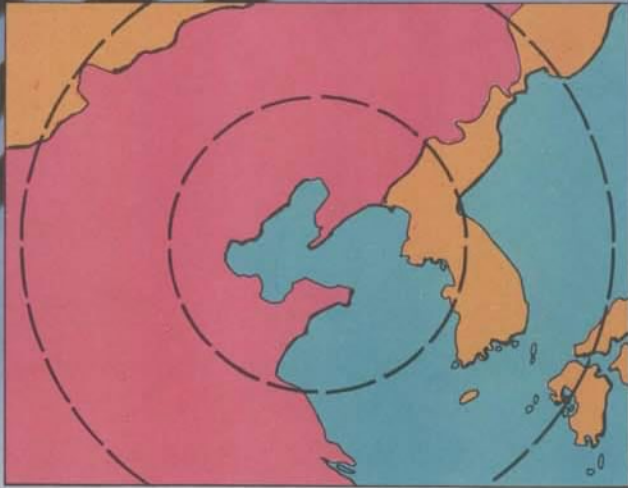


A CHINESE WEEKLY OF NEWS AND VIEWS

# Beijing Review

中国新闻周刊 北京周报

VOL. 36 NO. 50  
DECEMBER 13, 1993



## ECONOMIC GROWTH IN BOHAI SEA AREA

Fast-Growing Economic  
Cooperation



**Hongkong's English language weekly newsmagazine offers you:**

**First hand information on economic, political and social developments affecting Hongkong**

**In-depth analyses of Hongkong's relations with the mainland**

-----  
Yes, I will subscribe at the following rate:

**For Hongkong subscribers**

- 1 year (52 issues) = HK\$540
- 1/2 year (26 issues) = HK\$283

**US/Euro/Australia**

- 1 year = US\$147
- 1/2 year = US\$76

**Asia**

- 1 year = US\$128
- 1/2 year = US\$66

Overseas subscribers (including airpost)

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Tel No. (Off.) \_\_\_\_\_

(Fax) \_\_\_\_\_

Payment Enclosed

Bill Me Later

Charge my Amex

Card No: \_\_\_\_\_

Expiry Date: \_\_\_\_\_

**Payable to: ASIAN REGIONAL PROJECTS LTD**

Call (852) 896 3041 or fax this form to (852) 889 3144 / G.P.O. Box 312 Hongkong

# HIGHLIGHTS OF THE WEEK

## 1994 Important for Economic Reform

□ In 1994, China's economic reform will focus on accelerating the process of opening to the outside world, strengthening and improving macro-control, and maintain a sustained and healthy growth in the national economy (p. 4).

## A Dynamic Bohai Rim on the Horizon

□ The Rim of the Bohai Bay in north China is expected to become one of China's fastest-growing areas in the 1990s. Construction of infrastructure facilities is being accelerated for the area's economic boom (p. 10).

## Lucrative Investment Opportunities

□ Zhenjiang in Jiangsu Province, the ancient capital of the State of Wu during the Three Kingdoms Period (220-280), has attracted an ever-increasing number of foreign business people since it was designated an open coastal city by the State Council in 1988. Over 400 foreign-funded enterprises were approved in the first nine months of this year, raising the total to more than 900, involving foreigners from 29 countries and regions (p. 15).

## New Trends in Use of Foreign Funds

□ An ever-increasing amount of foreign investment has poured into large-scale high-tech and infrastructure projects in inland China, resulting in expanded scale and gradual diversification of the investment (p. 26).

## CONTENTS

### EVENTS/TRENDS 4-6

- 1994 Critical for Economic Reform
- Li's South Asian Tour Enhances Friendship
- HK Talks: Failure But Not the End
- China Set to Unify Exchange Rate
- Quick Steps Urged to Fight AIDS

### INTERNATIONAL

- Nigeria Under Military Rule Again 7
- OPEC Tries to Prevent the Decline of Oil Prices 8
- Political and Economic Situation in Eastern Europe 8

### CHINA

- A Dynamic Bohai Rim Looms on the Horizon 10
- Zhenjiang Special (I): A City Full of Investment Opportunities 15
- Zhenjiang Economic and Technological Development Zone 18
- Zhenjiang Special (II): A Renowned Three Kingdom City 18
- Mao's Family Members Brought Out of the Shadow 20

### SOCIETY/PEOPLE 23-24

### TOURISM 25

### BUSINESS/TRADE 26-28

### CULTURE/SCIENCE 29-31

**COVER:** Qinhuangdao coal dock.  
Sketch map of Bohai rim cities (insert).  
Photos by Xin Hua

General Editorial Office  
Tel: 8326628  
TLX: 222374 FLPDA CN  
FAX: 8326628  
English Dept. Tel: 8326011

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

Subscription rates (1 year):  
Australia.....AUD48.00  
New Zealand.....NZD66.00  
England.....GBP 19.50  
USA.....USD35.80  
Canada.....CAD42.80

# 1994 Critical for Economic Reform

**P**remier Li Peng said economic reform in 1994 will focus on accelerating the process of opening to the outside world, strengthening and improving macro-control, and maintaining a fast, sustained and healthy growth in the national economy.

Li spoke to the full panel of the State Council and provincial and big-city leaders at the annual national conference on economic work, which was held on December 1 in Beijing.

"The year 1994 is important for China's economy to maintain its current momentum, as well as a critical year in establishing a socialist market economy in China," Li told the conference.

The government should adhere to the principles laid down by the third plenum of the 14th Party Central Committee, which was concluded last month in Beijing, he said.

Next year, the government will put into practice some key measures to improve the country's macro-control system, Li said.

First, the People's Bank of China will be strengthened into a full-fledged "true central bank," which will have the capacity to decide and implement China's monetary policies, to fine-tune cash supply and demand, and to stabilize the currency.

Second, the government will establish three banks which issue loans for state policy consideration, and current specialized banks will be renovated into commercial banks.

Third, the government will unify the two-tier exchange rates for foreign currencies. China currently has two rates: an official one and the foreign-currency swap-market standard.

The officially mandated low

exchange rate will be abolished, in favor of a fluctuating market-oriented currency-rate system, Li said.

Beginning next year, the government will also restructure the financial and tax systems. State coffers will be insured to guarantee macro control, the premier said.

Li emphasized the importance of deciding investment scale and scope next year. Money should go to the key state and provincial projects, especially the development of resources in the central and western regions, education and scientific research projects, the premier said.

He said the present investment scale is rather big and all localities should carefully plan their own key projects for next year. Investment in urban residential housing will be increased, he added.

Li called enterprise reform "the focus" of China's overall reform scheme and the "most difficult issue" in its implementation. He said the government will try to restructure state-owned enterprises into modern, market-oriented businesses.

Next year, the government will deepen reform of the pricing system "in an active and stable manner," Li said. The people's living standards will not be lowered by any reform measures, he went on.

On agriculture, the premier pledged to raise investment in order to achieve another good harvest. Li said the government will raise the purchase prices of grain and cotton to protect the interests of farmers and prevent their yearly income from decreasing or stagnating.

The premier laid down what he termed "three principles for pro-

jects to be started in the future":

—Applications for bank loans should be filed only after a certain proportion of the capital investment is ensured for a new project;

—Loans to cover the working capital must not be used as capital investment, and banks must improve their supervision over this issue;

—New projects must have sufficient working capital and construction must not start before such funds are ensured.

## Li's South Asian Tour Enhances Friendship

**C**hina attaches great importance to the friendly relations and cooperation with South Asian countries. China hopes that these countries can solve their problems through consultation and dialogues so that the peace and stability in the region can be maintained and a favorable environment created to develop their economies.

The message was conveyed by Li Ruihuan, chairman of the 8th National Committee of the Chinese People's Political Consultative Conference (CPPCC), when meeting with Nepalese King Birendra Bir Bikram Shah Dev on November 26. Li arrived in Nepal on November 25 for a four-day official visit.

During their talks, Li expressed the hope that the Nepalese government will continue to play an active role in promoting peace, stability and prosperity in the region.

Meeting with Nepalese Prime Minister Girija Prasad Koirala the same day, Li said that his current visit is aimed at promoting friendship and enlarging cooperation and further deepening mutual understanding.

On November 29, the NPPCC chairman left Nepal for India for a six-day official visit.



LIU JIANSHENG

Chinese leaders see Li off for his tour to the three South Asian countries.

He called on Indian President S.D. Sharma on December 1 and met with Indian Prime Minister P.V. Narasihma Rao two days later. Both sides stressed the importance of furthering Sino-Indian friendship and cooperation.

In an interview with Indian journalists on December 3, Li said that the two countries, which have no competition politically and share common or similar views over major international issues, can help each other economically, and that they should make joint efforts for building a just and reasonable new political and economic world order.

On the Kashmir issue, Li said that it is a legacy of history and China hopes that India and Pakistan can solve the issue through peaceful negotiations.

On the nuclear problem, he said that the number of China's nuclear tests is limited and China has exercised great restraint on the issue.

On December 4, Li arrived in Pakistan for a five-day visit, which was the last leg of Li's tour to the three nations of Southern Asia.

Speaking at the airport upon his arrival, Li said that it is the

firm policy of the Chinese government to strengthen Sino-Pakistan friendly relations and cooperation, which have developed steadily and fruitfully in the political, economic, trade, scientific and technological and cultural fields.

Li called on Pakistan President Farooq Leghari on December 5. During their talks, Li said that Sino-Pakistan friendship has stood the test of time.

He said China will continue its support to Pakistan as long as it can. ■

## HK Talks: Failure But Not the End

**A**n official from the Hong Kong and Macao Affairs Office (HKMAO) under the State Council vowed on December 3 that China will accept no electoral bill passed by the Legislative Council of Hong Kong (Legco) before any agreement is reached by China and Britain. He also said that China will start afresh in accordance with the provisions of the Basic Law after 1997.

After painfully slow discussions, Chinese and British negotiators ended their 17th round of

talks on the disputed "political reform plan" on November 27 without reaching an agreement.

At this crucial moment, Hong Kong Governor Chris Patten said he would publish part of his reform bill concerning the 1994/95 election on December 10 and submit it to the Legco on December 15. "This decision, made in disregard of repeated admonitions by the Chinese side, is extremely harmful to Hong Kong's future and will be absolutely unacceptable," the HKMAO official said.

Lu Ping, director of the HKMAO met with a delegation from the Democratic Alliance for the Betterment of Hong Kong headed by Tsang Yok Sing on December 2. He noted that if the British side should insist on submitting the electoral bill to the Legco, it would mean the unilateral termination of the talks by the British side.

Lu said that he was disappointed but not surprised at the failure of the talks, because the British side was completely insincere throughout the discussions.

China had laid great hope on the 17th round of talks to settle disagreements over the arrangements for the elections for Hong Kong's district boards in 1994 and the elections for urban and municipal councils in 1995. However, the British side brought the talks to a halt over a technical issue.

Lu said the British side has cast aside the long-term interests of the 6-million Hong Kong residents. An agreement had almost been reached on the arrangements for the elections of the district boards and two municipal councils when the British side insisted on the resolution of voting method for the Legco in 1995.

"It is only a technical issue and there is no reason to break down the talks over a minor point. This serves to do nothing but prove the deliberate sabotage of the talks by the British side," Lu said.

The director also pointed out that it was a pretence and a play of tricks for Governor Chris Patten to propose holding the 18th round of talks. "In essence, he is trying to pressure us by getting the bill passed through the Legco before having reached an agreement. We shall not be taken in," he stressed.

Chinese Foreign Ministry spokesman Wu Jianmin told a Beijing news brief on December 2 that the responsibility of the talks failure lies entirely on the British side. Sino-British relations, therefore, are bound to be affected. Still, China will, as always, work together with its Hong Kong compatriots to maintain the territory's stability and prosperity, and to ensure the smooth transition of power in 1997.

Lu Ping met with a Hong Kong women's delegation on November 27. He said that the Chinese side hopes the talks would continue. The issue will be discussed through diplomatic channels, and no matter how many rounds of talks it takes, the Chinese side will see them through to the end. ■

## China Set to Unify Exchange Rate

China's two-tiered foreign exchange system will be unified next year in a major step towards a freely-convertible Renminbi currency, according to Tao Liming, deputy director of the Institute of International Finance under the Bank of China.

Tao said the unification of the exchange rate would see foreign exchange certificates gradually phased out starting from next year. Foreigners and residents of Hong Kong, Macao and Taiwan would be allowed to convert foreign currency directly into Renminbi.

Tao said the unification of the dual-rate foreign exchange system meant the country had made

a "formal, steady and important step" towards a freely-convertible Renminbi, the final goal of exchange control reform.

To reach the goal, he said, the country is also considering easing government control on the trade of foreign exchange. Tao said that the government will adopt serious measures to prevent demand for foreign exchange greatly surpassing supply, thereby avoiding a sharp devaluation of the Chinese currency. The measures will be related to policies concerned with foreign trade, taxes, and credit, he added.

"The government should abolish the dual-rate exchange system since the market is stable and the present Renminbi exchange rate is reasonable," said Jing Xuecheng, a researcher with the financial research institute under the People's Bank of China.

Under China's present double currency system, foreign currency is exchanged for foreign exchange certificates (FEC), while the rest of the country uses Renminbi (or people's currency). One US dollar fetches about 5.8 FEC or 8.7 Renminbi yuan at current rates.

"We favor a floating exchange rate which responds quickly to the market," said Jing, adding that it is very likely that the yuan exchange rate would seek new price levels under new economic conditions.

Another factor making the reform easier is the fact that about 80 percent of hard currency needed for the country's economic activities is now traded on dozens of swap markets across the country.

Hard currency supplied by the government at the official rate of 5.8 yuan is now only used in key state projects or for importing such necessary goods as grain and chemical fertilizers.

Lou Jiwei, director of the macro-monitoring department of the State Commission for Restructuring the Economy, said a single-rate exchange system will

bring China's foreign trade activities closer in line with international practices and will help the country attract more foreign investment and fight inflation. ■

## Quick Steps Urged To Fight AIDS

Chinese experts recently urged the government to take immediate measures to prevent the spread of AIDS.

At a Beijing conference called by the Ministry of Public Health to mark World AIDS Day (December 1), Vice-Minister Yin Dakui said that 1,159 cases of HIV-positive (Human Immunodeficiency Virus) infections had been reported in the country's 22 provinces by the end of November. It is estimated that the actual figure could be as high as 10,000 throughout the country.

The figure was obtained after studies involving 2.3 million people.

"Unless quick steps are taken now, AIDS will become rampant on China's mainland in the coming six years," Yin said.

According to the ministry, there were 171 cases of HIV-positive infections in 1989, but the figure expanded at a yearly increase of over 200 cases. Among the 1,159 cases, 80 percent were intravenous drug users and of the 19 patients who showed symptoms, 14 later died.

However, Yin noted, the trend can still be reversed through tightened surveillance and extensive public education to disseminate knowledge of AIDS prevention.

The China Association of Sexually Transmitted Disease and AIDS Control has now been established, and Shanghai opened several downtown consulting centers.

Yin said that the government would also strengthen scientific AIDS research and cooperate with foreign countries and international organizations. ■

# Nigeria Under Military Rule Again

by Xiong Mingshan

Facing nationwide political unrests and labor strikes, Ernest Shonekan resigned as head of state and commander-in-chief of the armed forces of Nigeria on November 17. The posts were assumed on the same day by General Sani Abacha, the defense minister of the recently dissolved interim government.

Abacha was born on September 20, 1943, a Moslem from the northern state of Kano. Like most soldiers of his generation, he fought in the 1967-1970 Nigerian civil war and took part in every coup d'état since the fall of General Yakubu Gowon in 1975. He was appointed chief of staff of the armed forces in 1985 by former President Ibrahim Babangida. Abacha was the only military officer in the interim national government led by Shonekan.

In his first speech as head of state on November 18, Abacha said that to solve political, economic and social problems which have plagued Nigeria, he had decided to dissolve the interim national government, the national and local assemblies, the state executive council as well as the two government-sponsored political parties, the National Republican Convention and the Social Democratic Party; ban all processions, political meetings and associations in any part of the country; and set up a constitutional conference to chart a new course for the na-

*Military rule returned to Nigeria after Ernest Shonekan's surprise resignation as the head of the interim national government.*

tion, carrying out reform of political parties and the country's major institutions.

Nigeria, the largest black country in the world, gained independence from Britain in 1960. In the past years, Nigeria was ruled by the military for over 20 years.

Not long after the coup in 1985, the military government led by Babangida worked out a plan for the transfer to civilian rule, under which local governments and national and state assemblies were set up after democratic elections.

A political stalemate resulted in chaos after Babangida on June 23 annulled the results of the June 12 presidential elections.

On August 26, Babangida stepped down as president and commander-in-chief of the armed forces and dissolved the military government. The interim national government led by industrialist Shonekan was inaugurated on the same day to rule the country until the election of a civilian president scheduled for February 1994.

Reconciliatory measures adopted by the interim government, however, failed to put an end to political crisis and the economic situation worsened with each passing day.

On November 7, the prices for petrol, diesel and kerosine shot up by over 700 percent in this largest oil-producing and exporting country in Africa, arousing which aroused a wide-spread dissatisfaction especially among the citizens.

Labor unions began an indefinite nationwide strike on November 15, further aggravating the unstable social, political and economic conditions in this country.

Abacha in his November 18 speech vowed to restore peace and stability in Nigeria and establish a lasting and legitimate democracy. He also appealed the international community to give Nigeria the chance to solve its problems in its own ways. He said so because the United States, Britain and some other Western countries are opposed to the military leadership in Nigeria. They imposed limited sanctions against it after the annulment of the results of the June 12 presidential poll.

The reactions to the military comeback are mixed. On the whole, calm and peace have prevailed throughout the nation although there were scattered protests. ■

## OPEC Tries to Prevent The Decline of Oil Prices

by Lin Xia

On November 24, 1993, ministers of the 12 member states of the Organization of Petroleum Exporting Countries (OPEC) met to decide on what action to take in face of the year-long decline in oil prices.

The meeting attributed the decline in oil prices to the high level of Western oil stock, rising output in the North Sea and a sagging global demand that has come as a result of the continuing global recession.

After fierce bargaining, the meeting agreed to keep the daily production ceiling of 24.52 million barrels decided on at a Geneva meeting held last September. The meeting also called on non-OPEC countries to cut production so as to help raise prices and stabilize the oil market.

Since the early 1980s, there has been a steady decline in prices on the world oil market. The OPEC basket price has fallen from US\$18.13 per barrel in

April, 1993 to the present US\$15.10 well below the psychological crucial level of US\$16 a barrel. The output ceiling set by OPEC has been surpassed on every occasion. The supply for August reached 24.3 million barrels a day, well above the set ceiling of 23.582 million barrels for the third quarter of this year. OPEC was warned of the fact that its members may refuse to comply with its set production figures.

On September 25, 1993, the 11th meeting of the OPEC Ministerial Monitoring Committee was held in Geneva. OPEC President Jean Ping urged the organization to fight to recover its lost credibility in the marketplace and redouble efforts to comply with its set targets. "We cannot sustain another price col-

## Political and Economic Situation in Eastern Europe

by Zhang Wen

Since 1989, East European countries have gone through dramatic changes while transferring their political systems into a multi-party democracy. The region has experienced a long period of factionalization and power struggle that repeatedly broke up and then reorganized its governments.

Now, after almost five years, Eastern Europe has moved toward a long awaited period of relative political stability.

Still, this has not been a uniform trend for all the countries in Eastern Europe. Poland, Czech and Hungary have formed multi-party democratic systems which are operating smoothly, but other countries, including

Slovakia, Romania, Bulgaria and Albania, whose democratic systems are not yet complete, are still burdened with political struggles.

The parties that assumed power after the fall of communism in Eastern Europe, who lacked the experience to maintain political and economic stability, adopted improper foreign and domestic policies. Disappointed with the deteriorating economy and the governments' inability to rectify the situation, the people in these countries turned to the older and more experienced left-wing parties in hopes of bringing back the stability they enjoyed in earlier days. Three major political forces have emerged in Eastern Eu-

rope's effort to strike a political balance and achieve economic stability.

The first is a combination of democratic socialist factions, made up of the Social Democratic Party and the Social Party, which came from the former Communist Party. For example, the ruling Democratic Left Alliance in Poland, the ruling Social Democratic Party in Romania and the Social Party in Hungary all fit into this category. Their political stances are similar to the Social Democratic Parties in Northwest European countries. After assuming power, they did not change the newly-formed political and economic systems, but paid more attention to the social welfare of the working people in the course of transferring to a market economy.

The second is a more moderate group, formed by moderate factions and others split from the left- and right-wing parties in re-



lapse, like the one we experienced in 1986," Ping said.

The Secretariat of OPEC calculated that in the fourth quarter, a season that due to the cold weather traditionally results in an increase in oil prices, the volume of oil demand for OPEC would be 25.50 million barrels per day. The meeting decided that the realistic and credible output ceiling for the fourth quarter of this year and the first quarter of next year would be 24.52 million barrels per day.

Before the fourth quarter of this year, OPEC, whose total volume accounts for 40 percent of the world's oil supply, made the decision in September to raise oil prices. However, oil prices began to decline in October, and on November 11, 1993, the prices of oil in Texas of the United States and crude oil in

the North Sea of Britain were US\$16.72 and US\$15.21 respectively, the lowest since 1988.

The oil market, like any other commodity market, will not go beyond the basic law of the market, that is, prices are controlled by supply and demand.

Since the Gulf War supply has outweighed demand in the world oil market. There has been a steady yearly decline in oil prices since 1990. The average oil prices of OPEC oil declined from US\$22.26 per barrel in 1990 to US\$18.43 in 1992. It will drop to US\$17 this year. Although OPEC established a production allocation, overproduction by its member countries was severe and further lowered oil prices.

In addition, in October, the oilfields in the North Sea of Britain and Norway began a large

increase in oil output. The average oil output in September increased from 4.27 million per day to 4.7 million, further aggravating the unbalance between supply and demand. During this period, the oil depots in the Western industrialized countries were full. According to the statistics of the International Energy Organization, the total oil storage of those countries was 335 million tons in the third quarter this year, an increase of 8 million tons over the same period last year.

The situation could worsen if Iraq succeeds in its effort to have the United Nations end the three-year embargo on its oil exports. The oil from Iraqi wells would add to the surplus making it even more difficult for OPEC to bring prices under control. ■

cent years, such as the ruling factions in Bulgaria and Slovakia. They hold political views similar to the left-wing parties, but do not advocate socialism.

And the third is made up of the right-wing parties, such as the ruling Civic Democratic Party in Czecho and the ruling Democratic Party in Albania. They have also begun to draw lessons from their political experience and have readjusted their domestic and foreign policies to meet the international and domestic needs.

Eastern Europe has suffered a slump in production and an overall economic crisis as a result of the difficulties that often arise in the transfer from a planned economy to a market economy.

Up to now, East European countries have spent three years making the transfer, and it has not been a smooth process. They have privatized some of their former state enterprises, increased economic ties with West-

ern countries, imported foreign capital, released control over prices and liberalized their foreign trade as well as local currencies. The governmental organs have also changed according to the needs of a market economy. At present, the market mechanism plays a dominant role in their economies.

However, difficulties still remain, such as the slump in production, rising inflation, unemployment, a growing budget deficit, foreign debts and fund shortages. The most knotty problem is how to privatize or revitalize the large and medium-sized state-owned enterprises. Meanwhile, the market economy mechanisms have been set up just recently and still need more time to be perfected.

The transfer to a market economy in Eastern Europe has affected different countries in different ways. In view of the current situation, the economies of

Czech, Poland and Hungary are expected to begin to recover before 1995 and should reach high levels of growth by the end of this century. Romania, Bulgaria, Slovakia and Albania will most likely be slower to recover and will not catch up to the above-mentioned three countries for some years.

Whether East European economies can restore and grow smoothly will, to a great extent, depend on the improvement of international economy. If the economy in Western countries suffers further depression, it will be difficult for East European countries to rapidly develop their economies. In the near future, these countries may place their hopes on the newly developed small and medium-sized private enterprises, which, enjoying a high growth rate, are the most active sector in their economies and can promote their national economic growth as a whole. ■

# A Dynamic Bohai Rim Looms on the Horizon

by Our Staff Reporter Yao Jianguo

*The Bohai Rim in north China is envisaged as one of China's fastest-growing regions in the 1990s. The others include the Pudong New Area in Shanghai and the Yangtze River Valley.*

**E**arly this year, the Land Investment Corp. of the Republic of Korea (ROK) completed years of meticulous investigations and feasibility studies and singled out China's Tianjin Economic and Technological Development Zone as the site for the first Seoul-sponsored overseas industrial zone project. According to the contract signed last February for the compensat-

ed transfer of land-use rights, some 100 ROK companies will invest US\$200-400 million in the zone within the next two years.

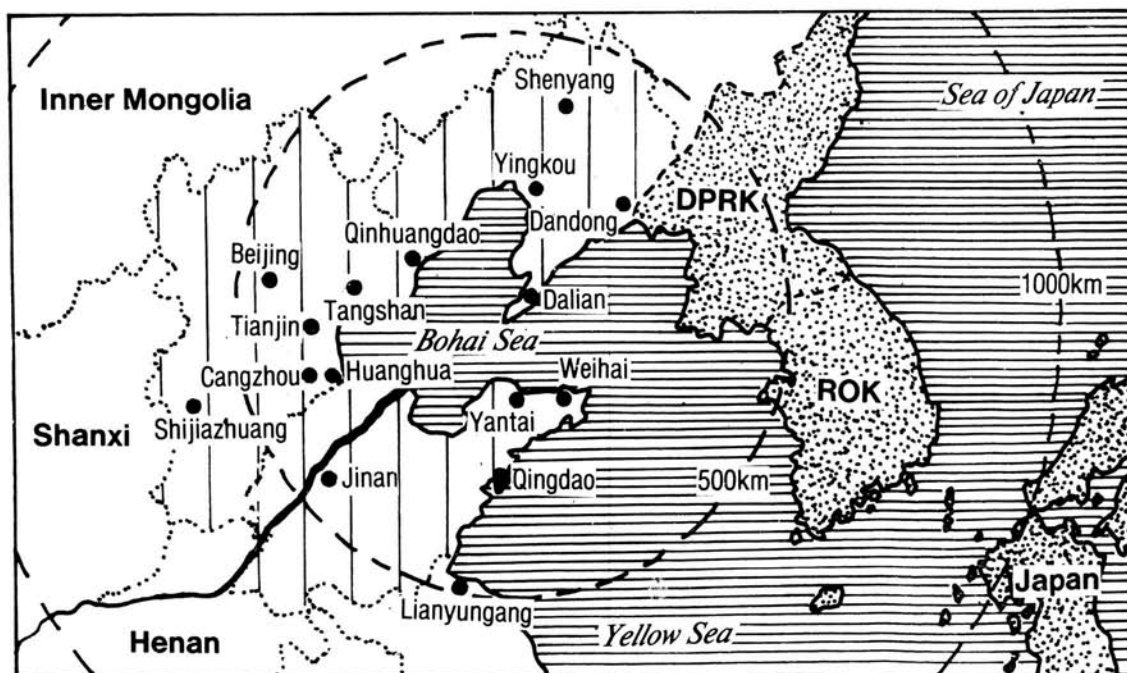
The decision of the ROK demonstrates its confidence in the future of Tianjin, a major industrial center in the Bohai Rim.

## A Land of Treasure

The coastline of China's inland

Bohai Sea stretches well over 50,000 km. The Bohai economic rim includes some 10 large and medium-sized coastal cities, including Dalian, Tianjin, Qinhuangdao, Qingdao, Weihai and Yantai, as well as hinterland cities such as Beijing and Tangshan, and the Liaodong and Shandong peninsulas.

The Asia-Pacific region is currently the most dynamic of the world's three major economic blocs—the Asia-Pacific Economic Cooperation, the North American Free Trade Zone and the European Community. It is widely believed that the Bohai



Rim will become one of the world's most vigorous regions as a more open world economic pattern develops.

Tong Dalin, a prominent Chinese economist, was the first to advance the concept of Bohai Economic Rim. He believes that considering all factors, the region is a land of treasure unique in the world.

In recent years, facts have proved the correctness of Tong's remarks. The Bohai Rim, which covers only 5.1 percent of China's total territory and is home to only 17.9 percent of the national population, produces almost one-quarter of the country's gross industrial output value. In 1987, three of seven provinces reporting a total industrial output value in excess of 100 billion yuan were located in the Bohai Rim. That same year, eight of China's 25 cities exceeding 10 billion yuan in gross domestic product were in the region.

In terms of natural resources, the region's iron ore deposits account for 40 percent of the national total, while the area has 45 percent of the country's proven oil reserves, 40 billion tons of coal reserves and produces some 40 percent of the national output of cotton.

Shandong's output value for coal, oil and natural gas ranks second in the country, while its output of electricity and natural gas leads the country, followed closely by Liaoning and Hebei provinces. The output of Hebei's ferrous metals ranks first in the country. Shandong and Liaoning rank first and second respectively in terms of the output of building materials. In terms of petroleum processing and chemical production, Liaoning ranks first and Shandong

ranks fourth. The region thus has distinctive advantages unmatched by China's other economically advanced regions.

Ports provide the Bohai Rim with even greater superiority. Its ports link large and medium-sized coastal cities to more than 160 countries and regions, and account for near 50 percent of China's annual handling capacity and 60 percent of foreign trade. Imported machinery and equipment flow through the harbors into the north China market.

The Bohai Rim region enjoys an advanced communications

Dalian in the Bohai Rim. The Dalian-Manzhouli-Hamburg line is some 13,000 km shorter than the sea route, thus decreasing transit time by 20 days and reducing transportation costs by one-third.

In addition, some 50 airlines link the Bohai Rim with cities throughout China and numerous foreign countries.

In the earliest years of reform, preferential policies focused on Guangdong and Fujian provinces in south China. Somewhat later, the country began to pay attention to the Bohai region. In 1984, China decided to open 14



YANG BAOKUN

The Tianjin Economic and Technological Development Zone attracts more foreign investors.

system featuring dense highway and railway networks, the country's most extensive multi-track railway system, and a higher level of technology and equipment than the rest of the country. The Harbin-Dalian, Beijing-Shanghai and Beijing-Shenyang railways provide easy access to major ports.

The eastern end of two of the three Eurasian Continental Bridges begins in Tianjin and

coastal cities, including Qingdao, Yantai, Qinhuangdao, Tianjin and Dalian which are located in the Bohai Rim. These cities have become forerunners in attracting foreign capital, and introducing advanced technology and management expertise to the region.

In 1992, the Bohai Rim was named one of the country's 10 economic zones by the State Planning Commission. In October of that same year, the 14th

National Congress of the CPC called on the region to accelerate reform and opening during the 1990s. Following the Pearl River Delta and the Yangtze River Delta, the Bohai Rim is destined to become another of China's rapidly developing areas.

### The Lure of Bohai Rim

The strategic position of the Bohai Rim has attracted great attention overseas. Several years ago, a Japanese professor predicted that in the future Dalian will become the heart of Northeast Asia.

At present, Japanese businessmen are most interested in Dalian and Qingdao, cities closest to Japan. According to Wang Shijia, deputy mayor of Dalian, investments from Hong Kong, Taiwan and ASEAN countries are on the rise, and Japan has thus far provided most of the capital. For example, the 2.17-square km industrial land development project has attracted 22 Japanese companies and banks, the most prominent of which are Canon, Matsushita, Toshiba and TDK.

According to recent statistics, Japan's overall share of foreign investment in China between 1979 and 1988 stood at 13.3 percent. However, Japanese investment in Guangdong and Fujian provinces stood at only about 2.35 percent and 2.93 percent respectively. The picture for the Bohai Rim was quite different, with Japanese investment in terms of total foreign investment standing at 28.16 percent in Beijing, 19.83 percent in Tianjin, 17.84 percent in Liaoning, and 13.03 percent in Shandong, figures much higher than in other parts of the country.

The ROK has ambitious plans to initially edge into the Bohai Rim market and then the entire Chinese market, the strategic goal of its US\$30 billion program for development in coastal



The Tianjin-Ulan Bator Continental Bridge opens.

MA FENG

areas.

As part of an effort to reach the goal, ROK companies have accelerated investment in the Bohai Rim. Shortly after the two countries established diplomatic relations in 1991, ROK companies said that greater opportunities would open to them once they gain a foothold in the Bohai Rim.

The fact that they entered the Chinese market much later than other countries has filled ROK enterprises with greater enthusiasm. For example, in 1992, Shenyang, Liaoning Province, had only 72 ROK-funded enterprises, while in the first seven months this year alone another 82 firms were licensed. In Yantai, the number of ROK-funded enterprises rose from five in 1990 to 97 in the first six months of this year, and the number is expected to reach 150 by the end of the year.

In October 1993, the Daewoo Group of the ROK decided to invest US\$300 million to build a 2.4 million-ton high-grade cement plant in Sishui, and Rizhao Port in Shandong, the latter being the largest exclusively foreign-funded project in China.

The ROK is also launching its

second largest land investment project in China—the Korean Industrial Zone in Weihai, Shandong Province. A ceremony to mark the laying of the zone's foundation stone was held in August 1993. The zone will eventually cover 13.8 square km, and first-stage development is currently under way on four square km. Thus far, nine joint ventures have registered with the zone, with total contracted foreign investments rising to US\$20 million.

The ROK is one of the top five foreign investors in the Bohai Rim. Its investments expand from the Shandong and Liaodong peninsulas to cities deep in north China. In addition to investments in small and medium-sized enterprises, the ROK has invested in large enterprises and consortiums with higher technology levels and more capital. Incomplete statistics show that over the past two years alone the ROK has established about 1,000 joint ventures in the Bohai Rim, or 70 percent of its total investment in China.

In addition, numerous other countries and regions have expressed great interest in the region. For example, Saudi Arabia,

the ROK and China are jointly developing a "petrochemical town" in Qingdao at a cost of US\$2.5 billion. Siemens of Germany has joined with Chinese companies to build a hi-tech electronics town costing US\$180 million. The Singapore industrial zone will cover 10 square km.

The United States has long been one of China's major investors. The Motorola project in Tianjin is considered a model for successful corporation. At present, American consortiums and representatives of cooperations are scurrying to Shenyang, Tianjin and Dalian seeking further cooperation.

Some economists believe the influx of foreign investors will enhance the region's efforts to attract ever more foreign capital. At present, foreign investment not only involves individual projects, but massive land development projects as well. More importantly, China's state-run large and medium-sized enterprises are now cooperating with foreign investors in an effort to upgrade facilities. The Bohai Rim is rapidly evolving into

another major center of foreign investment.

Increasingly, greater numbers of people are gaining an understanding of the importance of the Bohai Rim in Northeast Asia and the Pacific Rim. Between 1989 and 1991, scholars and specialists from China, Japan, the United States, the ROK and Australia attended four symposiums to discuss the prospects for

joint development and cooperation in Beijing, Hawaii and Seoul.

### Enhancing Development

The Bohai Rim has accelerated the construction of infrastructure to prepare itself for the demands of rapid development.

Local port construction has continued without interruption

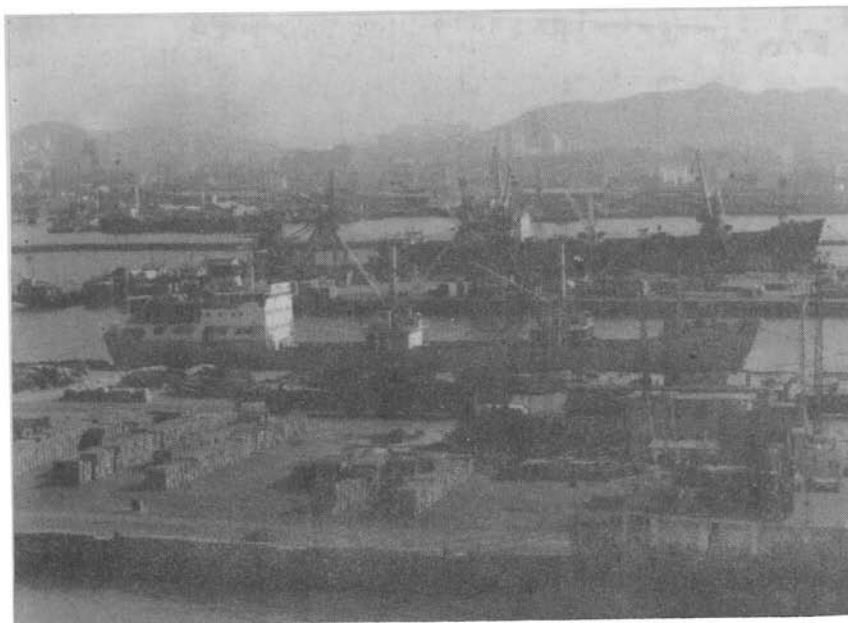
ROK customers purchase drawwork in Yantai.

SHI PANQI



Dalian Port has established trade relations with more than 150 countries and regions.

MIAO MING



since the mid-1980s, despite China's economic austerity policies. During the Seventh Five-Year Plan period (1986-90), the central government and local authorities jointly allocated some 4 billion yuan to upgrade six ports located in Dandong, Dalian, Qinhuangdao, Tianjin, Yantai and Qingdao. Some one-third of the 200 berths China built during the period are located in the Bohai Rim.

The work has continued at a brisk rate during the Eighth Five-Year Plan period (1991-95). The first-phase construction of the Qianwan Port in Qingdao, completed this year, boasts

the same handling capacity as the 102-year-old Qingdao Port. By the end of the century, the port will become a comprehensive port with a 14 km deepwater coastline and an annual handling capacity in excess of 100 million tons.

Dalian is planning to build the deepwater Dayaowan Port, a huge port with an annual handling capacity of 100 million tons. By the end of the century, the port will serve as an international transfer port, a container center for north China and a grain distribution base for the Far East.

A three-stage expansion project transformed Qinhuangdao Port into China's largest energy related port. Nonetheless, the port still fell short of meeting the needs of economic growth, and the fourth-stage expansion project is currently under way.

Likewise, Tangshan, which Sun Yat-sen envisioned as an ideal place for a large port, is considering building the Wangtan Port. Dandong will construct the Dadong Port which will have a 200-meter-long docking area protruding into the Bohai Sea from the northernmost point of

China's long coastline.

The eastern terminal of China's second east-west trunk railway, built to facilitate the country's strategic shift of its energy center to the west, is located in Huanghua in the Bohai Rim. The auxiliary Huanghua Port is currently in the planning stage.

In addition, cities in the Bohai Rim have worked hard to build more airports and establish additional international air links. They have also constructed expressways, installed computer-controlled telephone systems and ocean cable. In September 1990, Weihai opened direct ocean-going passenger routes to Incheon in the ROK. Construction of the Beijing-Tianjin-Tanggu Expressway, funded by the World Bank, was completed this year. Furthermore, Tianjin is allocating 2.4 billion yuan to build a financial, trade, recreational and Olympic center to promote coastal development. The feasibility study for the Tianjin-Tanggu high-speed track communications has been approved, and construction of the project is expected to begin next year.

As part of the effort to promote development in the Bohai

Rim, China plans to undertake four massive projects which will span the coming century, including a water-diversion project from south to north, a railway system transporting coal from the west to the east, and a 10-million-ton iron and steel production base. China is also planning to open additional sea routes from Yantai to Dalian. The 89-nautical-mile route, along with a submarine tunnel, will link the region more closely, and will lay the foundation for booming development during the next century.

The Bohai Rim tops the country in terms of investment density. Zeng Chongming, director of Qingdao Economic and Technological Development Zone Administration, said, "Here, the area of each footstep has already cost 3,700 yuan." This way of investment is common in the Bohai Rim.

Supported by ports, coastal cities have mapped out their blueprints for development. In June 1993, Tianjin decided to transform itself into a world-class free trade port and international metropolis by enhancing development of the eastern area.

Hebei Province has singled out Qinhuangdao, Tangshan and Cangzhou as open areas. Dalian has advanced the concept of establishing a "second Hong Kong" in north China. Yingkou, in the central part of the Liaodong Peninsula and on the east coast of the Bohai Bay, claims to have revived its status as an "ideal Oriental trading port."

The above-mentioned plans and schedules will help promote economic development in north China. It is all but a foregone conclusion that the Bohai Rim, together with the Pearl River Delta and the Yangtze River Delta, will serve as the "driving force" leading China's overall economy by the end of the century or early next century. ■

**A view of the Weihai Carpet Plant, which earns substantial foreign exchange from exports.**

XU XIANGJUN



## ZHENJIANG SPECIAL (I)

# A City Full of Investment Opportunities

by Our Staff Reporter Dai Yannian

*Zhenjiang City, a late bloomer in economic development located in the Yangtze River Delta, has attracted an ever-greater number of foreign business people.*

**Z**henjiang, an open city in Jiangsu Province, was the ancient capital of the State of Wu during the Three Kingdoms (220-280). The five-day Three Kingdoms Famous City Tourism and Sightseeing Festival held here in last October attracted 8,000 Chinese and 742 foreign tourists. Taking this opportunity, they visited scenic and historical sites and enjoyed theatrical performances. Visiting business people carried out fruitful investment negotiations.

According to Yu Yaozhong, deputy director of the festival's Organizing Committee, Zhenjiang signed 357 contracts and letters of intent with foreign business people. Negotiations involved investments of over US\$1.18 billion, with the negotiated value of foreign capital reaching US\$416.88 million.

Projects involved in the wide-ranging negotiations have the following features:

—Investments involving foreign capital increased, with 32 projects entailing investments of between US\$4-10 million each, and 16 projects exceeding US\$10 million each. An agreement signed between Zhenjiang's Chuanshan Limestone Mine and foreign business representatives involved foreign investments totalling US\$205 million, including registered capital of US\$68.33 million and negotiated foreign

capital of US\$54.66 million.

—Many agreements were for exclusively foreign-owned enterprises and projects in which foreigners provided the lion's share of the investment, while the Chinese partners provided non-fiscal assets. Some 22 of the negotiated projects involved exclusively foreign-owned enterprises, with total investments standing at US\$65.2 million and negotiated foreign capital at US\$60.69 million. Foreign investment accounted for over 50 percent of the total investments in 179 projects, accounting for 50.1 percent of the total number of negotiated projects.

—Contracts for 12 agricultural projects were signed for intensive processing related to aquaculture, agriculture, forestry, animal husbandry, sideline occupations and fisheries.

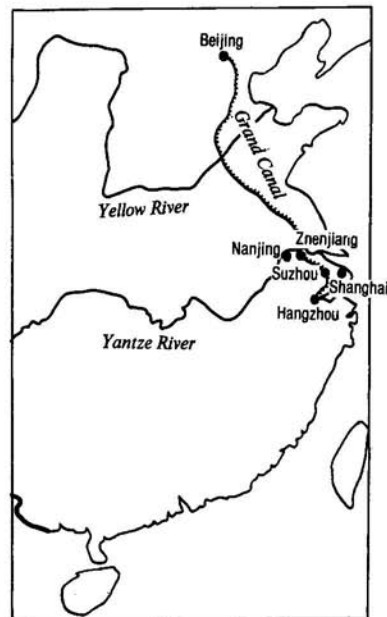
—Seven land-lease contracts were signed for the construction of commercial, office and residential buildings.

—A number of projects involving high and new technological products were also signed, including an automobile remote-control safety system which was concluded between Zhenjiang's Danyang County and foreign business representatives.

—Tertiary industry projects accounted for 13.7 percent of the total. While attracting foreign capital and technology, Zhen-



Mayor Fang Zhizhuo.



jiang City also established enterprises abroad. Seven contracts for overseas enterprises and five contracts for labor services abroad were signed.

At present, Zhenjiang City has more than 400 enterprises manufacturing nearly 1,000 export products. The products were shown during the much heralded '93 Export Commodities Exhibition, which recorded a high transaction volume of commodities.

The influx of foreign business people to Zhenjiang is not fortuitous.

Zhenjiang City approved its first foreign-funded enterprise in 1984, and was designated as an open coastal economic area by the State Council in 1988. Development accelerated after 1992 with the approval of 362 foreign-funded enterprises, a 3.8-fold increase over the total of the previous eight-year period. Some 405 foreign-funded enterprises were approved in the first nine months of this year, raising the total to over 900 enterprises involving

foreign businessmen from 29 countries and regions. The 300-odd operational enterprises report satisfactory production and operations, and a number have recorded good economic returns. In 1992, for example, 14 foreign-funded enterprises, including the Sino-Japanese Zhenjiang Changjiang Fodder Co., earned over US\$1 million in foreign exchange each.

The Jiangsu Marvisde Plastics Co. Ltd., a joint venture funded by China, the United States and Hong Kong, which produces plastic floor tiles went into operation in March 1987. The following year the company produced 940,000 square meters of plastic tiles and recorded an output value of over 8.45 million yuan, earning US\$780,000 in foreign exchange. In 1992, its output stood at 4.97 million square meters with a total output value of 50.32 million yuan and foreign exchange earnings of US\$2.34 million. Over 40 percent of its products are sold to more than 10 countries and re-

gions, including the United States, Britain, France and Australia. Although the plant is comparatively small for a Sino-foreign joint venture, its plastic floor tile sector leads the country in output, sales volume, quality and foreign exchange earnings.

The Sino-Thai Zhenjiang Jiangkui Electronics Industrial Co. Ltd., founded in 1985, manufactures stereo disc players. Its annual output reaches 200,000 sets, a major portion of which go to Germany. As a result of good economic returns, the partners have established three satellite enterprises producing laser stereo systems, electronic rectifiers and other electronic components.

Zhenjiang, which is located at the juncture of the Yangtze River and the Beijing-Hangzhou Grand Canal, has jurisdiction over a large urban district and three counties. The city covers 3,843 square km and has a population of 2.6 million. Zhenjiang Port, which ranks third amongst harbors along the Yangtze River in

Crowds gather outside trade fair.







US clients choose products.

Photos by DAI YANNIAN

terms of capacity, has 11 25,000-ton berths, and dispatches ships to more than 40 countries and regions. The Beijing-Shanghai Railway runs through the city. Although the city currently lacks an airport, it is only 40 km from Changzhou Airport to the east, and 60 km from Nanjing Airport to the west. Zhenjiang has a comparatively comprehensive industrial complex, and is home to the country's largest thermal power plant. Its anchor chain production sector is well known, and its pulp production, tin and aluminum processing enterprises are the largest in east China.

At present Zhenjiang lags behind economically developed areas such as Suzhou, Wuxi and Changzhou to the east. Zhenjiang Mayor Fang Zhizhuo said that following a recent fact-finding tour of Zhenjiang, economists

noted that less developed areas surrounded by developed areas have the greatest potential for development and are perhaps the best bet for investors.

Zhenjiang City has relatively abundant mineral deposits awaiting development. Its high-quality limestone reserves stand at over 3 billion tons, all of which are suitable for open-cut mining. The city also has abundant reserves of iron, copper, molybdenum, marble, dolomite, coal, phosphorus, refractory clay, gypsum, graphite and bentonite.

The investment environment in Zhenjiang City continues to improve at a rapid rate. The Shanghai-Nanjing Expressway which runs through Zhenjiang is scheduled for completion in 1996. With the new expressway, the travel time between Zhenjiang and Shanghai will take only around two hours. The highway

bridge spanning the Yangtze River, which will link Zhenjiang and Yangzhou, is scheduled for completion in or about the year 2000. The new bridge will provide the city with a convenient north-south transportation system.

Summarizing the city's economic situation, the Zhenjiang deputy mayor noted that the Yangtze River Economic Belt is one of China's key areas for opening during the 1990s. Large-scale development has already taken place in the belt which centers on the Pudong New Area in Shanghai, and macro-control measures for economic areas have generated fruitful results. He said that now is the prime period for a new round of investment in China. The deputy mayor warmly welcomed foreign investment in Zhenjiang, and expressed the firm belief that success can most definitely be achieved through the joint efforts of all. ■

## Zhenjiang Economic and Technological Development Zone

A group of new buildings, including standard workshops, residential blocks, commercial establishments and restaurants, have arisen on the southeastern outskirts of Zhenjiang City, Jiangsu Province. The site is the location of the Zhenjiang Economic and Technological Development Zone which is still under construction.

The zone, 6 km from the city proper, covers a total planning area of 20 square km and includes an industrial district, living quarters and a high-tech industrial park. Ground was broken on August 1991 to begin initial infrastructure work



The Zhenjiang Economic and Technological Development Zone.

such as land levelling, roads, power, water steam and gas supply, sewage works, and postal and telecommunications services on a 5.73-square-km area. To date, such facilities have basically gone into place for a 3.33-square-km area and a 2-square-km area has been leased to business interests from the United States, Japan, Thailand, Taiwan, Hong Kong and Macao for factory building. Two standard factory buildings covering 36,000 square meters are ready for lease or sale. Some 27 foreign-funded enterprises entailing total investment of US\$104 million have been registered in the zone. Among them, 17 have started construction, trial production or formally gone into operation.

Jia Bingkun, director of the development zone administrative committee, said the committee has authority to approve projects injecting less than US\$30 million of foreign capital. The zone offers first-rate, speedy and highly efficient streamlined services for investors in line with international practices. It provides preferential policies for income taxes, land transfer fees and land use charges. Overseas investors enjoy sole decision-making rights to select projects and factory sites, plan schedules, hire employees and decide investment form, plus management autonomy. ■

### ZHENJIANG SPECIAL (II)

# A Renowned Three Kingdom City

by Our Staff Reporter Dai Yannian

*A time-honored, cultural and key tourist city, Zhenjiang holds many places of historical interest and scenic beauty that have lured ancient and modern Chinese and foreign visitors. The Beigushan Hill and Ganlu Temple are famous attractions dating from the ancient Wu State (222-280).*

In the third century, the Han Dynasty fell apart into three kingdoms: Wei in the north, Shu in the west and Wu in the east. All three states contended for hegemony and aspired to attain unification. Wei was the most powerful among the three. Zhuge Liang, a strategist of the Shu State, plotted to form an alliance with Wu to resist Wei, and the two won many battles against Wei. However Shu and Wu both used Wei as a cat's paw to weaken each other and expand their own strength for the sake of in-

dividual gain. The three employed different stratagems against each other. *The Romance of the Three Kingdoms*, a famous Chinese classic known to every Chinese household, portrays events of the period.

Beigushan Hill, rising beside the Yangtze River in northeast Zhenjiang City, earned its name thanks to its steepness and solidity. At the slope entrance, armor-clad soldiers with spears in hand line the road, and flags emblazoned with the character for Sun, standing for the Wu king

Sun Quan, flutter high in the sky. The vision plunges travellers back into ancient times.

The city wall meanders along the front ridges of the hill. The guide said Sun Quan at one stage made the site his capital thus turning it into the earliest city in Zhenjiang. However the old city wall was destroyed long ago and the present one is a reconstruction.

Halfway up the hill, along the quiet old stone stairs with towering trees on both sides, several mountain top temple buildings are visible through tree crevices. They form the Ganlu Temple where Liu Bei, king of Shu, wed Sun Shangqing, Sun Quan's sister.

The marriage was actually a plot by Sun Quan, who schemed to kidnap Liu Bei by inviting

providing different beautiful vistas. On the wall inside the building hangs a painting of Sun Quan's mother greeting Liu Bei. While Sun's mother was inspecting her future son-in-law, Sun himself set up 300 killers outside, waiting to murder Liu at the proper time. Sun's mother discovered the trick and castigated them, forcing the would-be assassins to withdraw.

Inside the hall of the Ganlu Temple, a tableau of wax figures vividly portrays the wedding ceremony of Liu and Sun Quan's sister.

On another cliff of the Beigushan Hill, stands a pavilion called Jijiangting (offering sacrifices to the river). After Sun Quan's sister went to Shu with Liu, Sun Quan lied to his sister that their mother was near death

current toward the burial place of her husband.

Shu and Wu were weakened by their internecine conflicts and were finally annexed by Wei. History opened a new page.

Visitors to Beigushan Hill who recall or learn about the Three Kingdom stories cannot help but linger and reflect on these wise tales.

The places described form



Wax Figures of Liu Bei and Sun Shangqing.



Ganlu Temple.

Photos by DAI YANNIAN

him to Wu for the ceremony in order to obtain an upper hand over Shu. But Sun Quan's mother did not know it was a ruse. When she met Liu she liked him immediately and the sham marriage became a true one.

Duojinglou is the place where Sun Quan's mother became acquainted with Liu Bei. The building, perched on a precipice facing the river, has winding corridors in four directions, each

to lure her home. She missed Liu very much while she was in Wu. On learning of Liu's demise following defeat by her native state, her grief led her to the pavilion to make religious offering for the soul of her spouse. Then she jumped into the river. Legend has it that afterward her body floated on the water. A flock of birds carried down fresh flowers to cover her form and accompanied her as she swept down the

only a small part of the scenic sites of the Three Kingdoms. Now a Three Kingdom Tourist Zone, 9 km from the city proper in a scenic mountainous area in the western suburbs, is being built. It includes a complex of buildings that recreate Han Dynasty structures based on the historical novel. The entire project, requiring a total investment of 200 million yuan, will cover 40 hectares. Inside a recreated ancient city wall, there will be a Wu city, a Wu imperial palace and garden, a Shu city, a Wei city and faithfully reconstructed ancient battlefields. Some of the structures have been completed and used as outside sets for CCTV's major TV serial *The Romance of the Three Kingdoms*. ■

# Mao's Family Members Brought Out of the Shadow

by Li Yanchun

*They used to be quiet, overshadowed and kept in low profile as compared with other first family members throughout Chinese history. Today, 17 years after Mao Zedong passed away, they are still little known. What happens in his family, and especially how his descendants fare, remains a question in most Chinese minds. Recently, at the approach of Mao's 100th birthday anniversary this December 26, some brief reports about his family have appeared in the Chinese media. The following are excerpts from a story in the popular tabloid "Beijing Youth Weekend".*

At the foot of the secluded Western Hills in Beijing live Mao Anqing, the youngest son of Mao Zedong and his first wife Yang Kaihui, Mao Anqing's wife Shao Hua and their only son Mao Xinyu.

Mao Anqing is 69 years old. After undergoing intense sufferings, both physical and mental, for decades, he is now fairly well. In his childhood, Mao Anqing was separated from his father for some years after his mother was killed by Kuomintang agents. During that period, when he lived as a waif, he suffered from cold, hunger and various sicknesses. Finally he was found by the Communist Party and sent for recovery to Moscow, where he met his future wife.

Now living a serene and comfortable life, Mao Anqing spends most of his time reading and playing chess and billiards at home. He sometimes sings, and most of his favorite songs are those popular in the former Soviet Union. He sings them, of course, in Russian. Since he was educated from childhood in

Moscow, Russian is like his mother tongue. Conversations between him and his wife are usually in Russian.

The Mao family is famous not only for the great leader but also for a number of revolutionary martyrs including Mao Anqing's mother, his elder brother who died in Korea during the Korean War, and some of his uncles. In 1990, when he returned to Bancang in Hunan Province to attend the 60th anniversary of his mother's death, he was warmly welcomed by the local people who gathered around him asking for his signature.

Shao Hua, Mao Anqing's wife, is an active figure in the Mao family. During the past 30 years of marriage she has been devoted to her work and taking care of her husband and other members of the family. After graduating from the Beijing University's Department of Chinese in 1966, Shao joined the army. She is now still in uniform, with high rank.

Apart from her military duties, Shao is occupied with social activities. She serves as a member of the

National Committee of the Chinese People's Political Consultative Conference. At present she is busy, together with her husband, editing a series of books about Mao Zedong. The series, titled "China Brought Forth a Mao Zedong," marks the 100th anniversary of Mao Zedong's birth. Shao often acts as spokeswoman and representative of the Mao family at various events concerning the late great leader.

The 22-year-old Mao Xinyu is perhaps now the most conspicuous member of the Mao family. Resembling his grandfather, he is tall and well-built, weighing over 100 kg. Many people, including those who know him only by sight, consider Mao Xinyu to be a copy of his grandfather in appearance, resonant voice and gait.

Graduated from the history department of the Chinese People's University this summer, he has begun post-graduate studies at the same university, majoring in Mao Zedong Thought. Choosing this major was the decision of himself and family members.

Mao Zedong was a historian, well-known for his good use of historical knowledge in strategy and tactics. Mao Xinyu, following his grandfather's interest, researches in the history of the Ming and Qing dynasties. He is so keen on history books that his mother sometimes needs to procure other books for him to widen his interest.

He can relate in detail stories of many great and dramatic figures in Chinese history. When asked who he believes is the greatest in modern China, he says without hesitation, "Mao Zedong, of course." He reads intently everything about Mao Zedong and has collected numerous books, articles and clippings about his grandfather.

The most splendid heritage Mao left in his study in Zhongnanhai, the working- and lodging place of Chinese leaders, is his great collection of books, most of which are valuable history books. Since the study now is a public belonging and managed by the government, Mao Xinyu asked for and got a



**Mao Zedong in Beijing (1949) with his eldest son Mao Anqing and daughter-in-law Liu Songlin and daughter Li Na.**

special permission to use some of the collection. After much work in the study, Xinyu finished his BA dissertation entitled "On Setting Up Separatist Regimes by Lords in the Tang Dynasty." He said that after finishing his post-graduate

course he would write a book on his grandfather.

Mao Xinyu has visited Shaoshan in Hunan Province, Mao's birthplace, several times together with other family members. Each time he was warmly welcomed and re-

ceived by local people, who hold Mao Zedong in great respect.

In November 1991, he paid his first visit to Yanan where his mother was born and his grandfather spent 13 years leading Chinese Communists to build their first solid base in China. Xinyu visited the field on a hill where his grandfather planted hot peppers during the hard years nearly a half century before, and found the land lying waste. He borrowed a hoe and began weeding. Before long local people gathered, adults and children, gazing at Mao Xinyu, then they joined him in hoeing, shedding tears and quietly sharing reminiscences.

Li Na, the only daughter of Mao Zedong and Jiang Qing, and her husband have retired. They live simply and have always evaded the press. Their only public activities are donating money for people suffering from natural disasters and for the Hope Project which helps drop-outs return to school. They may be seen standing in line to buy vegetables and other daily necessi-

**Mao Zedong and Li Na in Beidaihe, a summer resort, in 1960.**



ties like hundreds of thousands of ordinary Beijing residents.

Wang Xiaozhi, Li Na's only son, is 20 years old. Slim, handsome and 1.80 meters tall, he is said by many people to look like the young Mao Zedong wearing Edgar Snow's eight-angle Red Army cap while leading an uprising in the Jinggang Mountains. Since he had a hard time in his adolescence, Xiaozhi is a precocious young man.

After graduating from junior middle school, he continued his education in a vocational school of foreign affairs. Three years later he found a job in a hotel run jointly by Chinese and foreign owners. The reason why he strikes out for himself early rather than going to university is based on a family tradition that young men should learn from society through practice, according to his mother.

While working for a year at the hotel, Wang Xiaozhi has always done well whether in service or technical work, according to the hotel staff. He is learning business management on his own. "The present goal for me is to enter the business world from the bottom, from the very beginning," he says.

It often happens that he is inter-

rupted during work by foreign guests who are interested in his family background. They ask him if he thinks it fitting for a grandson of Mao Zedong to work as a hotel clerk. Xiaozhi's reply is, "My grandpa said, 'serve the people.' This is how I do it."

Like the other grandchildren of the Mao family, Wang Xiaozhi is extremely devoted to his grandfather despite the great leader's ups



Li Min (left) and Li Na commemorating their father's birthday.

Mao Anqing (left), Mao's youngest son, his wife Shao Hua and their son Mao Xinyu setting a flower basket in Mao's Memorial Hall.

Photos by WANG CHENGXUAN



and downs in prestige. He buys every book about Mao Zedong provided it is serious and of good quality.

In middle school, geometry and history were his fortes, which later helped him develop his interest in military history and strategy. He read widely and researched in detail the strategy, tactics and weaponry during the Gulf War in 1991 and was regarded by his associates as an expert on this war. Another hobby of his is collecting information about various types of car from all over the world, and he admits the possibility that he may one day go into the car industry and business.

Li Min is another daughter of Mao Zedong by his second wife, He Zizhen. Li Min has lived alone in Beijing in recent years; her husband, Kong Linghua, works in the technical field and is now in Shenzhen, Guangdong Province. They have a son and a daughter. The son is a military attache in a Chinese embassy abroad and the daughter, a university student, lives on campus while at school.

According to Wang Xiaozhi, Li Min has even less social life than his mother. She rarely leaves the house and spends most of her time reading and caring for her two Persian cats.

Li Min invites friends to her home twice a year, one on December 26, her father's birthday, and again on September 9, the date of her father's death. The guests include all the staff working for Mao Zedong and friends with whom Li Min spent her school days in Moscow. The conversations between Li Min and her friends are mainly in Russian.

Li Min's daughter, who refused to give her name, lived with her grandmother for some years in Shanghai before returning to Beijing to join her parents. The grandmother, He Zizhen, a revolutionary heroine, nurtured an independent and strong character in the girl. She says that she does not want to live in the shadow of her great forebear. "I should be myself. That is all," she says confidently. ■

# Young Woman Bicycles Across China Alone

by Our Staff Reporter Shang Rongguang

When I met her in a hotel room in Taiyuan, capital of Shanxi Province, she was on the telephone. "I'm in Taiyuan now....I miss you, I miss all of you," she was saying, her voice was choked and her eyes watery. Thinking she might need some privacy, I made to leave, but she waved me to sit down and handed me her card which introduced the girl and her mission: "Yan Xia, 22, is bicycling towards the sun. I left Kunming, Yunnan Province on May 10, 1993 and will tour all the 23 provinces, five autonomous regions and three municipalities directly under the central government on the mainland of China...."

A pretty girl like her cycling the vast wild land alone! My heart jumped. Looking closely, I noticed though the girl had a strong build and tanned skin like the horsewomen of the grasslands, her face showed that special elegance found in southern women. And I also noticed that she was speaking the southwestern dialect. I could not wait to hear her story.

Yan told me she had left home five months ago. She was a graduate of a secondary vocational school in Kunming where she had been trained to be a book keeper. But the profession of accounting obviously did not suit her, a born athlete who had already won several prizes in provincial competitions. At the age of 17, her bicycle team representing the city of Kunming won a bronze medal; the following year, she won the championship

of the 57-kg weight class in Yuannan's body-building tournament; again she won a gold medal at the province's first billiard competition.

Yan was working at the Activity Center for Senior Officials affiliated with the provincial Party committee. Her responsibilities included arranging sports and entertainment activities for the elderly, and teaching disco and fitness exercises. It seemed to be the right place for Yan to display her energy. But three years later, she quit the job.

"It was a good job, and I loved the old people and enjoyed singing and dancing with them," she said. "But the environment was too comfortable for someone my age. I did not want to lock myself in carpeted rooms enjoying light music for the rest of my life."

Yan then went to work for a real estate company as a public relations person. However, after a very successful beginning of three months, she decided to leave the high pay and her satisfactory boss behind for her dream—to travel around the country—alone, and by bicycle.

## An Urgency to Realize Her Dream

"I love art, sculpture in particular. It has always been my dream to see the plains, plateaus, mountains and seas of China with my own eyes and to learn our nation's cultural tradition of different nationalities in different places," said Yan. "When I turned 22, I suddenly felt an urgency to do it. If I don't do it

right now, I may lose the opportunity forever." I knew what she meant. Most Chinese women get married and have babies in their mid-20s. Yan's is certainly not a program for a mother with a baby.

The other motivation that urged Yan on her way were the changes taking place in the country. "The 1990s will be the decade of the greatest change in this century, and I'll go and see it with my own eyes," Yan said. She believes that while the nation's economy is developing rapidly, its culture is also experiencing a dramatic transfiguration. Yan said that when she heard primary school students sing Hong Kong and Taiwan popular songs instead of children's songs, when she saw her painter friends drop prolonged and creative work and turn to commercial painting, she was very much worried. "China cannot be rich in economy and poor in culture. Art should not be forgotten and the cultural traditions must be carried out," Yan said. She hoped that her cycling would call the Chinese youths' attention to culture and art.

## Enjoying Warm Hospitality

Yan has cycled through the western and northwestern half of China over the past five months, including Sichuan, Gansu, Qinghai, Xinjiang, Ningxia, Inner Mongolia, Shaaxi and Shanxi. She told me that her experiences were like a book she never had a chance to read in school.

In Qinghai Province, she spent a night with a Mongolian family in their yurt. The hostess began to treat her with milk tea, butter cake, and yogurt... all the best she had to offer before Yan had even finished her self-introduction. Touched by this simple and sincere warmth, Yan felt at home and later joined the

girls in milking the sheep. It was there that Yan was given her Mongolian name Aluona, which means pure and beautiful.

When she was cycling along the Great Bend of the Yellow River in the Ningxia Autonomous Region, she saw sunflowers everywhere—more than she had ever seen all in her life. She was so much attracted by their round seed plates that she decided to carry one on her bicycle despite her stiff principle of adding no extra weight to her luggage. So, when she passed a sunflower cart, she asked the farmer to sell her one. "No, no. It's not for sale," the old man replied, and then said, "You take one if you like." Surprised by this generosity, Yan was grateful and embarrassed. "It was the first time that I understood the concept of 'simple honesty' in Chinese literature when it refers to northern farmers," the southern girl said.

### Greatest Difficulty: Lack of Understanding

On her way, Yan braved deserts and mountains, and the harsh weather of northern China. I could imagine the hardships she had been through. When asked what was most difficult, Yan said she was not afraid of any tangible hardships such as sickness, fatigue, or even danger. The most difficult thing to deal with was an occasional lack of understanding by people and their cold eyes that went with it.

Yan set herself a budget of 10 yuan a day for both housing and food. She could only afford the cheapest inns. Sometimes, she found shelter in farmers' homes. In cities and tourism spots, she had to go from hotel to hotel to bargain for a lower price. Sometimes, she got free accommodations from state institute-related reception centers. But often, the good fortune would turn sour.

Once in a provincial capital she was warmly welcomed by an official guesthouse. They even let her stay in the meeting room before they could find her a room. However, when she went to the cafeteria for the free meal she had been offered, the waitress was reluctant to serve her, and she had to ask twice for a simple supper. Some well-intentioned people tried to convince her: "You are not a beggar. Why do you put up with this, why not go home?" Yan was excited while talking about this, and her answer was absolute: "There were times that I felt sad and angry,



Yan Xia arrives in Turpan, Xinjiang.

but I never gave one thought to turning back."

To fulfill her goal of completing the trip in 500 days, Yan cycled eight hours to travel 100-160 kilometers a day. In Xinjiang, where villages are sparsely scattered, she would buy two *nang* (Uygur-style cake) and fill her water bottle before setting out in the morning. "It was nice to sit in the desert chewing the *nang*. The world was so immense and I was so small. I had never felt so close to nature," Yan said. While the hardships

hardened her will, Mother Nature nurtured her body. She recovered smoothly from a fever and stomach ache and gained weight.

### Supportive Parents

As the mother of two girls, I finally asked the question that had been on my mind throughout the interview: "What did your mother think of your plan?"

"Oh, she cried and did not want to let me go," Yan answered. "But when she realized there was no way to change my mind, she gave in. Before I left home, I received a card from Mom on which she wrote 'good sons and daughters travel the world to realize their goals.'"

Both Yan's parents are doctors who used to serve in the army. While her mother kept expressing her worries, her father, an old soldier, discussed the details of her plan with her, making suggestions as to the best routes to choose.

A trip like this is very expensive for Yan and she had used almost all her savings. Even worse, her mountain bike and camera were stolen on her way and she had to buy new ones. But she refused to receive money from her parents. "I have given them enough to worry about, I cannot increase their financial burden," she said. Yan said when she arrived in Beijing, she would find a temporary job and make some money so that she could continue her journey to the northeast.

"What are you going to do after you finish this trip?" I asked, bringing the interview to a close. "I'll sum up my experiences and write a book," Yan answered without hesitation. "Then, I want to cooperate with some cultural organization to build a cultural town in Kunming where people can taste the Inner Mongolian meat and Xinjiang *nang*, and learn about the cultures of different nationalities." ■



## Pleasure-Cruise Business Talks

In mid-November, the Three Gorges International Pleasure-Cruise Business Talks was successfully held aboard the *Princess Jeannie*, the first large luxury cruiser on the Yangtze River. Sponsored jointly by the Jiangsu Overseas Tourist Co. and the Sino-US Regal China Cruises, the event was attended by about 100 travel agents from the United States, Japan, Australia, Switzerland, Britain, Singapore, Hong Kong and Taiwan, in addition to over 120 managers from China's mainland travel services.

Participants from Hong Kong, Australia and Switzerland indicated their willingness to sponsor international meetings aboard pleasure-boats. Some ov-

erseas travel agents signed letters of intent or cooperative contracts with the Cruises Center founded jointly by the Regal China Cruises and the Jiangsu Overseas Tourist Co. In conjunction with the opening of the Three Gorges scenic spot tourist route, the Hong Kong China International Travel Service made contacts about opening tourist charter flights between Hong Kong and Shashi in Hubei.

*Princess Jeannie*, *Princess Elaine* and *Princess Sheena*, designed and built by a Hamburg shipyard in 1992, are all luxury pleasure-boats up to international standards. Measuring 129.15 meters in length and 16 meters in width, they each offer 10 luxury cabins and 135 standard

berth rooms equipped with individual toilets and bathrooms. Passenger capacity is 289 persons. On board facilities include central air conditioning, a beauty parlor, massage room, sauna bath, gym, laundry, gift and antique shops, Karaoke dance hall, bar, and Chinese and Western-style dining rooms. A commercial center also provides fax, cable, photo development, photocopy and typing services. Performances of local operas, folk dances, *qigong*, martial arts, *taijiquan*, acrobatics and calligraphy, as well as ethnic minority costume shows take place aboard the boats. Traditional Chinese medical treatments, such as acupuncture and moxibustion, shiatsu, massage and *qigong*, are also available for those suffering from arthritis, hypertension, arteriosclerosis, vasculitis and other diseases. To please the different palates of travellers, Yangzhou, Shandong, Hubei, Sichuan, Anhui and Western dishes are concocted by famous chefs. All the guest rooms and catering services are provided by the Jinling International Hotel Management Co., the first of its kind in China.

Abiding by the principles of "high efficiency, high quality, high reputation and first-class service," the China Jiangsu Overseas Tourist Co. has advanced amidst sharp competition since it started overseas business in 1980. It has established branches or offices in California, Dueseldorf, Tokyo and Hong Kong. The general manager of the company recently said that utilizing chances for cooperation with the Regal China Cruises, his firm aspires to create a new image for Yangtze River tours with first-class pleasure-boats, peak service and quality.

by Gu Yongliang

\* The author is general manager of the China Jiangsu Overseas Tourist Co.

Upper: Zhang Xu (center), chairman of the board of the Regal China Cruiser, introduces the Three Gorges scenic spots to travel agents. Lower: Pleasure-cruiser *Princess Jeannie*.

Photos by WU NAITAO



## Fast-Growing Economic Cooperation

China's contracted projects and labor services abroad have expanded rapidly since the beginning of this year. By September, the number of Chinese enterprises engaged in overseas labor service, design or consulting contracts had topped 300, and a total of 8,531 labor service contracts had been concluded, up 57.8 percent over last year's same period. The total value of contracts reached US\$4.01 billion, and the turnover hit US\$2.7 billion, an increase of 54 percent over the previous year's same period. Some 164,000 workers and staff are working abroad, up 52,000, and Chinese enterprises are providing contracted services in 169 countries and regions.

Over the past year, the Ministry of Foreign Trade and Economic Cooperation has authorized another 70 first-class design and consulting enterprises to provide design, and consulting, prospecting and supervisory services abroad, predicting China's great potential in the international project contracting market. Moreover, many enterprises have endeavored to expand technological and managerial labor services, improving the level of labor cooperation significantly. Since 1992, while striving to consolidate its markets in Singapore, Hong Kong, Macao, Japan and the Republic of Korea, China has opened new markets in more than a dozen other countries, including Cambodia, Israel, Albania and Ukraine.

In recent years, Chinese contractors' capacity of undertaking large-scale overseas projects has increased dramatically. For example, the China Fujian International Co. and other firms have contracted to construct ex-

pressways in Hong Kong, a power station in Pakistan and the Macao International Airport. These projects involved contracted investments of US\$160 million, US\$560 million and US\$620 million respectively. The China Harbor Construction Engineering Co., China Construction Engineering Co., China Highway and Bridge Construction Co., China National Metallurgical Products Co. and China Water Conservancy and Electric Power Co. have been listed amongst the world's top 225 contractors.

In 1994, China plans to further expand its foreign contracted engineering and labor service cooperation, with considerable increase in the volume of new contracts and turnover and the number of employees working abroad. ■

## New Trends in Use of Foreign Investment

Recent statistics show five distinct characteristics in foreign investment in China.

For example, the number of large-scale high-tech projects funded by transnational corporations from Western countries has increased. Companies which have announced medium- or long-term investment plans in China include Motorola and IBM of the United States, Philips of the Netherlands, Citroen of France, Volkswagen AG of Germany, and TBZ of Italy.

Secondly, investments in large-scale infrastructure projects involving energy and the construction of highways, railways, bridges and harbors have increased.

Thirdly, an increasing amount of capital has been pooled in central west China with the further development along the Yangtze River and border and inland areas, and the growth for

1992 exceeding that in coastal areas.

Fourthly, the scope of investment has extended to banking, insurance and general merchandise retail sectors.

And, finally, the forms of investment have become more diversified, with the number of joint venture shareholding companies increasing rapidly. By the end of 1992, more than 20 foreign-funded shareholding companies had been established, and 18 companies had listed B-shares in Shenzhen and Shanghai securities exchanges.

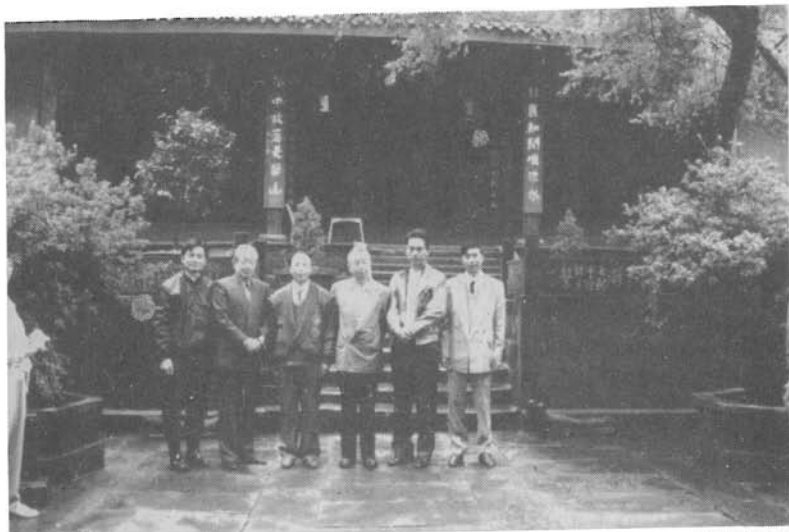
The more than 50,000 foreign-funded enterprises currently in operation employ over 5 million Chinese workers. Most of them are operating smoothly, and their foreign exchange receipts and expenditures remain in balance, with a number having recorded surpluses.

In the first nine months of 1993, the Chinese government approved 62,789 foreign-funded projects, up 125 percent over the same period of 1992. They involved US\$83.1 billion in contracted foreign investment and actually used US\$15 billion, increases of 171 percent and 158 percent respectively. ■

## Joint Development in Mingshan County

A delegation headed by Hisada Shoichi, president of the Shonan Co. affiliate of the Matsushita Co. of Japan, visited Mingshan County, Sichuan Province, in October and investigated an edible thick mushroom-production area.

Mingshan County, located on the southwestern border of the West Sichuan Plain, is blessed with a favorable natural environment and undulating hills. A warm climate allows the county to produce a variety and large quantity of agricultural, sideline



MINGSHAN

County Party Secretary He Ping (third left) accompanies Hisada Shoichi to visit Mingshan Mountain.

and specialty products, which enjoy a ready market. The county's natural environment is ideal for edible thick mushrooms which have been exported to Japan for the past 10-odd years.

Over the past four years, Mingshan has attempted to attract both international and domestic clients, and has placed emphasis on product quality, while strictly adhering to contracts and maintaining its good reputation. The county's efforts have won high praise from Japan, and its products have sold well in Tokyo, Kobe and Osaka.

The two sides have forged a profound friendship during their long-term economic and trade activities.

The president visited and investigated export-oriented enterprises which have good economic returns and strong technical forces.

He participated in detailed negotiations with county government officials concerning existing economic cooperation projects. In addition, both sides exchanged opinions and suggestions regarding the expansion of cooperation. The president

signed a letter of intent to establish friendly relations between his company based in Moriguchi City and Mingshan County. ■

### **Bayer of Germany to Invest in China**

In an effort to further strengthen ties between chemical industries of China and Germany, the Chinese Ministry of Chemical Industry and Bayer AG Co. of Germany signed a comprehensive cooperation agreement in Beijing on November 27.

Bayer, one of the world's largest producers of chemicals, has engaged in wide-ranging cooperative ventures with China in various fields, including organic and inorganic chemistry, fine chemicals, pesticides and dyestuffs. According to the agreement, the two sides will promote wide-ranging and efficient cooperation, and jointly develop science, technology and trade. The agreement calls for technological exchanges, joint research, development and investment, and cooperation in establishment of markets. In addition, the parties will expand

cooperation in numerous other areas, including joint development of technology, factories, engineering design, personnel training, environmental protection and trade. In line with the agreement, Bayer's board of directors recently approved the implementation of five cooperative projects valued at US\$200 million.

At a recent news conference attended by domestic and foreign reporters, Dr Dieter Becher, a member of Bayer's board of directors, said the company's 1992 sales volume in China reached DM520 million. He pointed out that Bayer's desire to grow in China would be hindered by simply relying on exporting products to the country. Becher said: "Now is an opportune time for Bayer to open production facilities in China. We are certain that providing China with state-of-the-art technology will enable the country to establish a firm similar to Bayer. Such a firm will promote an advanced chemical industry for China, that will meet environmental protection requirements."

by Wu Naitao

### **China's First Fund in Overseas Stock Market**

The C.H. China Investment Ltd., a joint venture between CITIC (China International Trust and Investment Corp.) Australia Pty. Ltd. and the Hambros Co. of Australia, was recently approved by the Australian Stock Management Commission, and will become a member of the Australian Stock Exchange on December 21, 1993.

The new company will be China's first investment fund in an overseas market with a Chinese management base. The first investment issued will involve \$A35 million and will be in-

creased to \$A70 million after 18 months. Money will be invested in the following sectors:

—Listed shares of Chinese firms in major Chinese and international stock exchanges;

—Non-listed companies in China's mainland; and

—Non-listed foreign firms which have a major portion of their property and business in China.

CITIC Australia Pty. Ltd. is an overseas subsidiary of CITIC. An official from CITIC said that CITIC Australia Pty. Ltd. will become its branch in the Asia-Pacific region. The first public issue of funds will indicate that CITIC Australia Pty. Ltd. has taken a key step toward developing financial undertakings. It will encourage entry by Australian funds to the growing Chinese securities market and provide Australian investors with a convenient entry channel. The success of the listed funds will have a profound influence on further exchanges and cooperation between financial sectors of China and Australia.

by Li Ning

## **Pingyuan Opens Pigeon Market**

Pingyuan County, Shandong Province, opened China's largest pigeon market in October of this year. Since opening, thousands of domestic and foreign pigeon fanciers and businessmen have visited the market to negotiate business deals, or simply view and admire.

The so-called pigeon city, a garden-style market shadowed by trees, covers 33,000 square meters. Its over 3,200 stalls are divided into three sections concentrating on differing sales activities—carrier pigeons, unique species and meat. The market, which has a capacity of 100,000 pigeons, offers breeding pigeons,

various types of feed, and cages and accessories. The market also offers services such epidemic prevention and processing.

Pingyuan County is renowned throughout China as the home of pigeons. The Encheng Pigeon Festival sponsored by the county dates back well over 100 years. During Spring Festival each year, pigeon enthusiasts from Beijing, Tianjin, Hebei, Henan and Shandong journey to the county to show and fly their birds and participate in business negotiations.

Farmers in the county are no longer content with simply raising pigeons for personal appreciation. As an important line of business, the county's pigeon industry has developed at an unprecedented rate. The county now breeds 8 million pigeons, and sells pigeons and processed products to over a dozen provinces and municipalities in China, as well to a number of Southeast Asian countries. Three of the county's 18 towns now raise 200,000 birds each, while the capacity for four towns nears 300,000 birds. The county's rapidly developing pigeon industry now includes 20 pigeon markets. As part of an effort to further develop the pigeon industry, the county government has made October 25 the date for its annual pigeon festival. ■

## **China Aviation Funds Placed**

Recently, US\$96.6 million raised abroad since November last year for the first aviation project was placed, and negotiable securities issued by the fund have been sold in Europe.

The aviation fund, one of negotiable securities in accordance with international practice, is an international trust and investment fund within a specially designated business scope. It uses

the strength and prestige of high-tech sectors of China's aviation industry to raise funds abroad, in order to provide China's aviation manufacturing industry with funds for civil products.

The aviation fund will attempt to attract overseas idle funds to establish Sino-foreign joint ventures, a move which will help promote existing products, improve quality, expand scale and increase returns. Funds will be invested in both coastal and interior areas. Joint ventures receiving grants from the aviation fund will be allowed to import foreign funds from other sources, as well as technology and management expertise. They will also be allowed to establish joint ventures and cooperative enterprises with domestic businesses. The fund will be a valuable aid in China's effort to promote socialized coordination. At the same time, it will promote the transformation of operational mechanism of enterprises in China's aviation industry, and will have a significant positive effect on deepening the reform of enterprises and rapidly linking with the international market.

Implementation and use of the aviation fund will ease fund shortages currently facing China's aviation enterprises and institutions. The new fund will promote the transformation of their operational mechanisms and the upgrading of technology, thereby allowing them to significantly increase economic returns.

Relevant departments will make efforts to continue contacts with international banking sectors and investors in order to attract more funds. The registration application for the Aviation Industry (China) Investment Co. Ltd., the consignment investment agency for China's aviation funds, was approved last May in Cook Islands. ■

## TV Popularizes Science

A minor test of common scientific knowledge that asked "does the earth revolve around the sun or the sun around the earth" revealed 17 percent of respondents to be dubious as to the correct answer. This incident prompted members of the Chinese Academy of Sciences (CAS) to seek to popularize science via TV. Thus were born the two TV series *Echoes of Nature* and *Science and Life*.

*Echoes of Nature* depicts the age-old theme of the links between man and nature. The producer noted, "As the global ecological environment worsens, there is an urgent need to educate people to protect it." The 10-part TV series introduces over 100 natural observatories established by CAS nationwide. Scientists undertake varied research work there, such as monitoring formation of avalanches, landslides and hailclouds, and satellite observations. Survival is

difficult in China's western Taklimakan, Gurbantunggut and Tengri deserts. However, scientists who venture there never abandon their ideals of searching for scientific means to harness this barren land. Many spend decades and some have even devoted their working lives to this arid vastness. Their fruitful efforts have won China a central place on the stage of world desert studies.

Overfishing in the seas near China's coastline has reduced aquatic reserves. To cater to huge demand for seafood, scientists have envisioned commercial farming in the ocean. Successful tests in north Jiaozhou Bay and the south Daya Bay have made this dream a reality.

*Echoes of Nature*, released in Chinese and English by the publishing house of CAS, features colorful natural sights and lessons about protecting the environment.

*Science and Life*, on the other hand, displays common science

knowledge connected with daily routine.

Starting from the example of nylon, one of the century's most important scientific achievements, the 12-part series shows successful applications in the chemical, agrochemical, electronics, fiber, new materials and plastics industries, as well as environmental protection. Watchers learn how they enjoy scientific achievements in daily life even though they may not be able to understand them.

The part entitled *Great Inventions* familiarizes viewers with top inventions such as paper as well as small ones like the zip fastener. *Charm of Fiber*, introduces the development of synthetic fiber over the past 60 years and some new inventions such as untearable paper, sterling plastic, new magnetic materials and CFC substitutes.

The terse and forceful series, split into 12 five-minute parts, employs cartoons and trick shots which leave a deep impression behind.

by Wei Liming

## US Tobacco Expert Wins Chinese Award

The State Science and Technology Commission of China (SSTC) honored Dr Tien-chioh Tso, a US agrotobacco expert with the China International Science and Technology Cooperation Award at a ceremony held in Beijing on October 30.

This prominent tobacco expert with a worldwide reputation presently serves as director of the Institute of International Development and Education in Agriculture and Life Science (IDEALS) in the United States, senior consultant to the China National Tobacco Corporation, and honorary research fellow

with the Chinese Academy of Agricultural Sciences.

Since the 1970s, Dr Tso has devoted himself to the development of agriculture and the tobacco industry in China. He has made considerable contributions to the dissemination of advanced technology, training of qualified personnel, donation of materials and promotion of scientific and technological exchange and cooperation between China and the world, as well as both sides of the Taiwan Strait.

Over the past decade or so, Dr Tso has invited US agriculturists to China on numerous occasions, and visited many provinces and autonomous regions in China. Most noteworthy is his total of six trips to Hainan Province with more than twenty foreign profes-

sionals. While there he has conducted consulting services for agricultural and economic development, and local environmental protection. In recent years, Dr Tso together with American colleagues initiated and founded IDEALS. The body has registered 324 foreigners who have served China. Dr Tso has also made outstanding contributions to the upgrading of domestic tobacco quality. From 1985 on, in an effort to solve local production problems, he invited US tobacco experts to devise experimental plans with their Chinese counterparts. In Henan, Guizhou and Hubei provinces, they tried to find out optimum technical solutions for planting, fertilizing, picking and drying, which are crucial for improve-

ment in tobacco quality. The excellent results obtained after three years of field experiments have been applied to tobacco cultivation regions around the country. The achievement won the National Science and Technology Progress Award.

For many years, Dr Tso has helped many Chinese agriculturists to go abroad to receive professional training and conduct joint research. He has also nominated 24 foreigners from 15 branches of learning to lecture in

China. Dr Tso himself has given more than 100 lectures in the country. In 1988, owing to his sponsorship and help, China successfully hosted the Ninth International Conference on Tobacco Science and Technology which attracted more than 400 experts from all parts of the world. Many young Chinese tobacco scientists have been granted scholarships by the symposium. In order to promote the development of Chinese scientific study on tobacco, Dr Tso has donated

materials on tobacco research collected over many years to China.

The China International Science and Technology Cooperation Award was established in June 1992 to honor foreign scientists, engineers and scientific and technological management experts who have made outstanding contributions to promoting Sino-foreign scientific and technological exchange and cooperation.

by Wei Liming

## Calligraphy Museum Fulfills a Dream

On October 10, the cornerstone-laying ceremony for the China Museum of Modern Pen Calligraphy took place beside the beautiful Nanpeng Lake in Baxian County, Chongqing City, in southwest China.

He Wei, general director of the Preparatory Committee for the museum was overjoyed to see his wish come true. Two years ago when He Wei announced he was going to build the museum in his hometown, all his friends looked askance at him as though he was mad.

His vision, however, has become reality, following the purchase of 6.7 hectares of land and procurement of part of the construction capital. Completion of the 33,000-square-meter complex, the first of its kind in China, is expected to take another two years. At the same time 36 sub-branches nationwide will be finished. The work constitutes a milestone in the history of Chinese calligraphy.

He Wei, now aged 44, was born in the mountain city of Chongqing. In 1968, he became a diver

in the navy. The hard and disciplined military life helped him to cultivate a dogged and undaunted character.

When he retired from the armed forces, he became a cadre at the trade union of a local state-owned enterprise. There he became engrossed with hard pen calligraphy. He began to study under established calligraphers and often practiced until midnight at home. Finally he quit his then much envied job to devote heart and soul to his art.

Hard calligraphy can be seen as an old and a new art in China. In the 16th century BC, the forefathers of the Chinese race began to carve inscriptions on animal bones and turtle shells. As time went by, writing brushes made of various animal hairs came into being. Various styles of writing were formed that led to the diversified schools of Chinese calligraphy. Today, 80 to 90 percent of Chinese normally write with fountain pens, ball-point pens and pencils, which fall into the category of hard pens, in contrast with the traditional soft brush pens. Statistics show that each year more than 3 billion hard pens are produced in China.

With the replacement of

brushes with modern writing tools, the new school of so-called hard calligraphy has emerged. While drawing on traditional features of Chinese calligraphic aesthetics, hard calligraphy has also sought for innovation and created its own unique features. He Wei, a passionate lover of the craft, said it represents an art for millions of people and an important field for the promotion of Oriental culture. He Wei has determined to make himself not only a calligrapher but also a great contributor to artistic development in China. Thus, he has devoted his entire energy to the promotion and popularization of hard calligraphy. In 1988, he allocated funds and organized the Sanxi Cup and the Luhua Cup national calligraphic contests, attracting thousands of entrants from all parts of the country and starting a hard calligraphy craze.

Despite numerous difficulties, he has persevered. Now he is director and executive editor-in-chief of *Hard Calligraphy Art News*. He has compiled 26 books on calligraphy and won much acclaim for creative calligraphy and paintings. He has also been invited to stand as an advisor or honorary president of more than



He Wei with General Li Qi (left) who created this calligraphy to honor the museum. WEN JIAOZU

100 art societies and colleges and universities nationwide. Last May he was elected vice-chairman of the newly founded Chinese Association of Hard Calligraphy.

In recent years, various hard calligraphy organizations have been founded to sponsor calligraphy contests, exhibitions, teaching courses and research. Numerous calligraphy copybooks, teaching materials and publications have seen publication. Nevertheless, there has been no single hard calligraphy gallery to serve as a resource center for this globally influential art. Consequently many valuable calligraphic masterpieces, models,

materials and publications were scattered here and there. Bearing this in mind, He Wei determined to use his own efforts to construct such a museum. He would not ask for a penny from the government but seek donations from individuals both at home and abroad. When completed the museum would be turned over to the state to benefit the people.

First he donated the rights for two pieces of his calligraphy and paintings to serve as the starting fund. Subsequently he and his friends have given lecture tours, compiled books, printed templates and conducted authorized sales to collect needed capital.

In January 1992, the blueprint

of the China Museum of Modern Pen Calligraphy was drawn up and attracted popular support and attention. Over the ensuing several months, the preparatory committee received donations in the region of tens of thousands of yuan. In this way, with the care and support of all sectors of society, a museum created by the people, of the people and for the people is to be erected.

In his pursuit of public welfare, He Wei has satisfaction in seeking his ideals and the realization of his individual worth. He said, "For someone like me, the greatest happiness lies in working and contributing to what he loves and cherishes."

by Hong Lanxing



### 505 Vital Series of Health Products

Name	Treatment indications
505 vital herb belt	abdominal distension, abdominal pain, diarrhea, constipation, kidney inflammation, dropsy, sexual dysfunction, frequent micturition, prostate problems, asthma, menstrual irregularity and coronary heart disease.
505 vital herb belt for children	indigestion, vomiting and diarrhea, common colds and coughing, high fever, convulsions and bedwetting.
505 vital herb pillow	neurasthenia, vertigo and headaches, amnesia, insomnia, blurred vision, tinnitus, swollen and aching throat, high blood pressure, neck complaints and indications of apoplexy.
505 vital herb kneepad	rheumatic and rheumatoid arthritis, swelling, pain, lack of agility, numbness and stiffness of knee joints.
505 vital herb shoulderpad	periarthritis of shoulders, chronic shoulder strain, joint pain, numbness or stiffness, and lack of agility in upper limbs.
505 herb cap for brain function invigoration	headaches, dizziness, insomnia, memory deterioration, deafness, failing eye-sight and high blood pressure.

**China Xianyang Health Products Factory**  
**Add:** No.3 Leyu Road North, Xianyang, Shaanxi Province 712000 (P.O.Box 505)  
**Tel:** (0910) 213392 218328     **Cable:** 8286  
**Contact Person:** Zhou Hua



THE WEEKLY HONGKONG NEWSMAGAZINE WITH EXCLUSIVE CHINA COVERAGE



**Hongkong's English language  
weekly newsmagazine offers you:**

**First hand information on  
economic, political and social developments  
affecting Hongkong**

**In-depth analyses of Hongkong's  
relations with the mainland**

-----  
Yes, I will subscribe at the following rate:

**For Hongkong subscribers**

- 1 year (52 issues) = HK\$540  
 1/2 year (26 issues) = HK\$283

**US/Euro/Australia**

- 1 year = US\$147  
 1/2 year = US\$76

**Asia**

- 1 year = US\$128  
 1/2 year = US\$66

Overseas subscribers (including airpost)

Name: .....

Company: .....

Address: .....

.....  
Tel No. (Off.) ..... (Fax) .....

- Payment Enclosed       Bill Me Later       Charge my Amex

Card No: ..... Expiry Date: .....

**Payable to: ASIAN REGIONAL PROJECTS LTD**

Call (852) 896 3041 or fax this form to (852) 889 3144 / G.P.O. Box 312 Hongkong

Dear readers,

If you would like to learn about China, its economy, culture, politics and the making of its history, or if you want to know how to access the country's market, tourism sites, etc., please feel free to write to *This is China*, a free service column for our readers:

Add:

Zhou Xin  
This Is China  
Beijing Review  
24 Baiwanzhuang Road  
Beijing 100037  
China

Fax:

( 8 6 1 ) 8 3 2 6 6 2 8

## Turning to New Source of Information

*Dear Editor,*

*Our company is a leading manufacturer, assembler, importer and exporter of a complete range of car air-conditioning systems and components.*

*We are interested in establishing a bilateral business relationship with the importers and manufacturers in China. Therefore, we would very much appreciate your assistance in providing the following information pertaining to China's car air-conditioning industry:*

(Detailed requests omitted.—editor)

*S. P. Teo  
Malaysia*

Dear Mr Teo,

Thanks for your letter. But your questions, along with some others raised by our readers, fall into a category of direct business consultation to which we are unfortunately unable to provide complete and accurate answers. Such information can only be obtained from a commercial network.

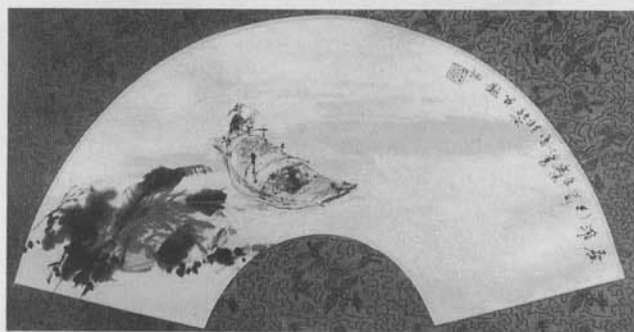
However, we would like to introduce you to another information source, the Witty Consultant Co. Ltd., which serves its clients in many foreign languages. Their most prompt service is in English and Chinese.

The company is able to provide a wide range of information and consultation on international economy and law. And it can assist foreign firms in starting businesses, seeking investment opportunities and introducing business partners in China. It would help draft or modify project proposals, feasibility reports, contracts and other business documents for domestic and foreign clients. It also provides translation and interpretation services.

If you would like to contact the company, please write to:

Witty Consultant Co. Ltd.  
12 South Nongzhanguan Rd.  
Beijing 100026  
China  
Fax: (861)5005233

**Zhou Xin**



Fan cover.



Fan cover.



Egrets.

## ART PAGE

### Chinese Paintings By Zang Boliang

Zang Boliang, born in Beijing in 1960, now works with the China's Talent Publishing House. A specialist in color-and-ink landscape paintings, he pursues new artistic concepts by integrating traditional Chinese wash-and-ink techniques with Western colors.



A Village Amidst a Bamboo Grove.

# Miraculous '505' Health Products Series



Prof. Lai Huiwu

The Miraculous 505 Health Products series developed by Prof. Lai Huiwu, director of the Xianyang Health Products Plant, include 505 vital herb belts for children and adults, plus 505 vital herb pillows, kneepads, shoulderpads, and caps for brain health. They have therapeutic effect on gastritis, diarrhea, constipation, gastric distension, prostate problems, impotence, irregular menstruation, coronary heart disease, asthma, arthritis, memory loss, insomnia, infantile urinary incontinence, and post-operative trauma. Having proved their effect after use by millions of people in China and abroad, these health preservers have won 50 Chinese and international awards.

- A gold medal at the 41st Eureka World Inventions Fair in Brussels;
- An international achievement prize at the 14th World Inventors Fair held in New York;
- No. 1 among the 50 health products most favored by Chinese customers;
- Health products first selected for the Chinese sports delegation at the 25th Olympic Games.

Add: No.3 Leyu Road North, Xianyang,  
Shaanxi Province 712000, China  
(P.O. Box 505 Xianyang)  
Tel: (0910) 213392, 218328  
Cable: 8286  
Contact Person: Zhou Hua



Designated products for the Seventh National Games of the People's Republic of China