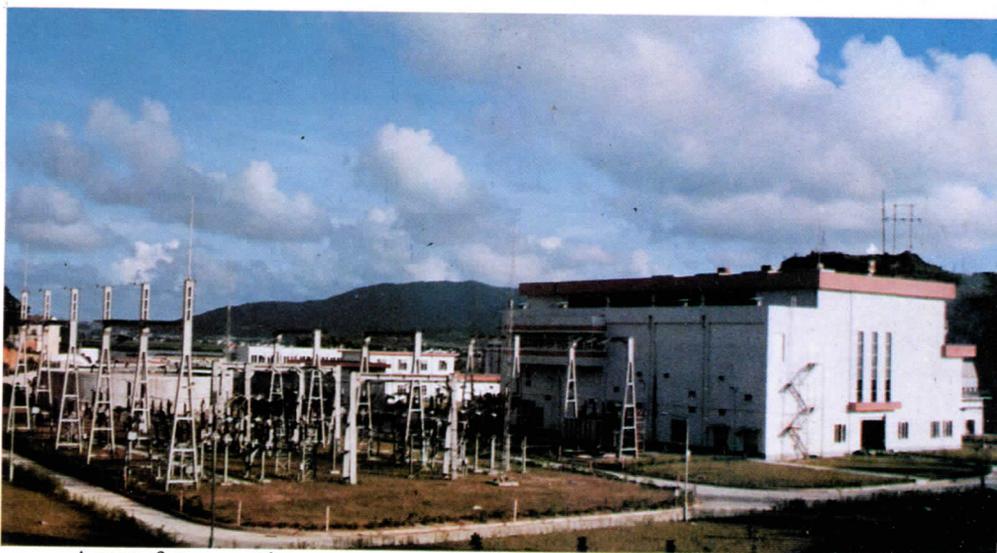


ket.



Zhuhai has a heliport link with Guangzhou, Shantou, Taishan and other cities.

on network. There are 702  
with more than 380 cities in  
al service connections with



Apart from getting power supply from the Guangdong power grid, Zhuhai has set up a 38,000 KW diesel engine power plant and is constructing a 400,000 KW thermal power plant. Here is part of the Diesel Engine Power Plant.

The Jiuzhou Deep-Water Harbour equipped with bonded warehouses can accommodate 10,000-ton-class cargo ships and handle 2.5 million tons of cargoes annually.



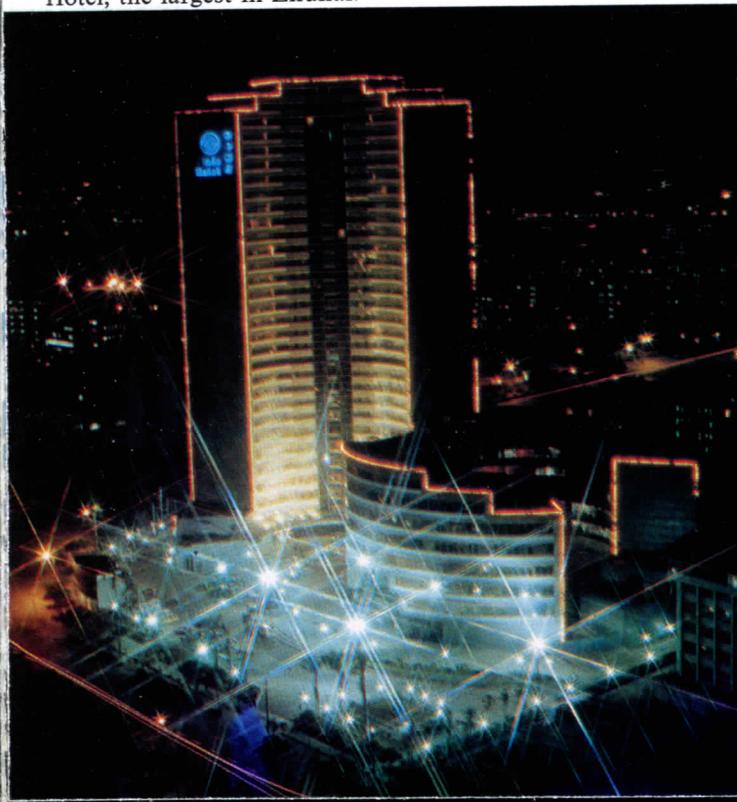
A seabathing beach at the Sanzaodao Bay.



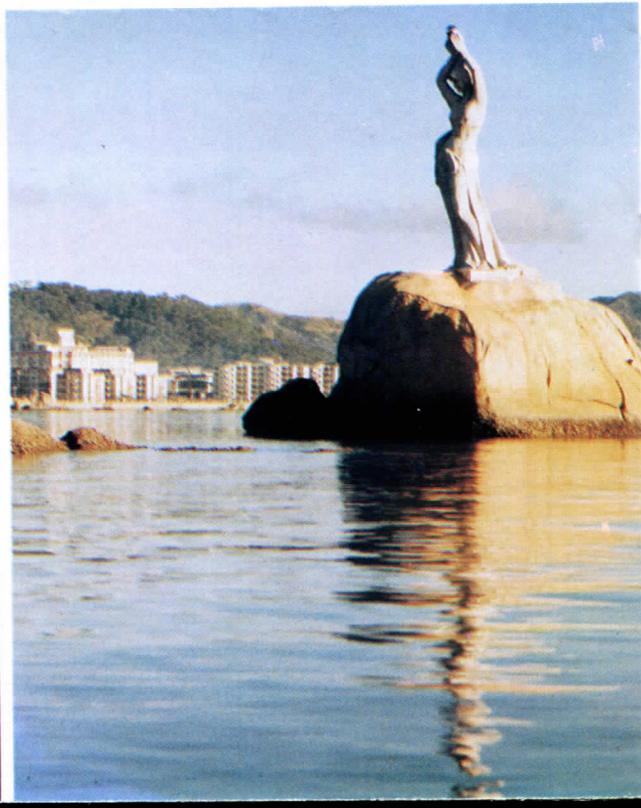
Family members enjoy a holiday together.

*Photos by He Huajing, Peng Guan, Liang Guangzhong and Xue Chao.*

By introducing advanced managerial expertise from abroad, Zhuhai's tourist industry offers attentive yet unobtrusive services to foreign tourists. Here is the Yindu Hotel, the largest in Zhuhai.



A Zhuhai fisherwoman.



## For an Export-Oriented Economy

by Our Staff Reporters Chen Donglin and Li Rongxia

**Z**huhai is one of China's four earliest special economic zones opened to the outside world. It comprises Xiangzhou District, Doumen County and the administrative districts of Wanshan, Pingsha, Hongqi and Sanzao. The population is 486,300. The city is made up of some 145 islands and has a total area of 7,555 square kilometres (the land area itself being 1,266 square kilometres). The special economic zone occupies an area of 121 square kilometres.

Zhuhai used to be a frontier town. Since opening to the outside world in 1980, it has pooled funds widely from both at home and abroad in its efforts to orient its economy to the international market. Great changes have since taken place there. Over the past decade, the city has invested nearly 9 billion yuan in fixed assets, developed an urban area of about 50 square kilometres, and completed the construction of a residential area of 4.0256 million square metres. The city's economy develops at an average rate of 35 percent annually. In 1989, Zhuhai's total agricultural and industrial output reached a value 12.5 times the 1979 figure. Of this sum, the total industrial output value equalled 24.6 times the 1979 figure. The industrial output value in proportion to the gross agricultural and industrial output value increased from 46.5 percent to 91.7 percent. Exports were more than 51 times the volume of ten years ago; and of these, exports of locally manufactured commodities went up 251 times. Financial revenue

was 22.7 times as high. All the city's commerce, finance, tourism, real estate and other undertakings have developed rapidly. At present, Zhuhai stresses industrial development and comprehensive progress in agriculture, animal husbandry and fishing, trade, tourism and real estate. It has become a special economic zone and a coastal city of considerable proportions.

### Investment Climate

Located on the western bank of the Zhujiang River Mouth, Zhuhai City faces the South China Sea, with Macao not far to the south, Hong Kong 36 nautical miles to the east, and Guangzhou 140 kilometres to the north. The city's coastline measures 690 kilometres. The number of people leaving and entering China via the city's Gongbei Customs exceeds 20 million annually. It is one of China's important ports through which friends and visitors from Hong Kong, Macao, and the rest of the world come and go.

Zhuhai lies in the southern subtropical monsoon region of low latitudes. With plenty of sunlight and rainfall yearly, various crops grow well. The city has rich aquatic resources in the coastal areas, including shrimp, crab, shellfish and more than 200 kinds of fish. Many wild animals and plants inhabit the mountain areas and islands. Also rich in land resources, it has 74,800 hectares of farm land, mountain areas and grass land, and produces paddy rice, sugarcane, vegetables, peanuts, fruit,

fresh flowers and other farm products. Doumen County, producing 140,000 tons of sugar cane a year, is known as the "sweet county."

Zhuhai has abundant mineral resources such as porcelain clay, kaolin, potassium feldspar, quartz stones, quartz sand, mica and rare metals. Rich deposits of quartz sand makes an ideal material for making high-grade glass because of their high quality.

Lying between the mountains and sea, Zhuhai boasts rare scenic beauty as well as an excellent climate and fresh air. Along the bays and sea beaches are attractive buildings of unique structure. Among the many tourist attractions are the Zhuxian Cave, Jiuzhou Island and seaside gardens. To make things convenient for travellers and visitors, the city has set up 26 medium level and luxury hotels.

In addition to favourable natural conditions, Zhuhai is constructing an infrastructure as part of its effort to create a favourable investment climate for foreign investors.

Transportation is being expanded. Up to date, Zhuhai has opened 13 offshore shipping sea routes, repaired and rebuilt the Xiangzhou and Qianshan ports, and built the Wanzi and Jiuzhou ports, as well as other deep-water harbours, which can accommodate 10,000-ton-class cargo ships and handle 2.5 million tons of cargo annually. A second-class highway to Guangzhou has been built, and construction of the Shenzhen-Guangzhou-Zhuhai Expressway has begun.

Power supply abounds. In addition to electricity supply from a Guangdong power grid, Zhuhai has set up a 38,000 kw diesel power plant of its own, and is constructing a 400,000 kw thermal power plant. These, plus one 220Kv and four 110Kv trans former stations can supply 1.537

million kwh a day to meet the needs of the city.

Sources of high-quality fresh water are adequate. For example, some 110,000 tons of tap water are supplied daily for the city and some 80,000 tons of water per day provided for Macao. Construction of a water-supply system begun in 1986 to link up reservoirs with canals has been completed and, when put into use, can supply some 270,000 tons of water a day. A 400,000-ton daily supply is planned for the future.

Advanced communications equipment. Zhuhai uses optical fibre in its communications network. There are 702 long-distance international telephone lines, 12,000-channel automatic telephone lines and 20,000-channel programmed telephone lines. Some 80 percent of Zhuhai's residents have telephones, making Zhuhai leader of the country in this respect. At present, it has direct-dial telephone services with more than 380 cities in 14 countries and regions including the United States, Canada, Italy, Japan, the Federal Republic of Germany, Singapore, and Hong Kong and Macao. At the same time, Zhuhai also has direct-dial telephone services with 365 Chinese cities, and has opened such communications services as telegram, fax, mobile telephone and radiophone services. In addition, high-speed postal service connections with 138 foreign countries and 110 Chinese medium and large cities have been set up and microwave communications stations also built. As a result, a comprehensive numerical communications network with diversified functions has been formed.

Zhuhai's land and factory buildings are of high quality, fairly priced, and well-equipped with service facilities. Over the past few years, Zhuhai has in-

vested some 6.078 billion yuan in land development and factory construction. To provide foreign investors with favourable living and working conditions, some service networks and cultural, recreational, educational, medical and commercial facilities have been set up in industrial areas.

Zhuhai pays special attention to training qualified personnel. Over the last decade, it has invested more than 300 million yuan in the construction of educational institutions, TV universities, four secondary technical schools (polytechnique, health, political science and law, finance and trade) and a skilled workers school. So Zhuhai's workers are relatively well trained.

### **Agriculture and Industry**

Over the past decade, the Zhuhai SEZ has followed a principle of developing export-oriented economy. Therefore, its economy has developed rapidly and its agriculture and industry are basically export-oriented. And it has a certain scale and level.

Before 1979, the year the Zhuhai SEZ was established, Zhuhai had only about ten small factories. After ten years of development, the city has more than 6,000 industrial enterprises of various kinds, and five leading industries (electronics, light industry and textiles, foodstuffs and drinks, domestic cosmetics, building materials). The city's total industrial output value increased at an average annual rate of 55 percent.

As industrial enterprises mushroomed, Zhuhai has also developed 12 industrial districts, including Nanshan, Beiling, Jida, Lanpu, Xiawan, Xiangzhou, Wanzi, Nanping and Qianshan.

Zhuhai's industrial enterprises have two outstanding features:

First, technologically adv-

anced enterprises represent a big proportion. For example, the equipment and technology of 70 percent of the nearly 100 major enterprises are technologically up to the advanced standards of the 1980s. The electronics industry is able to produce colour TV sets, tape-recorders, magnetic tapes, scanning instruments, microcomputers, high-fidelity acoustics systems, electronic cameras, high-quality variable condensers, refrigerators and some other durables. The Huasheng Magnetic Tape Factory of the Huasheng (Group) Co., for example, used to be a poorly equipped rural enterprise. In the last few years, however, it has imported production facilities and apparatus of the advanced standards of the 1980s from Japan, the United States, Italy, Federal Germany, Switzerland and Hong Kong. Using advanced technology in management and production, the company has become a modernized manufacturer of magnetic tapes. The quality of its output has reached the advanced standards of similar products both at home and abroad.

Second, Zhuhai exports a big proportion of its products. Commodity exports account for 40 percent of the city's total agricultural and industrial output value. More than 100 kinds products are exported. In particular, Sino-foreign joint ventures and wholly foreign-owned enterprises export nearly 100 percent of their output. The Zhuhai Meida Diskette Manufacturing Plant, for instance, specializes in putting out soft diskettes for computers. It is one of China's enterprises with advanced technology and facilities. Most of its output is exported. The Zhuhai Compressor Manufacturing Plant, an export-oriented enterprise jointly established by the Hong Kong China Everbright Industrial Group Co. Ltd., the Zhuhai

Industrial Development Corp. and the China Electronics Technology Institute, mainly produces refrigerators and various kinds of compressors. The factory, one of the state-designated producers, puts out 1 million pieces a year worth 100 million yuan, most of which are exported abroad. And the quality is technologically up to the advanced standards of the 1980s.

At present, the Zhuhai SEZ sells such high-quality products as air conditioners, pianos, high-technological medical products, medical apparatus, quartz clocks and watches, machine, components, chemicals, foodstuffs and textiles in the countries and regions of Europe, the United States and Southeast Asia.

Zhuhai has changed its traditional way of production and operation in its efforts to orient its agricultures, fishery and animal husbandry towards the international market.

The city has many quiet lagoons and a vast expanse of sea beach. From 1984 to 1989, it reclaimed 18,000 hectares of wasteland bordering on the sea to grow sugarcane and cultivate aquatic products. The city has 56,000 hectares of mountainous area good for growing fruit and cash trees. While regulating the industrial structure, it made good use of wasteland, and grew more than 6,600 hectares of fruit.

To orient its agriculture towards the international market, Zhuhai focused on the use of advanced agricultural technology, equipment and expertise so as to break away from the traditional and backward way of production. Special attention was paid to high-quality seeds, advanced equipment and technology. To date, Zhuhai has imported more than 70 fine breeds of animals and plants such as American pure-bred king pigeons, British pure-bred ducks

and Thai mangoes. By incorporating more than US\$14 million of foreign funds, the city has introduced technology and more than 60 pieces of advanced agricultural equipment from a dozen countries and regions including the United States, Britain and The Netherlands. And it also established long-term economic and technological cooperative ties with them.

Zhuhai is also well-accomplished in the development of export-oriented agriculture. In 1985, some 20 square kilometres of land was devoted to this purpose near the town of Jinding, and a seed strains breeding base was built on Qiao Island. In line with ecology requirements, agriculture, animal husbandry and fishery were rationally arranged according to an all-round plan. In 1988, agriculture yielded 1 million yuan in profits, 2.9 million HK dollars in foreign exchange.

At present, some 112 export bases have been set up. These include 19 aquaculture bases, 62 poultry production bases, 15 fruit orchards, nine flower and plant nurseries and six vegetable bases. At the same time, companies specializing in animal husbandry, fruit, aquatic farming, flowers and plants, young pigeons, eggs, fodder and milk have also been established. In 1989, some 20,000 tons of fruit, nearly 50,000 tons of vegetables and 35,000 tons of aquatic products were produced there and exports were estimated at US\$80 million, 10 times that of 1980.

### Future Programme

The Zhuhai SEZ will be divided into five districts in the future. The Northern District will be devoted to education, scientific research, genetic engineering, light industry, chemical industry, storage and tourism; the Central District will become a

political, economic, cultural, financial, commercial and tourist centre, with appropriate development of high-level scientific and technological industry; the Southern District will mainly develop top science and technology, electronics, light industry, textiles, new building materials, precision machine tools, plastic processing industries and tourism; the Eastern District including Wanshan, Guishan and 76 other fishing islands will mainly develop large storage and bonded areas, large transit centres, petrochemical industrial bases and an ocean shipping supply area; The Western District including Nanshui, Sanzao, Xiaolin and the Hongqi farm, will mainly develop heavy industries such as energy, transportation, smelting, chemicals, petroleum and plastics.

In the near future, the city's emphasis will be put on the development of the Western and Eastern districts. The significance of building up these two districts lies not only in bringing in petrochemical, smelting, shipbuilding and other large projects, but also in providing the much-needed deep-water harbours and other transport facilities for the city's large industrial enterprises. With deep-water harbours, large-scale modernized enterprises can be developed; with large-scale enterprises, the pattern of a large-scale economy will be formed; prospects for Zhuhai SEZ's economic development are unlimited.

Lying close to Hong Kong and Macao, the Eastern District commands the vital line of communications and transportation at the mouth of the Zhujiang River. In addition, there are excellent deep-water bays, in which thousand-ton-class harbours can be constructed. Meanwhile, it has favourable natural conditions for building large ports, storage facilities, bonded

warehouses, and international transit bases. Also, it is an ideal place to develop modern seawater aquaculture, petrochemical industry, energy, raw materials, and high-technological products. On the islands off the Eastern District, the scenery is wonderful and the air fresh. The night scene of the sea villages presents a unique sight. Here is an ideal place for the development of tourism, recreation and sea angling, vacationing, and the construction of luxury residences.

The Eastern District plans to build 200,000- to 300,000-ton-class harbours, develop petrochemical and shipbuilding industries, build storage areas and large bonded warehouses as well as develop an international goods collecting and distributing transit industry. After the year 2000, efforts will be concentrated on making it a Singapore-style port city, an international sea port which will exert a tremendous influence on the South China Sea area.

Many foreign businessmen have come to invest here. It is estimated that the Eastern District has signed contracts worth US\$13.3 million in investment, and letters of intent involving US\$19.9 million, with foreign businessmen. They have actually invested US\$1.9 million in the area. The Esso and other consortia have also concluded letters of intent in co-operation with the Eastern District for investment in such projects as a 50,000- to 100,000-ton-class oil wharf, the Chenxiang oil depot on Guishan Island, the large mechanical equipment manufacturing plant on Aizhou Island and a liquid crystal display factory on Wanshan Island. In addition, representatives of United States and Norwegian consortia held talks on the establishment of storage areas on Wanshan Island and a modernized marine breed-

ing project, with a total investment of US\$17 million.

The Western District, located to the Southwest of Zhuhai City, has 33 small and large islands. It is near an international sea route, 45 nautical miles from Hong Kong and 20 kilometres from Macao. The district has a total area of 577.4 square kilometres.

Zhuhai's strategic target for this district is to build it into an export-oriented industrial base of major construction projects to orient its industry towards international proportions. It will mainly develop an advanced heavy chemical industry. Also tourism, commerce and export-oriented agriculture will be comprehensively developed. The area will be built into a modernized port city with well-established air and surface transportation facilities. Efforts are being made to enable the district's total agricultural and industrial output value to reach 20 billion yuan by the year 2010, and for the average per-capita to equal US\$7,000, comparable to the medium standard of the 1990s in Macao.

The district's development will begin with construction of harbours. For example, the plan includes a deep-water harbour on Gaolan Island and a 155-kilometres railway running through Guangzhou, foshan and Jiangmen to the district; repairing and the rebuilding of Sanzao Airport; and an expressway from the centre of Zhuhai City to the harbour via the airport. At the same time, the district also expects to establish an industrial complex dominated by heavy industry, set up a 1.2 million KW power plant, a 4 million-ton oil refinery and a 400,000-ton ethelene project and to develop textiles, foodstuffs and saccha rification industries as well as orient its agriculture towards the international mar-

ket.

The opening up of the Western District is the inevitable trend of Zhuhai's economic development. Although Zhuhai has made considerable economic progress over the past decade, communications still constitute a restricting factor. Exploitation of the Western District gives it the possibility of becoming Zhuhai's communication hub to the outside world. Meanwhile, it will help alleviate the strained supply of transportation facilities in Guangdong Province while developing energy, raw materials and other products in short supply on the market. This will exert a favourable influence on the structure of south China's productive forces. Also, it will help the formation of an export-oriented economy in the whole Zhujiang River Delta.

At present, the exploitation of the Western District has entered the stage of practical operations. Many foreign businessmen have shown interest and invested tens of millions of yuan in its development. At an investment symposium held in March this year, a group of foreign businessmen signed investment contracts and agreements with the Western District for more than ten projects including a power plant, a steel rolling mill, and a lamp decorations manufacturing plant. The Total investments include 251 million yuan, 1.62 billion HK dollars and US\$100 million.

Considering the successful development of the western and eastern districts, Zhuhai SEZ leaders have already set their sights on the requirements of economic development in the Asia-Pacific Region in the 21st century, and expect to build Zhuhai into an attractive commodity reshipment centre during the economic advance of the coastal rim. ■

art troupes like the Hesheng Music Club in Guangzhou, and many are mainly composed of young people. In the previous few years, with the rise of pop music, the professional art troupes suffered heavy reverses: their box-office receipts dwindled together with the number of performances. But the spare-time Guangdong opera or music troupes were like an oasis, displaying great endurance and vitality. The reason is that folk art is deeply rooted among the common people and has all along been supported by the local government.

Each year since 1978 the provincial and municipal cultural departments have sponsored activities to reward music creations and performances and large numbers of fine works and excellent players have emerged.

The Liwan District, where the Hesheng Music Club is located, has always enjoyed the reputation of being a folk art centre. Beginning in 1986, the district holds a folk art exchange and competition annually. In October last year, it co-sponsored with the Guangzhou Cultural Bureau the Guangzhou first and Liwan District fourth Guangdong folk music and opera exchange competitions. Eighteen from among 80 art troupes and clubs, and around 300 players from among 1,200, ranging in age

from 10 to over 70, participated in the final competitions with 36 art forms. This represented an enormous expansion in folk art activities.

### Music Teahouses

Contrast to old-styled local residents' houses in Guangzhou are many hotels, teahouses, and brilliantly lighted song and dance halls. After a day of busy work, large numbers of people go to these places to enjoy the rich cultural night life.

Mentioning this, the Guangzhou people are hardly unable to conceal their pride. Entering the 1980s, the country's first music teahouse, first light-music band playing in a song and dance hall, first public commercial dance-hall, first video-cassette projection room and first billiard room sprang up in Guangzhou and then spread out to other parts of the country. This should firstly be attributed to the rapid development of the commodity economy in Guangzhou which has given an impetus to the city's cultural night life and secondly, to the growing business exchanges with Hong Kong and Macao which have greatly influenced the local people's living style.

The Holiday Inn, situated in the

centre of the city, started business last year. It is celebrated for its elegant and comfortable environment, modern equipment, and excellent service. In particularly unique-style Features Disco and Singing Star Kara-oke attract many guests from other hotels, as well as local residents every night.

We went into the Singing Star Kara-oke only to find all the seats had been taken. On the stage a young man was singing in praise of the happy days in one's youth in honour of his girl friend's birthday.

Kara-oke, originated in Japan, is a term which combines the two Japanese words "kara", which means nothing in English, and "okesutora" (orchestra). Therefore, "Kara-oke" means a band without players. It is an instrument with functions of TV, video recorder and acoustics combined. With suggestions from motion pictures and song words on the fluorescent screen, a singer feels himself deeply involved in the music and has a real sense of participation.

As one young lady, who had just finished singing a song on the stage and was still excited, put it, "Looking at the films and captions to learn a favourite song and following the beat of the music, you feel as if you are accompanied by a whole orchestra. It's hard not to be enchanted by it all!" Her comments probably summarized the common reaction of all the other song buffs. Looking over the sign board on a side wall, we found that at least 15 singing fans were waiting eagerly for a chance to get up on the stage to show their talent.

The Features Disco dance hall was a different sight. Amidst flashes of changing and revolving lights, pairs of fashionably-dressed young men and women were dancing to the rhythm of the music, some gracefully and leisurely, others flailing vigorously. The Disc Jockey is a young Englishman.

To our question if quite a number of people here were Guang-



Members of the Hesheng Music Club at a rehearsal.

zhounese, Yuan Depo, deputy general manager of the inn replied, "Yes." He explained that the guests were mainly Guangzhou youth employed either by wholly foreign-owned enterprises or Sino-foreign joint ventures. Their salary is normally two or three times higher than the ordinary rate. The admission is 60 yuan but they can easily afford it. Usually a group from the same company will come together; after working hard all day, they want to join their friends, relax for a few hours and have a good time.

If the Holiday Inn falls into the category of luxury entertainment spots, the dance hall of the Zhonghua Cinema can be regarded as a world belonging to the common man. Here a ticket costs only 8 yuan, one-seventh or one-tenth of the price at a posh dance hall. Pairs of dancers, including old, young and even children, have display of their own techniques. Some are clumsy, and some are not even in step with the music. Nevertheless, they enjoy themselves the whole evening, free of anxiety and restraint. Singers take the stage, singing each with his or her own style and present now a sentimental song, now a wild lament. At the bar on the left, couples, sitting on comfortable long-legged stools, sip their drinks casually, enjoying the bustle and excitement from the sidelines. A worker from a machine tool factory told us, "I come to dance at Zhonghua three nights a week; it's really a good way to relax." His words explained why the place was filled every dance night.

Music teahouses in Guangzhou sprang up and developed spontaneously to meet the public's demand created by the policy of reform and opening to the outside world. Financial support came from all quarters in the locality instead of from state allocation. According to available statistics, of the city's more than 2,000 cultural and recreational establishments, the state-run ones account for only 14 percent; the collective-



A song and dance hall in Guangzhou.

ly run, 48 percent; individually owned, 37 percent and Sino-foreign co-operatively run, one percent.

The local cultural department has consistently played an active role in directing the music teahouses. Since 1988, the Social Culture Management Office under the Guangzhou Cultural Bureau has started rewarding model teahouses following the motto of "civilization, elegance, comfort and security." The model units cited in 1989 had all put the social effects above all else, invested boldly to update facilities in a bid to improve services and strengthen security measures and tried to constantly upgrade the quality of their stage performances. While mainly focusing on Chinese pop songs, they have kept increasing the proportion of locally created songs in an effort to explore a new path for setting up teahouses of local style. They also have strived to diversify their programme while paying attention to educational and recreational value of their performances. In order to upgrade performers' artistic level, the Social Culture Management Office sponsored training classes for them or sent them to conservatories of music.

On the other hand, through organizing exemplary activities such as "Everybody Sings," "Ten Top

Singers Appraisal," "Competition of Teahouse Light Music Bands," "Polite Audience" and "Selecting Civilized Entertainment Spots," the cultural administration departments of Guangzhou have interested the audience in healthy culture and entertainment in order to steer the cultural evening market in a sound, wholesome direction.

### Improvement

On the surface it might seem that pop music has dominated the city's cultural night life. Actually that is not the case. An evening spent at the song and dance hall in the Guangdong Guest House changed our view. An audience of over 300 sat quietly at the round tables, spellbound by beautiful music. Most of them were young people. They hadn't come to listen to pop music. This was a Hi-Fi music appreciation party sponsored by the "Visual and Audio World," a special column of the *Information Paper*, to commemorate H. von Karajan. The quality sound equipment enabled audiences to appreciate the masterpieces of Beethoven, Tchaikovsky, Dvorak and Strauss, with an effect differing little from on-the-spot performances given by the Berlin and Vienna philharmonic symphony orchestras conducted

by Karajan. What is more, specialists were assigned to explain and help listeners understand different artistic styles of these masters, appreciate Karajan's conducting techniques and characteristics in different periods so as to enhance their appreciation of music and their ability to enjoy classical music. At a time when pop music is in vogue, this workshop has been enthusiastically received, showing that there is a large number of classical music fans among the young people.

### Multifunctional Theatres

To meet the cultural needs of the masses, 40 cinemas and theatres in Guangzhou began to update their facilities in the early 1980s in accordance with multifunctional requirements and local conditions. They have offered video shows and opened up billiard rooms, dance halls, cafes and music teahouses. These cinemas and theatres have also strived to offer multifarious services for their viewers. For instance, some cinemas specially show exploratory and controversial films to satisfy



A bookstall.

the needs of more discriminating viewers. Some cinemas mainly show films for children, feature films and scientific and educational films, as well as put on dramatic performances for children. Still others run all-night film shows. The Beilei Theatre has in the past two years run "film saloons" for children. The Guangzhou Cinema has run more than 200 "Sunday music workshops" to entertain the audience to famous Chinese and foreign symphonies. These activities have not only been well received by the public, but also greatly expanded the business volume of these theatres.

### Bookstands, News Stalls

People from other parts of the country are probably quite impressed by the number of bookstands and news stalls in evidence along Guangzhou streets. According to reports, there are 50 book and periodical wholesale businesses and over 800 retail sale bookstands and news stalls that have registered with the Administration of Industry and Commerce and the social and cultural management departments in Guangzhou. There are also many mobile bookstands in the city that have not

been included in the statistical data.

Last year, in the campaign to crack down on obscene publications, the related department in Guangzhou reorganized the book and periodical wholesale departments and bookstands and news stalls. It sealed and confiscated 130,000 books and periodicals that promoted salaciousness, pornography and violence, and removed from circulation publications containing serious political errors. The publishing and distribution units and printing houses were put in good order again. Collective units selling books and periodicals and self-operated bookstands were re-examined and re-verified. Those with no licences were prohibited from continuing in business.

We spotted many cookbooks, books on health tonics and exercises for keeping fit at a mobile bookstand in the street. There were also love stories published in Hong Kong and Taiwan. The owner of the bookstand, who looked like a middle school graduate, said that it was mainly books like that which he had to keep replenishing in his stock because they sold well. He also noted that books on keeping in good health have a wide range of readers, including both



The Holiday Inn in Guangzhou.

men and women, old and young, while the love stories are favoured by many young people. The owner of another bookstand, who wore glasses and looked like an intellectual, displayed a wide variety of books on how to become cultivated and talented, and magazines carrying biographies of top Chinese leaders. He said proudly, "My customers are all learned people." When we wondered what he meant by this, we saw a young man who had just picked out two books and was preparing to pay for them. We glanced at the title of one of them. It was *The Open Self* written by Charles William Morris. The customer explained, "Whenever I find a book like this, I always feel that it will be useful to me for the rest of my life. Therefore, I really must buy it, to rest content. One might say this reflects an instinct for self-perfection." Biographies about Chinese and foreign noted personages and leaders, like *Iacacca Autobiography* and *Mao Zedong, the Man*, are popular with readers. Young parents pay special attention to selecting pre-school books that help improve children's intelligence and books on how to care for babies.

According to a poll conducted by the Guangzhou Popular Will and Public Opinion Research Centre, the results of 282 effective inquiries show that 90 percent of the people surveyed agree that a rather flourishing publication market has initially taken shape in Guangzhou, 88.7 percent of them hold that the emergence of self-operated bookstands in large numbers has made it convenient for the residents to buy books and has enriched the cultural market, and 90 percent of those questioned are of the opinion that it is entirely necessary for the government to straighten out book distribution departments. What is most important is that the effort should be persisted in and not be left unfinished. ■

## Meat Production Looks to Further Increase

by Fang Zhaobing

**T**he economic reform in the 1980s has enabled China's animal husbandry and aquatic products industry to enjoy a more rapid development than that of grain and cotton production. This has remarkably improved the diet and its nutritive value and foreshadows promising prospects for meat production in the 1990s.

### China's Meat Production

In 1989, the nation's total meat output reached 25 million tons, an increase of 2.9 times from 1978, making China the world's second largest meat producer; poultry and egg output was 7.04 million tons, an increase of 3 times, placing China first in the world; and milk output reached 4.58 million tons, an increase of 4.72 times. Meanwhile, China has become the world's second largest aquatic products producer, with the 1989 output reaching 11.5 million tons, 2.47 times that of 1978.

The rapid progress in animal husbandry and aquatic products industry has not only upped the income of farmers, herdsmen and fishermen in the country but also helped to meet the increasing consumer's demand, playing an outstanding role in developing the national economy, improving the quality of the people's life and promoting social stability. In 1989, the average per-capita consumption of meat,

The author is director of the Office of Ministers, Ministry of Agriculture.

eggs, milk and fish reached 22.7 kg, 6.4 kg, 4.2 kg and 10.3 kg respectively, representing 2.3, 3.7, 4.2 and 2.1 times increase over 1978. These improvements indicate that China's animal husbandry and aquatic products industry is being transformed from a traditional self-supporting undertaking to a modern, commercial industry.

Supplies of meat products, however, will still barely meet demands in the 1990s. According to scientific estimates, one Chinese person needs a daily intake of 2,400 kilocalories, 75 grams of protein (including 25 percent of animal protein) and 60 grams of fat. On the average, one Chinese person receives 2,628 kilocalories a day, but only 62 grams of protein (including 22 percent of animal protein) and 41 grams of fat. Clearly, Chinese have enough caloric intake but are still low in protein and fat, particularly in animal protein and fat. Therefore, how to increase the average consumption of meat, eggs, milk and fish is one of the questions of vital importance to people's life which China must solve in the 1990s. With a population of 1.1 billion, which increases at an annual rate of 15 million, China will have difficulties to solve it. Production potential, however, has not yet fully tapped.

### Potentials

With regard to animal husbandry, its production potential finds expressions in the following

aspects:

First, the meat product mix is irrational. Among the total meat output, pork accounts for 81.4 per cent while beef and mutton as well as fowls make up only 18.1 percent. The average worldwide, though, is 39.4 percent for pork and 58.8 percent for beef, mutton and fowls. Apparently, China's meat production is characterized by its heavy reliance on hogs that consume more food grain than cattle, sheep or fowls. If China's meat product mix were of a proportion more similar to the average world level, China could expect to increase meat output by 30 percent with the same amount of feed used now.

Second, the proportion of the mixed feed is too low, only accounting for 20 percent of the total. A large amount of unprocessed food grains is used as feed every year with a low transformation rate and serious waste. Although China is rich in straw, only 0.34 percent of it is ammonified for fodder. If this proportion is raised to 12 percent by the end of the century, it means we

will have an additional 24 million tons of feed grain and increase beef and mutton output by 3 million tons. In addition, potential also lies in readjusting planting structure to increase the planting area of feed grain and make full use of straws and grass.

Third, the backward mode of production in animal husbandry can be changed by using advanced science and technology. At present the number of pigs that can be butchered is only 85 percent of the total. If the rate can be raised to the world's average level of about 100 percent, 5 million tons of additional pork can be produced annually. Moreover, the mortality rate of pigs and fowls stands at 10 percent and 20 percent. If the death rate is reduced by half, there will be a 1-million-ton increase in meat output.

In regard to aquatic products industry, there is also room for improvement. There are 14 million hectares of shallow sea and beaches, yet less than one-seventh is used for aquatic breeding. Of some 20 million hectares

of inland waters, only one-fifth is used and this area has a low output. In sum, there is a great potential to be tapped in fish farming. The deep-sea fishing started in recent years has opened a new avenue for the development of China's aquatic products industry.

### Measures for Development

Various measures will be adopted to further develop China's animal husbandry and aquatic products industry.

First, economic policies related to the industry will be stabilized and continually perfected. These policies, which conform with the development of China's productive forces and satisfy the farmers, herdsmen and fishermen, have achieved great successes over the last 10 years. They include introducing production responsibility systems with the family as the basic unit; abolishing the state monopoly of purchase; increasing channels of commerce and reducing circulation links; allowing certain areas and people to get rich first on the

**The Inner Mongolia Autonomous Region raises more than 30 million head of livestock annually.**

BAISI GULANG



premise of upholding the policy of common prosperity; and allowing different economic elements and business methods to co-exist on the premise of upholding public ownership.

Second, construction of the infrastructure shall be strengthened to support further development. This includes the construction of a breeding system for livestock, poultry and aquatics, a system for the feed industry, a system for producing animal medicines and training veterinarians and a system for storage and transportation.

Third, feed resources will be rationally developed and used. With a limited grain resource, we must explore new sources. For this purpose, areas sown to feed

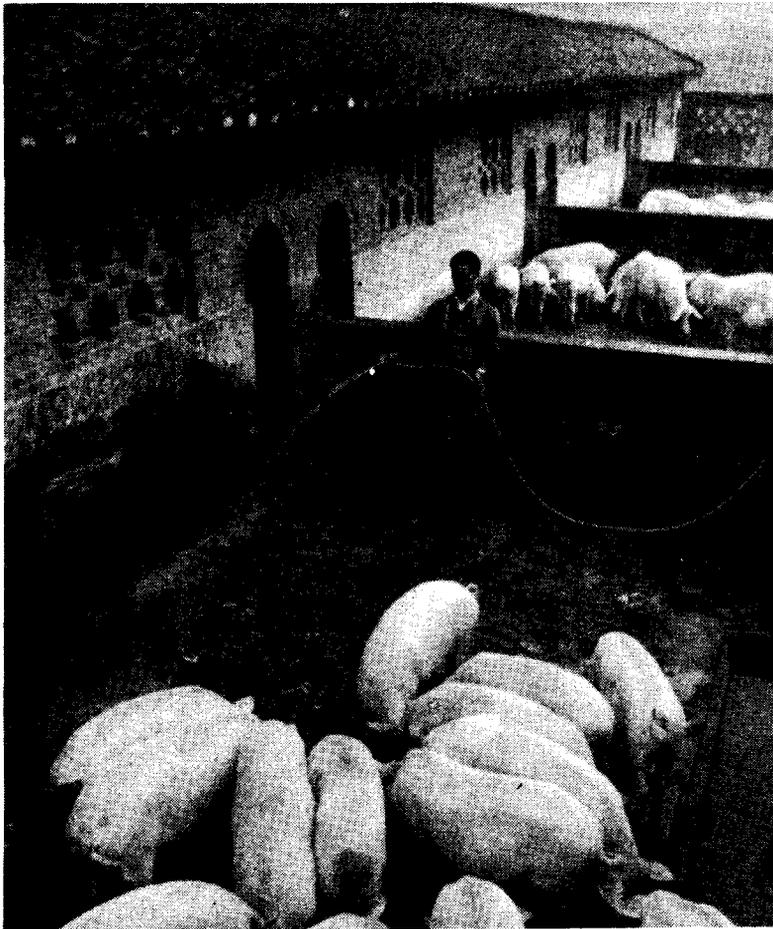
crops should be included in the state's overall planting plan, and construction of the grasslands be strengthened. In cotton and rape producing areas, production bases for protein forage resources such as cotton-seed cake should be set up. Meanwhile, we should exploit international feed resources through appropriate importation, develop deep-sea fishing and expand animal husbandry and aquatic product exchange with foreign countries.

Fourth, the service system will be strengthened. At present and for quite a long period of time to come, efforts should be made to make perfect the production and management system which combines household production with

socialized services. This is aimed at connecting millions of scattered family producers and increasing economic returns. In areas where conditions permit, some families specialized in livestock breeding or aquaculture will be encouraged to expand their businesses to a certain scale in order to introduce new technology and explore ways for intensive, modern farming.

Fifth, improved breeds of livestock and aquatics which consume less grain will be increased. While stabilizing pig raising, emphasis will be placed on production of cattle, sheep and poultry. This is aimed at, in ten years, reducing the proportion of pork in total meat production by 8-10 percentage points and raising that of beef, mutton and meat of domestic fowls by the same percentage points. In aquaculture, stress should be on breeding; but priority may be given to breeding, fishing and processing in line with local conditions.

Sixth, macro-regulation and control must be strengthened in accordance with market demand to avoid possible big fluctuation in production. To this end, production will be integrated with marketing in order to establish a comprehensive market system at different levels. This will include wholesale (or auction) stores and futures trade markets. Meanwhile, construction of infrastructure relevant to processing, storage and transportation of products will be strengthened in order to expand handling and transporting capacity. Regulations will be enacted to prevent local impediments. In addition, market research and forecast will be strengthened to avoid blind production and guarantee a stable and co-ordinated development of the animal husbandry and aquatic products industry in the 1990s. ■



Zheng Jiyu, a pig-raiser in Zunyi County, Guizhou Province, sells 100 head annually to the state.

ZHOU HAORONG

# Most-Favored-Nation Status Cornerstone of China-US Relations

By Zhu Qizhen

I wish today to share with you my views on China's economic and political reforms and the current state of China-US relations.

As you may know, China has adopted a policy of reform and opening to the outside world since 1979, and it has brought tremendous economic growth and prosperity to my country, something China has never seen before in its recorded history. During the past decade, its economic growth has surpassed that of most other countries, with an impressive average annual GNP increase of almost 10 percent in real terms. The average per capita income of Chinese citizens has literally doubled and their livelihood been greatly improved.

Today, Chinese consumers have an abundant supply of goods to choose from. Standing in long lines for hours to buy needed goods has long been a thing of the past. For the average Chinese, the benefits of the reform is not only something tangible, but intensely personal.

The opening up of the country has led to a rapid expansion of economic relations and technological cooperation with other countries. The volume of China's foreign trade quadrupled in

This is the text of a speech delivered May 16 in Los Angeles by Zhu Qizhen, China's ambassador to the United States, at a dinner sponsored by the World Affairs Council.

the last decade, exceeding US\$100 billion last year. According to the statistics of the GATT (General Agreement on Tariffs and Trade), China has joined the ranks of major international trading powers.

About 22,000 Sino-foreign equity and contractual joint ventures and wholly foreign-owned enterprises have been set up in China. These ventures have brought with them over US\$50 billion of investment. The decade also saw China setting up more than 13,300 projects of scientific and technological cooperation with other countries.

While enormous achievements have been made in the decade of reform and opening-up, there also have cropped up problems and difficulties in the course of progress of our economy. Many of them are typically associated with a fast growth rate, unsustainable investment fever and shortage of energy and raw material. Since 1988, the Chinese Government has begun to address these problems.

Over a year's efforts have yielded encouraging results: The excessively high industrial growth rate of 17.5 percent in 1988 was brought down to a more normal and manageable 8.3 percent last year. The double-digit inflation has been reduced to less than 10 percent since last October. Savings deposits in both urban and rural areas have shown a 35 per-

cent increase. Bank-runs and panic-shopping have stopped and market stability been restored.

At the end of last year, the Chinese Government decided to spend two or three years' time putting its economic house in order. The main goal is to maintain an appropriate rate of economic growth, with an annual 5-6 percent GNP growth as the desired target; to keep the inflation rate under 10 percent; to balance revenue and expenditure and gradually wipe out financial deficits.

Some people take this as an indication that China will abandon its program of reform and opening to the outside world. I can tell you that nothing is further from the truth. As a matter of fact, a central message I wish to convey to you today is that China will never turn away from its ongoing policy of reform and opening-up, as reiterated by my government on numerous occasions. If anything, this policy will be pursued with even greater vigor and energy.

For all those who follow developments in China, this is the most important message to take. To miss this point is to miss the whole picture. The reason why reform and opening-up remain in place is simple: the Chinese people have benefited so much from its policy that any deviation or reversal of the policy will go against the will of the people

and get nowhere. They have arrived at the inevitable conclusion that only reform will ensure China's future. There is wide consensus shared between the Chinese leaders and people on this.

The current economic rectification program is in fact aimed at creating even more favorable conditions for deepening the reform and opening-up. The reform policies that have proved effective have all continued. Since last year, we have deepened enterprise reforms by implementing the *Enterprise Law*, which gives factory managers clearly defined responsibilities in business management and thus raises economic efficiency. The price reform which slowed down over the last few years will also be accelerated this year.

China's special economic zones and coastal areas continue to benefit from preferential state policies in their efforts to develop the export-oriented economy. Industrial output in the four special economic zones and Hainan Province registered a growth rate of 22.3 percent last year, much higher than the national average of 8.3 percent. The 14 open coastal cities attracted foreign investment worth \$2.4 billion last year, 3 percent more than the previous year. Of that amount, \$840 million came in direct investment from foreign businessmen, 121.6 percent more than 1988.

Of course, the trend is by no means confined to the coastal areas. Despite the political turmoil, Beijing, China's capital, attracted more foreign capital and had more joint ventures set up than the year before.

A particularly encouraging development in this regard is the tremendous flow of capital into the mainland from Taiwan and the drastic expansion of trade across the Taiwan Strait. This is

again eloquent proof that business confidence in China has anything but weakened.

China's determination to pursue the policy of reform and opening-up is further illustrated by an amendment to the Chinese-foreign joint venture law passed recently by the National People's Congress. It consists of three major changes.

First, it stipulates that the

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***With the approval of the Chinese government, Shanghai, one of the largest cities in the world, announced a strategic plan to turn the eastern part of the city across the Huangpu River into an economic development zone. Covering a vast expanse of 350 square kilometers, it will be the largest such zone in the world.***

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state shall not nationalize or requisition any equity joint venture, whereas in the past the same stipulation applied only to wholly foreign-invested ventures.

The second deals with the duration of a joint venture. It lifts the limit on the duration of some joint ventures, leaving the matter for the parties of the ventures to decide by themselves.

The third concerns the selection of the chairman of the board of directors. In the past, only the Chinese partner could assume the chairmanship. It has now been amended so that the chairman and the vice-chairman shall be chosen through consultation by the parties to the venture or elected by the board of

directors. It means that they can be either Chinese or foreign. These steps have been well-received by foreign businesses operating in China.

Recently, with the approval of the Chinese government, Shanghai, one of the largest cities in the world, announced a strategic plan to turn the eastern part of the city across the Huangpu River into an economic development zone. Covering a vast expanse of 350 square kilometers, it will be the largest such zone in the world. Its low land price, good access to air, rail and water transportation and particularly its easy access to Shanghai's huge pool of inexpensive labor power and scientific and technological expertise, all make it an ideal ground for investment. The aim is to turn it into one of the major centers of international trade and high technology development on the west coast of the Pacific by the beginning of the next century.

To this end, some even more preferable measures have been envisaged, such as land-leasing to foreign investors on a long-term basis and the opening of foreign banks in the zone. Within just two weeks after the plan was unfolded, hundreds of businessmen from all over the world had flocked to Shanghai and over 100 business deals were signed. I hope this will be sufficient to put to rest whatever doubts some people may still have about China's open policy.

Los Angeles, which enjoys extensive trade ties with Shanghai, stands a good chance to benefit from this bold initiative. It is my hope that friends of the business community in the audience will not miss the opportunity, and I can assure you that the Chinese Consulate General will offer you every possible assistance it can extend.

As far as the political situation

in China is concerned, I wish to tell the audience that the situation in Beijing and the rest of the country is stable. China now enjoys political, economic and social stability. Since early this year, the Chinese Government has taken a number of steps to improve domestic political stability, which include the lifting of martial law in Beijing and the release last January of 573 law-breakers who showed repentance.

More recently, the Chinese Government lifted martial law in Lhasa, imposed as a result of turmoil last year, and released another 211 law-breakers who were deeply involved in last year's turmoil in Beijing. All these steps have shown not only the stable situation in China, but also the confidence of the Chinese Government in maintaining long-term stable political, economic and social development.

The Chinese people have suffered enough from turmoil and they still have fresh memories of the turbulent years of the cultural revolution. They fully understand that in a country like China, with such a large population and a weak economic foundation, nothing would be accomplished in the absence of the stability and unity of the nation. Therefore, the stability of the country represents the general trend and the common desire of people throughout China.

To maintain stability does not mean to preserve the status quo. Over the past decade, China has made considerable efforts in political reform and achieved remarkable progress. The most recent step we have taken in this respect is to further strengthen and improve the system of multi-party cooperation and political consultation under the leadership of the Communist Party of China.

Besides the Communist Party, there are eight other democratic parties in China. The system of multi-party cooperation and political consultation is a system within which the Communist Party and the eight other democratic parties cooperate while supervising each other. Many members of these parties serve important government posts.

Moreover, further efforts have been and will be made to strengthen China's democracy and legal system, and to improve procedures and systems for democratic decision-making and supervision. For example, the *Administrative Procedural Law* will take effect in October, with the aim of making the government more accountable to the people. It stipulates, among other things, that individuals can sue the government in court for wrongdoing. In short, China will continue political reform in accordance with its own conditions.

Now, let me turn to China-US relations. Remarkable progress has been made in our relations since the establishment of diplomatic relations between our two countries in 1979. This decade-long development of China-US relations has not only brought enormous benefits to the peoples of our two countries but also contributed to the peace and stability of the Asia-Pacific region and in the world as a whole.

China-US relations ought to have developed better on the sound foundation of their decade-long progress. This will be in the common interest of our two countries and also in keeping with the common desire of our two peoples.

First, China and the United States are two of the largest countries in the world, China being the largest in terms of population, the United States the

largest in terms of GNP. Neither of the two countries poses a security threat to the other. Both have common interests in maintaining world peace and stability, and share similar views on a number of international issues.

Our long-standing cooperation and support for the Afghan people's resistance helped to put an end to foreign military occupation of that country. China and the United States have contributed to seeking a political settlement of the Kampuchean issue. The China-US relationship is also of great importance for narrowing the gap between North and South and improving North-South relations.

As the development of the international situation is still very uncertain in this fast changing world and as the Asia-Pacific region rises in importance in the global economic as well as political arena, good relations between China and the United States will not only serve the best interests of our two countries but also contribute to the peace and stability of the world in general and the Asia-Pacific region in particular.

Second, the Chinese and American peoples have enjoyed a long-standing tradition of mutual contact and cherished profound sentiments for each other. Since our doors have been opened to each other, people-to-people exchanges have flourished on an unprecedented scale. A bond of enduring friendship has been forged between our two great peoples. Both our two peoples wish to see the further development of China-US relations. This provides the ultimate guarantee for the preservation of our relations.

Third, both countries have benefited greatly from ever-growing economic ties. Our trade has grown at an annual rate of 20 percent. The United

States has become China's number three trading partner. China has jumped to the 13th biggest trading partner of the United States. It has become one of the fastest growing export markets of the United States. Last year, our two-way trade for the first time exceeded US\$12 billion, showing a 22 percent increase over 1988. According to US figures, the volume was about US\$18 billion.

China is the largest buyer of American wheat, with a purchase of 7.5 million tons in 1989. The United States is now the largest foreign investor in China. At the end of 1989, there were 949 American-invested firms in China, with a pledged investment of US\$4.1 billion and paid-in capital of US\$1.8 billion.

Most of the American firms are doing well, with some having even more successful stories. For example, the Beijing Jeep Corporation, a joint venture between China's Beijing Jeep Company and Chrysler Corporation, has produced 159,000 vehicles in the past six years and earned almost US\$100 million in profits. Its production increased 9.3 percent in the first three months of this year. China's investment in the United States is also on the rise.

In short, the development of economic and trade relations between China and the United States over the past decade has not only brought tremendous economic benefits to our two peoples but also served as an engine that has pulled our overall relations forward.

Now, China-US relations are in difficulties. Some people are pessimistic about the future of our relations. Others wonder where these relations are headed. However, I think most people agree that these relations deserve to be preserved. Based on the experiences gained in the devel-

opment of China-US relations in the past two decades, I think three key considerations deserve our serious attention in our efforts to restore and advance these relations.

First, it is important to strictly abide by the underlying principles guiding the development of China-US relations laid down in the three joint communiques between the two countries, namely, the Shanghai Communique that marks the opening of our relations in 1972, the joint communique of 1979 on the establish-

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***The development of economic and trade relations between China and the United States over the past decade has not only brought tremendous economic benefits to our two peoples but also served as an engine that has pulled our overall relations forward.***

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ment of diplomatic relations between the two countries and the joint communique of August 17, 1982 on US arms sale to Taiwan.

The most important of them are the principles of mutual respect for sovereignty and territorial integrity and non-interference in each other's internal affairs. History has shown that when these principles are observed, our relations progress. When they are violated, our relations suffer setbacks as a result.

China and the United States have different political systems and cultural backgrounds. It is inevitable that they differ in values and ideology. This is a fact

that one has to face. However, another important fact that should not be ignored is that ideological differences should not stand in the way of the development of state-to-state relations. It did not present an obstacle to the efforts to reopen the door of contacts between China and the United States 18 years ago, nor to the establishment of our diplomatic relations in 1979.

Likewise, it should not impede the restoration and continued growth of our relations now. China-US relations have never been based on common social system or values. They have been able to grow and develop because of the important common interests shared by the two countries. So I believe that so long as we make joint efforts, we can certainly safeguard common interests while reserving our differences in values, ideologies and social systems.

On the other hand, to put pressure on China or impose sanctions against it is not the way to handle state-to-state relations between our two countries. It did not work in the past and will never work today. Being an important member of the international community with considerable weight on world issues, China simply cannot be isolated. None of the past attempts to isolate China has proved successful, and any new such attempt is doomed to fail.

Second, it is important to increase genuine mutual understanding between us, as lack of such understanding often gives rise to problems in our relations.

To enhance mutual understanding, it is of primary importance to have a keen appreciation of the historical evolution and the national conditions of the other country. What is equally important is that one should not judge another country's rights and wrongs according to the cus-

tomary criteria of one's own country. I know you have own values and political institutions which you cherish. At the same time, I think it is important to realize that China has its own political and economic dynamics. It, too, deserves understanding.

One thing you may not be aware of is that China has only 7 percent of world's arable land, which is 60 percent of that of the United States. Its per capita share of resources is lower than most other countries. Yet, it has to feed, clothe and house 22 percent of the world's population, which is nearly five times that of the United States. I don't think any government envies the challenge facing the Chinese Government. All of you who have been to China have, I am sure, a keen sense of the tremendous pressure the country faces in its drive for modernization.

It is not difficult to see that only in an environment of order can this goal be accomplished, while turmoil and riots can only serve to throw overboard all that was achieved during the past decade of reform and opening-up. Without stability, there will be no prosperity for China.

Third, it is important to handle China-US relations from a long-term perspective and avoid drastic ups and downs as a result of short-term considerations. At a time when our relations are faced with difficulties, it is all the more important to prevent them from further deteriorating.

For instance, some people want to terminate the most-favored-nation status for China. The most-favored-nation status granted by China and the United States to each other since 1980 has provided a great stimulus to the rapid development of China-US trade and economic relations. The volume of our bilateral trade in 1989 was more

than six times that of 1979. It is self-evident that both of the two countries have benefited tremendously from this mutually beneficial mechanism which has in a sense become a cornerstone of our economic relations.

Should the most-favored-nation status be terminated, it would have a destructive impact on economic and trade relations between China and the United

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***Should the most-favored-nation status be terminated, it would have a destructive impact on economic and trade relations between China and the United States and might lead to a major retrogression in the overall relations between our two countries. It would hurt the United States as much as it hurt China.***

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States and might lead to a major retrogression in the overall relations between our two countries. It would hurt the United States as much as it hurt China.

American consumers may have to pay an additional 20 or 30 percent for garments and toys they buy for the kids. For American companies doing business with China, millions of tons of grain and chemical fertilizer and billions of dollars of aircraft and industrial equipment could be at stake. And tens of thousands of American workers and farmers may lose their jobs.

The United States is well on the way to becoming China's largest trade partner. This prospect could be permanently

dimmed. What is more, America's huge share of the Chinese market would be quickly taken over by other developed countries. I am sure that this is a prospect that none of you want to see. I hope that both the US Administration and Congress will give this issue thorough consideration and act wisely in the long-term interests of China-US relations and of the well-being of our two peoples.

Ladies and gentlemen, as the decade of the 1990s sets in, the world situation is undergoing the most profound change in the post-war years. The prospects of such a change and its influence on world peace and the progress of mankind are a matter of concern to the people of all countries. Under these circumstances, China and the United States have every reason to have friendly rather than hostile relations, to engage in consultation and cooperation rather than confrontation.

Seven months ago when I came to this country, I was fully aware that I had come at a difficult time to take over a difficult job. So much is at stake for our relations, and the challenge is enormous. Yet, I remain undaunted. It is my conviction that reason will prevail over emotion, that present difficulties in China-US relations are only temporary and China-US relations will eventually be brought back to the normal track.

The famous British historian George Saintsbury had a well-known saying that "historians may lie but history cannot." I believe history will surely give high credit to those who worked hard for preserving and restoring China-US relations at the time when these relations were in their most serious difficulties. ■

## Eight Years of Panda Books

The panda is the rare and valuable native animal of China. It is also the nation's envoy of friendship to other countries because it symbolizes delight and happiness to people both old and young around the world.

The panda's importance prompted the Chinese Literature Publishing House (CLPH) (the former Chinese Literature Magazine organized in 1951) in the early 1980s to translate and publish a series of Chinese books named as Panda Books.

Begun in 1981, Panda Books aims to introduce quality Chinese literature to foreign readers and help them, using the books as an information bridge, to understand the nation's life and customs. Over several years, some 90 books in both English and French editions have been published, including collections of works by ancient and modern writers. They enable readers to follow an individual author's style of writing as well as the characteristics of literature during a particular period of time. In addition, Panda Books contain a wide range of publications about Chinese culture and arts.

The editors, translators and artists of CLPH are very experienced in faithfully putting Chinese into a beautiful foreign language. Panda Books' translations come from the Chinese Literature Publishing House, leading translators of

China and foreign Sinologists.

The first publication of Panda Books was the *Border Town and Other Stories*, written by the late famous Chinese writer, Shen Congwen. The first deluxe edition was the *Best Stories from 1949 to 1989*. The best selling book is the *Selected Stories of Chinese Women Writers* which has been published five times in English and French editions and the copyright for which is sought by a foreign publishing house. It has had 45,000 copies printed to date, the most of any Panda Books' publication. Currently, the publication of Panda Books can be divided into three aspects: classical literature, contemporary literature and modern literature.

The classical literature series highlights the best of China's traditional literature over several thousand years. In order to popularize classical Chinese culture, the Panda Books have published the *Selections from the Book of Songs, Poetry and Prose of the Tang and Song, Excerpts From Three Classical Chinese Novels, Selected Tales of Liaozhai, The Travels of Lao Can, Poetry and Prose of the Ming and Qing, Poetry and Prose of the Han, Wei and Six Dynasties* along with other famous works.

The contemporary literature series presents readers with the writings of famous authors who came into fore in the 1920s and 1930s after the

May 4th Movement of 1919 and the New Culture Movement. These works describe the suffering, doubts and struggle of those who decried the inequality of the times. As of now, the following books have been published: Ba Jin's *Autumn and Spring and Other Stories*, Shen Congwen's *The Border Town and Other Stories and Recollections of West Hunan*, Lao She's *Crescent Moon and Other Stories*, Ding Ling's *Miss Sophie's Diary and Selected Stories of Xiao Hong*, Ye Shengtao's *How Mr Pan Weathered the Storm, The Selected Poems of Dai Wangshu*, Duanmu Hongliang's *Red Night, The Selected Essays of Li Guangtian*, Xiao Qian's *Chestnuts and Other Stories and Stories from the Thirties* (Volumes 1 and 2).

Modern literature refers to some 50 publications completed after the founding of the People's Republic of China, some 50 publications in all, make up the bulk of Panda Books. These include *Selected Works of Contemporary Chinese Women Writers, Chinese Contemporary Short Stories, The Best Stories and Novels From 1949 to 1989 and The Stories from the Fifties*, Lao She's *Beneath the Red Banner*, Gu Hua's *A Small Town Called Hibiscus*, Zhang Xianliang's *Mimosa*, Sun Li's *The Blacksmith and the Carpenter*, Ai Qing's *Black Eel and 100 Poems of Ai Qing*, Ma Feng's *Vendetta*, Malginhu's

*On the Horqin Grassland*, Lu Wenfu's *A World of Dreams*, Jiang Zilong's *All the Colours of the Rainbow*, Liu Shaotang's *Catkin Willow Flats*, Wang Meng's *The Butterfly and Other Stories*, Deng Youmei's *Snuff-bottles and Other Stories*, Feng Jicai's *The Miraculous Pigtail*, Gao Xiaosheng's *The Broken Betrothal*, and Zhang Xinxin and Shang Hua's *Chinese Profiles* and others. It should be noted that many middle-aged and young women writers have made their names through the use of the genre of contemporary literature, attracting readers with vivid descriptions of their different experiences and world views. This type is best exemplified by such works as Shen Rong's *At Middle Age*, Zhang Jie's *Love Must Not Be Forgotten*, Wang Anyi's *Lapse of Time*, Cheng Naishan's *Poor Street* and Ru Zhijuan's *Lilies*.

Panda Books' subjects range from industrial line, rural life, academic works, reform, ethics, exposition of social inequities to the description on the life of the young and old diehards of the Qing Dynasty, the Long March episode of the Red Army, the fight against the Japanese invasion, the revolutionary war and the construction of New China. Writers carefully depict beautiful water villages in south China, the desert scenery in northwestern China, the life of the hunters in north China and the exotic customs of the minority nationalities in the border areas of southwestern China. Their writing styles are both restrained and demanding, ardent and detached, plain and lightly satiric, and humorous and profound. The

authors create such captivating and individual figures as Lu Wenting in *At Middle Age*, the kind-hearted Ma Yinghua in *Mimosa* as well as the simple and lovely Cuicui in the *Border Town*.

Books focused on Chinese culture include *Dragon Story*, *Beijing Legends* and *Traditional Comic Tales*. Full of facts and knowledge, these books help readers follow the cultural thread of China's history.

Since it began publishing, Panda Books have attracted worldwide attention. The major journals and newspapers of the United States, *New York Times*, *Publishers Weekly*, *Library Journal*, *Guardian* of Britain, *Globe and Mail* of Canada, and *The Mainichi* of Japan have all reviewed Panda Books' publications. The well-known American author Harrison Salisbury, for example, warmly recommended Zhang Jie's *Love Must Not Be Forgotten*, and a review in the *Globe and Mail* said that Panda Books showed the blooming of Oriental literature. One famous American artist noted that although Americans always read passionate, shocking novels, China's literature is well received by a good proportion of the American reading public. An American reader said that with regards to aesthetics serving an educational role, China's literature does an excellent job and, for just plain fun, they are the best. One foreign reader, when writing to Panda Books began his letter with the cry, "Long live Cuicui! I am fascinated by the *Border Town*."

Panda Books was one of China's first publications to enter the foreign book market.

One of the three biggest publishing companies, Baker & Taylor Co. has listed Panda Books among its items to be promoted for entry into the State Council Library of the United States. The Mosaic Publishing House of Canada, has chosen 23 Panda Books publication for the U.S. market. The John Calder Publishing House of Britain distributed 15 Panda Books to some 150 bookstores. Many United States universities selected Panda Books as teaching materials. The Beijing Institute of Linguistics and the Beijing Second Institute of Foreign Languages have selected some Panda Books as required reading for their students (including foreign students). Many foreign book businessmen have asked to be allowed to publish Panda Books. At present, publishers from Singapore, the United States, France, Australia, the Federal Republic of Germany, Belgium, Holland and the Soviet Union have established business relations with the Chinese Literature Publishing House.

In the future, Panda Books will be even more systematic in its operation as it gradually adds more famous Chinese classical and contemporary writings. Emphasis will remain, however, on modern literature.

In 1990, Zhang Chengzhi's *The Black Steed*, Chen Jianguo's *Curly Locks*, Wu Zhuxiang's *Green Bamboo Hermitage*, Ba Jin's *Random Thought of Ba Jin*, Tie Ning's *Haystacks* and Li Jieren's *Ripple Across Stagnant Water* among others are planned for publication.

by Wu Yang

## China's Asian Games Village

A group of magnificent white buildings has sprung up in a former wheat field in northern Beijing. This is China's Asian Games Village and more than 30,000 workers are striving to complete it on time for the September 22-October 7 Games.

The area's full name is the "Athletes' Village Service Centre for the 11th Asian Games." Like other Asiad villages, it will function as both workplace and recreation centre for the Asiad's athletes, coaches, umpires, delegations and news reporters.

After the Olympic Council of Asia announced in September 1984 that China would be the host of the 11th Asian Games, Chinese architects and builders gathered in Beijing to begin work on the village.

It was the first time in China's history that the country had been chosen to present such a massive athletic event. According to an official at the construction site, there will be 5,000-6,000 athletes participating in the Games. With coaches, delegation members, umpires, guests of international sports organizations and journalists, the total figure is estimated to surpass

10,000.

The village is designed to meet the visitors' needs in such areas as food, lodging, recreation and communication.

Such a massive project, China's lack of experience in the field and the pressure to meet a strict deadline increased the difficulties faced by Chinese architects, but they proved they had the skill to complete such an important task.

First, the site of the village, in a newly developed northern suburb of Beijing, has drawn positive reaction from domestic and foreign personnel. To the southeast, it coordinates with an expanse of white apartment buildings. Directly south, across a highway, is the Olympic Sports Centre, which is to be one of the 11th Asiad's major competition grounds. Transportation lines link the village to all the major scenic spots of Beijing—nine kilometres to Tiananmen Square, 20 kilometres to the Capital Airport, 12 kilometres to the Summer Palace, and there is a highway direct to the Great Wall and Ming Tombs.

Overseas Chinese, particularly real estate dealers, are especially taken with the site. For them, the

Asian Games Village is propitiously situated due north of the Forbidden City on the same north-south axis as Jingshan Park, the Palace Museum and Wumen, Tiananmen and Qianmen gate-towers. According to Chinese tradition, anyone who lives along this line will enjoy good fortune. This, along with the village's first-class facilities, pleasant setting and advantageous traffic conditions, will certainly make it salable.

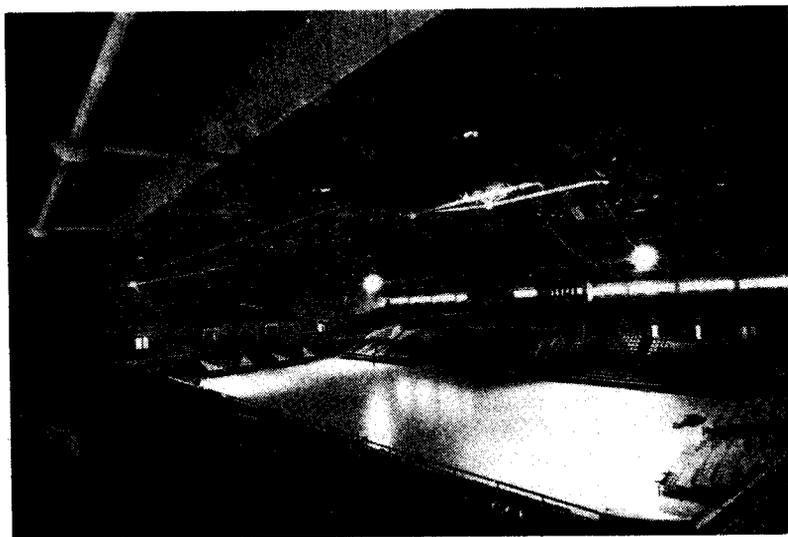
Although the village has typical modern high-rise buildings, its overall arrangement is in the traditional Chinese courtyard style. This makes it different than the conventional designs of foreign countries. Instead of surrounding buildings with gardens, the buildings form a ring around a four-hectare garden.

This arrangement reminds one of a traditional Beijing *siheyuan*, a compound with houses around a courtyard, where large multi-generational families used to live under one roof. Although big families are now rare and a number of families share one *siheyuan*, the tradition of helping each other in daily life has been preserved. The same thinking went into the design of the village; the designers want guests to feel a warm family atmosphere.

The construction of the Asian Games Village began in 1987 and its major components are as follows:

**Huiyuan Apartment Complex:** Located in the north of the village, this complex consists of 14 residential buildings of different styles, five of which are towers with first-class facilities. Floor space exceeds 27,000 square metres and all buildings are fully equipped with telephones, elevators, air conditioners, fire-alarm systems and so on.

There is an underground garage with capacity for 300 cars and a two-storey dining hall that can provide seating for 2,500 athletes. During the Asiad, the district, along with the Central Garden, will be surrounded by iron fences. In addition, armed police will be



A multi-purpose gymnasium of the newly completed Olympic Sports Centre.



Panorama of the Asian Games Village.

on guard to ensure the absolute safety of all athletes.

**Conference Mansion:** Situated in the village's southwestern corner, the Conference Mansion combines an S-shaped seven-storey building with a polygonal meeting hall. With a total area of 45,000 square metres, the mansion has more than 40 completely equipped multi-functional halls as well as meeting halls of different sizes. The large-sized halls have a seating capacity of 3,000 and the medium-sized ones can seat 700.

Because the mansion is equipped with complete audio and video facilities, including simultaneous translation in eight languages, modern offices and advanced communication services like direct-dial domestic and international telephone, telegraph, telex and fax, it is also suitable for international conferences and exhibitions.

During the Asiad, the mansion's upper five floors will be used as the headquarters of the Games Organizing Committee while the bottom three and the basement will be used as the Games news centre. This news centre has an area of about 10,000 square metres, with 3,000 square metres available for lease to news agencies.

To guarantee favourable working conditions for independent reporters, a special reporters' office with 500 seats has been established on the second floor. This office also has a TV wall consisting of 11 TV sets that will provide reporters

with live broadcasts or videotape recordings of 18 events from 21 sports venues. In addition, 30 computer terminals will enable reporters to find out any athlete's result 20-30 minutes after the competition.

The news centre also contains a 500-seat news conference hall.

**Wuzhou (Five Continents) Hotel:** With a floor space of almost 10,000 square metres, the hotel has 1,200 suits of various classes. It provides both Western food and Chinese food in Guangdong, Shandong, Sichuan, Beijing and other local styles. Other facilities include a cafeteria, a tea house, a bar, a department store, a bank, a post office and a beauty parlour. During the Asiad, it will be the resting place for reporters.

**Kangle (Amusement) Palace.** Connected with the Wuzhou Hotel, Kangle Palace is a silver grey building bearing a resemblance to an umbrella. It has an area of close to 20,000 square metres and is one of the country's playgrounds. Its indoor water park is the first in China and features a wave-action swimming pool, a water slide, sun-tanning beds and an artificial beach. The temperature is kept at a constant 28 degrees Celsius.

Kangle Palace also contains a bowling alley, a billiards centre, tennis courts, a disco hall, a gymnasium and facilities for electronic golf and a steam bath and sauna.

by Cui Lili

## Cradle of Artists

The Central Academy of Fine Arts, the highest seat of fine arts learning in China, celebrated its 40th birthday in April.

The academy grew out of the state-run Peking Arts School, which was founded in 1918 by democratic reformists led by Kang Youwei, who embraced the idea of "making foreign things serve China" and "replacing religion with art education."

After the founding of New China in 1949, the government paid great attention to the arts, the Central Academy of Fine Arts being established the following year with Xu Beihong, a master of traditional Chinese painting, as president.

Many of China's best artists gathered there, including Qi Baishi (an International Peace Award winner and holder of the title "people's artist"), Jiang Zaohe (referred to as "China's Rembrandt" by Soviet critics), Wu Zuoren, Dong Xiwen, Li Keran and Li Kuchan.

Over the past 40 years, these artists and the academy's other teachers have tried to integrate traditional Chinese painting with Western styles. They have trained more than 2,000 students, most of whom have become leading members of the country's fine arts community.

In addition, the academy has trained 360 foreign students from more than 30 countries.

Works created by the academy's teachers and artists have drawn the attention of state leaders, including Mao Zedong and Zhou Enlai. In the 1950s, state leaders decorated their offices at Zhongnanhai with works produced by the academy's artists. Dong Xiwen's oil painting *Founding Ceremony of New China* was praised for "possessing the Chinese boldness of vision."

More than 80 painters who have graduated from the Central Academy of Fine Arts have won prizes at national exhibitions. In recent years, some have also won international awards. ■

## Beijing International Kite Festival

Fifty-seven teams from China and abroad were on hand April 8 for the opening of the Third Beijing International Kite Festival, which surpassed its predecessors in both size and scope. After stiff competition, the Panda Kite-Flying Team from Nanjing, Jiangsu Province, took first place and teams from the United States and Italy won honorary awards.

On April 10, the competitors went to Tiantan (Temple of Heaven) Park to give a free exhibition of their skills. Tiantan was where the emperors of the Ming and Qing dynasties prayed for good harvests so the kites flying above the temple presented an evocative sight.

China is the home of the kite. Kite flying has been a popular

sport and recreational activity in the country for centuries. It is said that kites were invented during the Spring and Autumn Period (770-476BC).

Beijing has been the capital of five different dynasties and is the centre of China's kite art. During

flying is not only a recreational activity but also a method of self-cultivation.

Take 58-year-old Gu Deshun, for example. Gu, from Weifang in Shandong Province, has been a kite lover for over half a century. This time he presented a unique kite called Tiger-Head-Shoe, named after the special pair of shoes Chinese children wear on the 100th day after they are born. Its exquisite craftsmanship and bright



Two foreign boys discuss kite flying skills with a Chinese kite flier.

photos by CHIN XUZHI

the reigns of the Emperors Qianlong and Jiaqing (1769-1820), Beijing reached the acme in kite art as common people as well as aristocrats enjoyed the pastime.

Kite-making techniques matured over the years as kite masters refined their art. Four kites made in 1930 by He Changying, a famous Beijing kite maker, are in a New York museum.

Together with this year's competition, a kite exhibition was held in the Mentougou Cultural Centre on the western outskirts of Beijing. On display were many exquisite kites, including a 300-metre-long dragon kite and a swallow kite as small as a match box.

In the eyes of kite masters, kite

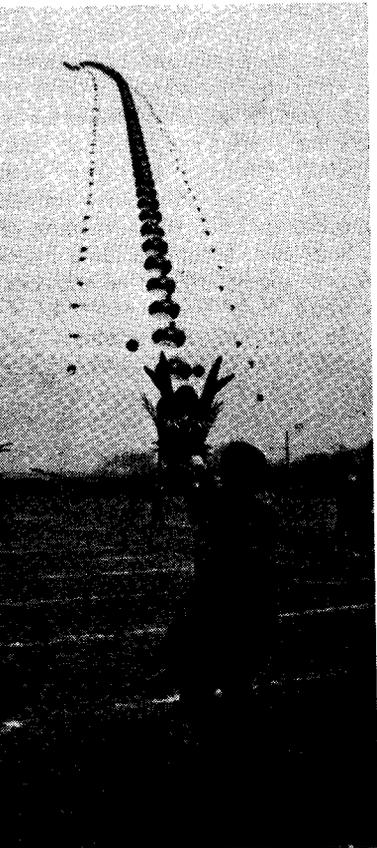
colours drew special attention and Gu's kite won the highest score for craftsmanship, although it placed only seventh overall.

Gu was not upset by the result. He is more interested in the care-free state of mind kite flying stimulates. When he flies a kite, Gu said, he feels extremely happy and forgets his age.

A young Italian couple also drew the attention of the audience with a triangle-shaped kite that trailed a long ribbon.

Kite fliers from France, Italy, Australia, the United States, Mexico and Hong Kong as well as a team by the foreign students in Beijing also entered for the competition.

by Lou Linwei



A view of the opening ceremony.



Frost Descent.



Winter in the Xingan Mountains.

## Engravings by Zhou Shenghua

Born in Shuangcheng County, Heilongjiang Province in 1949, Zhou Shenghua now works for the Association of Fine Arts in his hometown. Most of his engravings are of the landscape of northeast China.

## ART PAGE



Travelling through the Forest.

# Zhuhai Foreign Investment Administrative Service Centre

The Zhuhai Foreign Investment Administrative Service Centre is a functioning agency under the direct leadership of the Zhuhai city people's government and the Zhuhai Special Economic Zone Administrative Committee. The basic functions of the centre are:

1. Overall planning and co-ordination of the city's foreign investment funds.
2. Studying import policies for foreign investment in order to provide a basis for city government decisions on industrial policy and project administration.
3. Unified approval of foreign investment projects.
4. Supervising solely foreign-funded enterprises and providing them with guidance and service.
5. Providing the following services for foreign investors and investors from Hong Kong, Macao and Taiwan:
  - (1) Advice on investment environment and policies.
  - (2) Providing investment guidance and recommending co-operative partners.
  - (3) Assisting in lawsuits leading to resolution of foreign businessmen's problems.
6. Providing such other services as:
  - (1) Project negotiation.
  - (2) Drafting of project feasibility study reports, contracts and other documents.
  - (3) Acting as procedural agent for industrial and commercial registration, finance, tax and Customs registration and establishing banking accounts.
  - (4) Acting as agent for reporting procedures concerning capital construction.
  - (5) Acting as agent for reporting procedures concerning water, electricity and telecommunication.
  - (6) Agent for reporting procedures regarding employment of workers, technological and administrative personnel.
  - (7) Performing other administrative procedures for foreign-funded enterprises.
  - (8) Supervising all sorts of fees, maintaining the legitimate rights and interests of the enterprises and helping them solve specific problems during operation.



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