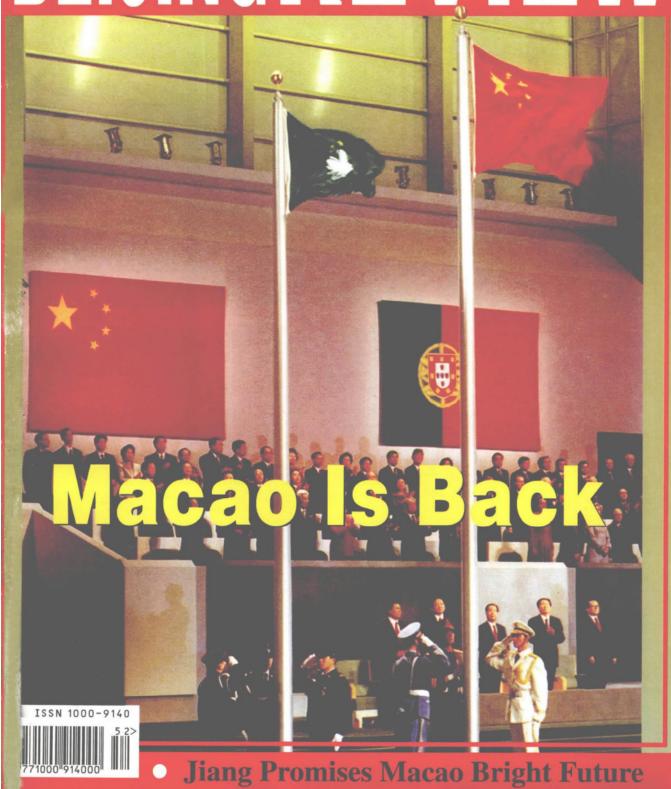
BEIJINGREVIEW





Handover Ceremony of Macao Held

Edmund Ho Hau Wah, Chief Executive of the Macao Special Administrative Region, meeting President Jiang Zemin at Macao International Airport on December 19. Jiang, heading the Central Government delegation, is in Macao to attend the handover ceremony.



Main Chinese and Portuguese attendants at the handover ceremony, which was held at midnight of December 19.

LIU JIANGUO

Jiang Promises Macao Bright Future: At Macao transfer ceremony held at midnight of December 19, President Jiang Zemin delivered an important speech. In his speech, the president promised that after Macao's return, the Chinese Government will unswervingly implement the policies of "one country, two systems", "Macao people administering Macao" and a high degree of autonomy. The MSAR will exercise the executive, legislative and independent judicial power vested by the Basic Law, and Macao residents, irrespective of race or belief, will enjoy equal rights and freedoms guaranteed by law. p.5



Millennium Ceremony at Midnight: History stood still at this moment; but history also turned over to a new page. At zero hour on December 20, 1999, the five-star national flag of the People's Republic of China and the flag of the MSAR were hoisted at the Handover Ceremony Pavilion in Macao. Finally China was resuming the exercise of sovereignty over Macao. The great event marked a major step forward in China's reunification efforts. p.11

Mosaic of Macao: There are a great deal of sites to be seen in Macao, all of which attest to Macao's eclectic culture mix of Chinese, Portuguese and local Cantonese with its resultant Macanese blend in

varying degrees. The architectural structures in Macao range from old Chinese style house compounds and temples of the Ming and Qing dynasties to Western buildings, old European style cathedrals and modern mansions. **p.30**





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Founding of MSAR, One Step Nearer to Reunification

Macao's smooth

return to the mother-

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after Hong Kong's

return, and will be

conducive to the final

settlement of the

Taiwan issue.

midst the strains of their red five-star national flags, national anthem, champagne, fireworks and tears too, the Chinese people, who make up one-fifth of the global population, spent a sleepless night celebrating Macao's return to the motherland.

The national flag was raised in Macao at zero hour on December 20.

President Jiang Zemin declared the establishment of the Macao Special Administrative Region (MSAR) in the small hours of the day. And shortly afterward, **MSAR** the Government, which is made up of Macao residents and headed by Chief Executive Edmund Ho Hau Wah, was sworn into office.

Macao has followed Hong Kong to become

the second special administrative region in China, under the concept of "one country, two systems", a brainchild of the late leader Deng Xiaoping.

The creative and scientific concept created a new pattern within which two completely different social systems and ideologies can coexist, complement each other and progress side by side in a distinctive way under certain historical conditions. It is the basic solution to the Hong Kong, Macao and Taiwan issues left over by history.

Its feasibility and correctness has been successfully interpreted and proved by the implementation of it in the Hong Kong Special Administrative Region (HKSAR).

Under the framework of "one country, two systems", and the policies of "Hong Kong people adminis-

tering Hong Kong" and a high degree of autonomy, the HKSAR Government has achieved remarkable results in maintaining Hong Kong's social stability and prosperity since its return on July 1, 1997.

As HKSAR Chief Executive Tung Chee Hwa said, "The Central Government has granted us a high degree of autonomy—a situation that

> is unparalleled anywhere else in the world."

> Because Hong Kong has set a good precedence, it is widely believed that the handover of Macao will be another successful implementation of "one country, two systems".

> Macao has been Chinese territory since ancient times. Since its occupation by Portugal

in the mid-16th century, the Chinese people have fought a protracted struggle for the reunification of the motherland. However, the savagery of the feudal governments and the internal fights, corruption and incompetence of the Kuomintang government made it impossible for the nation to regain sovereignty over Macao.

The founding of the People's Republic of China in 1949 completely changed the lives of many people. Becoming stronger and more prosperous each day, the Chinese nation has won the status and respect it deserves.

On April 13, 1987, China and Portugal issued a joint declaration on the issue of Macao, which paved the way for Macao's stable transition and smooth return to the motherland.

The Basic Law of Macao, which

was enacted in 1993 after four and a half years of strenuous efforts under the guidelines of "one country, two systems" and the declaration, stipulate in detail how permanent residents of Macao will enjoy a high degree of autonomy and maintain their current lifestyles.

It maintains the old legal system and also retains various favorable factors for economic development in Macao, such as the free entry and exit of Macao residents and low tariffs.

The provisions give full respects to the special status of Macao as special administrative region and its history and reality.

Besides a high degree of autonomy, Macao will also enjoy executive, legislative and independent judicial power, including that of final adjudication.

Macao's smooth return to the motherland will be another significant event for the Chinese, and another landmark in China's reunification after Hong Kong's return, and will be conducive to the final settlement of the Taiwan issue.

At present, exchanges across the Taiwan Straits are being expanded while the "one country, two systems" concept is arousing more and more concern. The concept, successful in Hong Kong and Macao, can also satisfy Taiwan people's desire for peace, stability and development.

A Xinhua editorial on December 20 urged the Taiwan authorities to take the whole Chinese nation's interests into consideration and negotiate with the mainland under the "one China" principle.

The editorial said that Lee Tunghui's "two states" remarks, which describe the cross-Straits relations as "state-to-state" or "special state-tostate" relations, sabotage the basis for the peaceful reunification of the motherland and go against the will of the 1.2 billion Chinese people, including Taiwan compatriots.

"We believe that following the principle of 'one country, two systems', the reunification of the motherland will surely be achieved," the editorial said.

Jiang Promises Macao's Future

acao's cultural characteristics and its role as a bridge between China and Portugal and between China and Europe will be left intact, President Jiang Zemin said during a half-hour meeting with Portuguese President Jorge Sampaio prior to the handover of Macao at midnight of December 19.

"The Central Government of China will unswervingly implement 'one country, two systems' and the Basic Law of Macao," Jiang said.

He told Sampaio, "The fact that we are here today to jointly preside over the handover ceremony of Macao is in itself proof of the good bilateral relationship we enjoy and of the importance we both attach to the relationship."

He said China wishes to make the successful return of Macao herald a new start for the healthy and comprehensive development of relations with Portugal in the next century.

Since Portugal will be the presiding country of the European Union (EU) for the first half of next year, Jiang said China hopes to use this chance to work with Portugal to promote China's ties with the EU.

Sampaio expressed his agreement with Jiang that the smooth transition of Macao marked both the end of a historical episode and the beginning of a new era.

He said that Portugal has full confidence in the future of the Macao Special Administrative Region.

New Committee Established For MSAR Basic Law

i Peng, Chairman of the Standing Committee of the National People's Congress (NPC), presented the letters of appointment to nine members of the newly established Committee for the Basic Law of the Macao Special Administrative Region (MSAR) in Beijing on December 20 at the 13th Session of the Ninth NPC Standing Committee.

The committee, a working group under the NPC Standing Committee, is expected to study and make suggestions to advise Chinese lawmakers on the interpretation and revision of the Basic Law, the MSAR legislative powers and the validity of national laws in the MSAR. It began its work on the morning of December 20 when the MSAR Basic Law took effect.

Half of the 10-member panel are Chinese citizens from among the permanent residents of Macao who have no right to residence in any foreign country. They were jointly nominated by MSAR Chief Executive Edmund Ho Hau Wah, Legislative Coumcil President Susana Chou and Chief Justice of the Court of Final Appeal Sam Hou Fai.

Chen Ziying, a member of the panel, is expected to receive a letter of appointment later when he comes back from Macao.

Also at the session, a draft decision adding two more national laws to Annex III of the MSAR Basic Law won the full support of 139 attendants. The laws concern exclusive economic zones, the continental shelf and the Macao Garrison.

The MSAR Basic Law stipulates that national laws, except those listed in Annex III, will not be enforced in Macao.

The legislators also approved a list of names for an election board which will select Macao deputies to the NPC.

Commission office opens. The Commission of the Ministry of Foreign Affairs in the MSAR opened hours after the Chinese flag was raised in the garden of the newly built commission building at 8 am on December 20.

Commissioner Yuan Tao said, "The opening of the commission is an important symbol of China's resumption of the exercise of sovereignty over Macao."

The commission represents the Foreign Ministry in matters related to the Central Government. It is the institution that deals with the Macao government. It is also the agency that handles applications from foreign countries and international organizations that would like to establish consulates or representative offices in Macao.

Under the MSAR Basic Law, the regional government has the authority to handle some of its external affairs.

HK, the model for Macao. Hong Kong's successful experience as a special administrative region could be a model for Macao to emulate, said Tung Chee Hwa, Chief Executive of the Hong Kong Special Administrative Region (HKSAR), on December 16.

The "one country, two systems" concept has been well integrated into all aspects of life since China resumed sovereignty over Hong Kong in 1997, Tung said.

Macao's return and the success of the HKSAR "will certainly help China reunite in the future," he said.

"China's resumption of sovereignty over Macao is the pride of the nation and it is a very precious opportunity to witness another celebration of historical significance," he said.

He urged Macao to further develop economic ties with Guangzhou, Shenzhen and Zhuhai, and pledged to expand cooperation with Macao.

Tung attended the handover ceremony of Macao on December 20 as a member of the Central Government delegation.

Macao, a supporter of China's WTO entry. China has an edge with the World Trade Organization (WTO) no matter when it joins the international trade

Foreign Ministry on the Iraqi Issue

hina is ready to join the international community in making unremitting efforts to resolve the Iraqi issue in a fair way as soon as possible, Foreign Ministry Spokeswoman Zhang Qiyue said in Beijing on December 18.

The United Nations Security Council on December 17 adopted Resolution 1284 on the Iraqi issue, with 11 voting for and four abstentions, Zhang said.

Since December 1998, the Iraqi issue has been in a deadlock. In order to break the deadlock, China has done a great deal of work in and outside the Security Council, and has always taken an active part in the Security Council's consultations on the issue and put forward many constructive propositions, she said.

Because Resolution 1284 does not satisfy the reasonable proposals by China and several other countries in terms of setting in motion the mechanism for suspending sanctions against Iraq and other major issues, China, together with such Security Council members as Russia, France and Malaysia, abstained.

Zhang said that China has adopted a consistent and clear-cut stance on the Iraqi issue, and holds that Iraq should cooperate with the United Nations and implement relevant Security Council resolutions in an all-round and earnest way.

At the same time, the sovereignty and territorial integrity of Iraq, which is a sovereign state, should be respected by the international community, she said.

She noted that the international community should be fair and objective in assessing Iraq's implementation of relevant Security Council resolutions, and accordingly gradually ease and eventually lift the sanctions against Iraq.

group. That is because China's newest special administrative region, Macao, is already a member of the WTO, said An Min, Assistant Minister of the Foreign Trade and Economic Cooperation.

Macao has advantages in market entry, anti-dumping policies, telecommunications, financial and insurance services. And China's entry into the WTO will mean more business opportunities for Macao and Hong Kong, he said.

He emphasized that the mainland's economic activities will adhere to international rules and practices once China ioins the WTO.

Trade statistics show that at the end of October, 6,384 projects with direct investment from Macao have been established on the mainland.

Macao needs digital economy. Extensive application of digital technology is the key to revitalizing Macao's economy and brightening its economic prospects, economists said at a recent seminar in Macao.

They maintained that Macao has various advantages in developing an economy with an extensive application of a digital technology: cultural diversity, openness to the rest of the world, free trade policies, free flow of capital and an advantageous geographic location. They said all this combines to make Macao a bridge between China's hinterland and the outside world. Macao's comfortable living environment is attractive to potential employees.

In addition, Macao has the necessary infrastructure for technology and knowledge, they said.

Macao's economy is heavily dependent on tourism and gambling, export-oriented processing, real estate and finance. Its growth has slowed down since the early 1990s due to the Asian financial crisis and international economic problems.

Conference stresses science. China must keep pace with modern scientific developments, which can spur the revitalization of the nation, Vice-Premier Li Lanqing said on December 15 at the closing ceremony of a two-day national conference.

The conference to promote the public's understanding of science was an important spearhead in the fight against superstitious activities, including the Falun Gong cult, and pseudosciences, he said.

"There must be better dissemination of science-related information to the public so that the people will have a better understanding of science," he said.

He encouraged scientists to target rural areas for scientific education. Those areas are backward and the people there are prone to superstition because of their inadequate education.

"Dissemination of science in rural areas can be combined with plans for helping farmers become more prosperous and for improving agricultural production."

President Jiang Zemin said in a letter to the conference that central government officials should take the initiative in learning science so that they can be more adept at handling economic and scientific projects.

Taiwan investment protected. Rules for implementing the Law on Protecting Investment of Taiwan Compatriots (issued in March 1994) is a major step toward encouraging Taiwan business people to invest in the mainland, said Shi Guangsheng, Minister of Foreign Trade and Economic Cooperation, in Beijing on December 15.

Despite Taiwan authorities' obstruction of economic exchanges and cooperation across the Taiwan Straits, the rules will have a positive impact by encouraging Taiwan business people to invest, he said.

Taiwan is the mainland's fifth largest trading partner. Cross-Straits trade volume had reached US\$155.6 billion by the end of October. Taiwan firms had invested in approximately 43,000 mainland projects that had a total contractual value of US\$43.58 billion.

Chen Yunlin, Director of the Taiwan Affairs Office of the State Council, said the investment law demonstrates the mainland's determination in protecting the interests of Taiwan business people.

Trade unions should protect workers.

Trade unions should step up efforts to protect the rights and interests of workers all over China and let them know how to protect themselves legally, said Vice-President Hu Jintao on December 16.

Meanwhile, trade unions need to make joint efforts with the Party and Government to severely punish violations of workers' rights, said Hu at a meeting of the executive committee of the 13th National Congress of Trade Unions.

Today the rights of workers in many enterprises are not respected: some employees do not receive their wages on time; and some are not allowed to express their opinions about company business

"Trade unions must check to see whether enterprises are looking out for the interests of workers, including their rights to compensation and decision-making."

He asked trade unions to help laid-off workers improve their living conditions and have a happy Spring Festival, the most significant traditional festival in China which falls on February 5 next year.

He also called on workers across the country to use their wisdom and initiative to advance the reform and development of State-owned enterprises.

New reserves to be established. China plans to establish 224 new nature reserves in the next five years to protect wild animals and plants, according to Wang Zhibao with the State Forestry Administration.

The program will begin next year. And the first wave is targeted for west China, which has a wide variety of wild fauna and flora in its fragile environment.

Wang was confident that a network of nature reserves will be in operation by the end of 2005. Approximately 70 percent will be under the direct control of the forestry administration.

China now has 1,118 nature reserves, including 136 at State level. They cover a

SPOTLIGHT

Beijing's Gift to Macao



THANC YIW

"Flower of Lotus", a gift from the Central Government to the newly founded MSAR Government, is unveiled by Vice-Premier Qian Qichen and Chief Executive Edmund Ho Hau Wah.

6-meter high gold-coated bronze sculpture, "Flower of Lotus", a gift from the Central Government to the newly founded Government of Macao Special Administrative Region (MSAR), was unveiled at the Lotus Park in Macao on December 20.

Vice-Premier Qian Qichen, on behalf of the Central Government, presented a certificate of the gift to Edmund Ho Hau Wah, the first Chief Executive and representative of the MSAR Government prior to the unveiling ceremony.

The 6.5-ton sculpture is erected on a three-step base made of 23 pieces of red granite slabs, which represent the three areas of Macao, the peninsula and the two islands.

The bronze sculpture consists of 16 shapes of stems, petals and pistils. The diameter of the flower is 3.6 meters.

Shining brightly under the sun, the blossoming lotus symbolizes the eternal prosperity of Macao.

total of 86.41 million hectares which is nearly 9 percent of the nation's total.

ICBC opens a branch in Europe. China's largest commercial bank, the Industrial and Commercial Bank of China (ICBC), opened its Luxembourg branch on December 16.

This is the seventh of ICBC's overseas operational institutions, said Jiang Jianqing, Vice-President of ICBC, at the inauguration ceremony in Luxembourg. The branch will target the unified market of EU and develop investment banking business and off-shore banking services besides the traditional commercial banking business. It will also arrange project financing, issue euro bonds and help Chinese enterprises to be listed in Luxembourg, Jiang said.

The major customers will be Chinese individuals and institutions living or operating in Luxembourg.

WORLD AFFAIRS

Zone divided the Panamanian territory into two parts, which greatly obstructed the economic ties in the country and brought much trouble to the administration. Under the control of the United States, Panama had to import 60 percent of grain and many industrial products. What is more, the United States established 14 military bases in the country, with the number of soldiers reaching 65,000 at the most. By fully controlling the Canal Zone, the United States could interfere with the internal affairs of Panama from time to time.

From 1930 on, the Panamanian Government and people have fought to regain sovereignty over the Canal Zone. After the Second World War, in particular, the de-colonization became inevitable. With the return of the Suez Canal to the Egyptian Government and the victory of Cuban revolution, the Panamanian people strengthened their resolve. Under great pressure from world opinion and its need to combat hegemony with the former USSR in other areas, the United States became more flexible in negotiations. Finally on September 7, 1977, a new treaty was signed between US President Jimmy Carter and Panamanian General Omar Torrijos, confirming the mutual control of the Canal by the two countries and that the United States will hand over the Panama Canal on December 31, 1999 and withdraw all of its troops from the Panamanian territory after 85 years of military presence.

The United States, which always looks on Latin America as its "backyard", was unwilling to see such a result. Some congressmen and former military officers began to preach the "China threat theory", claiming China will control the whole canal after the US withdrawal, thereby threatening US national security. They used such an excuse that in 1996, Hutchison Whampoa Ltd. of the Hong Kong Special Administrative Region of China obtained the right to operate two ports on both ends of the Panama Canal. The management period is 25 years, which can be extended for another 25 years. To date, the company has invested US\$120 million in the modernization of the two ports and increased its handling capacity by four. Some even invented such news as China will use the two ports



Panamanian President Mireya Moscoso (left) and former US President Jimmy Carter exchanging the signed agreement on the handover of the Panama Canal.

Panama Canal Returns Home

by Xiao Li

he handover ceremony of the Panama Canal between the United States and Panama was held in Panama City on December 14, announcing Panama the real owner of the international sea route.

The Canal connects the North and South American continents and links the Atlantic and Pacific Oceans, and it extends 81.3 km and 152 meters at the narrowest and 304 meters at the widest. The Canal Zone, extending for 8 km on either side of the central route, covers a total area of 1,432 square km. Having the same strategic importance as the Suez Canal, it is known as the "Bridge of the World". To date, 5 percent of the global trade volume has been transported to all over the world through the Canal. The United States, Japan and China have become the three greatest users of the Panama Canal.

As early as in 1534, a Spanish king planned to build a canal, which, however, was not realized. In 1881, a French canal company got the right of building the Panama Canal, but the project was suspended in 1889. In 1903, the United States instigated Panama to declare its

separate independence from Columbia. An unequal treaty on the Panama Canal was signed between the United States and Panama, which granted the United States (in perpetuity) the rights for construction, operation and control of the Canal and the Canal Zone. In exchange for transferring the Canal Zone, Panama was paid US\$10 million and was to receive an annuity of US\$250,000 from 1913 on. In 1914, the Panama Canal opened, with the sovereignty in the hands of the United States.

The United States benefited a lot from the Canal. With a smooth channel to go through Central America, the stability and development of the United States was enhanced. The United States also gained a more advantageous position to promote its "Monroe Doctrine" in South America. Economic and trade exchanges between the United States and the Pacific Ocean and the Far East soared. The United States not only expanded its import and export market in this region, but also exerted political control on some of the countries. Also, the blank of the US military forces in west Pacific Ocean and Indian Ocean was filled. However, the 20th century means only humiliation and disaster to Panama. The loss of the sovereignty over the Canal and the Canal

to conduct terrorism and sabotage activities and that China will launch missiles there if China and the United States fell foul of each other. Their ultimate goal is clear: to prevent the return of the Panama Canal or at least to preserve the military presence of the United States in the region. For this reason, the United States maintained a low-key presence before and after the handover ceremony. The head of the US delegation is only the former President Jimmy Carter.

A high official from Hutchison Whampoa Ltd. said that they are only a commercial company responsible for their shareholders and that they cooperate with all governments around the globe, but do not act as a flagship or instrument of a certain country. The company reiterated that there are no Chinese on its board of directors. US President Bill Clinton said the withdrawal from the semi-colony will only beautify its image in Latin America. Panamanian President Mireya Moscoso declared solemnly to the world that the intervention of foreign forces and political factors with canal affairs is history.

Israeli-Syrian Peace Talks Restarted

by Xiao Li

sraeli Prime Minister Ehud Barak and Syrian Foreign Minister Faruk Shareh arrived in Washington on December 14 for the resumption of Middle East peace talks that broke off nearly four years ago. This is the conference at the highest level between the two countries in the past half century.

The peace talks are mainly for settling the issue of the Golan Heights, which covers more than 1,000 square km and was captured by Israel during the Six-Day War of 1967. In October 1991, a symbolic conference was held in Madrid, Spain, starting the peace talks between Israel and Syria. The negotiations soon became deadlocked because of the leadership of Shamir Government of Likud Group. In 1992, Itzhak Rabin, leader of the Israeli Labor Party, assumed the post of prime minister and resumed peace talks between the two countries. In 1995. Rabin promised verbally that Israel would return all of the Golan Heights to Syria and withdraw its troops to the Syrian-Israeli border on the eve of the Six-Day War in 1967. Unfortunately, Rabin was assassinated immediately after. Though Shimon Peres, the succeeding Labor Party leader, continued the peace process, the Israeli election ahead of time and the unexpected victory of Likud leader Binyamin Netanyahu again brought the promising Israeli-Syrian negotiations into a stalemate.

In May 1999, Barak, another Labor Party leader, was elected prime minister. His flexible stand and friendly speech relating to the Syrian-Israeli problem were closely watched by Syria. Syria hoped Barak would take active measures to resume the peace talks with Svria. In the past half year, Barak on the one hand, was engaged in negotiating with Palestine to sign the memorandum of Sharm el-Sheikh; on the other hand, he asked special envoys of the United States, Western European and Arabic countries to convey his wish to resume the peace talks with Syria with no prereguisites. He agreed to give back the Golan Heights to Syria, but hoped the latter could make promises on problems of security arrangement, allocation of water resources, normalization of the bilateral relationship and opening-up of their borders. Israel would determine its withdrawal process from the Golan Heights according to Syria's promises. At the same time. Syria proposed they should resume talks from "the point where they left off". In other words, Syria wanted Israel to keep promises of Rabin. This proposal was refuted by Barak, who pointed out the so-called "Rabin promise" was only a tentative plan on solving contradictions between the two countries and there was no written agreement to guarantee it.

To ensure the leading position of the United States in the Middle East peace process, Bill Clinton many times sent assistant secretaries of state and special envoys to the Middle East. The US Secretary of State Madeleine Albright visited the region last September. Since Israel and Syria stuck to their own guns firmly, the exploratory mediation achieved little. On December 7, Albright arrived in Syria once again and negotiated with Syrian President Hafez al-Assad for more than three hours. The next day. Clinton announced that the two countries had agreed to resume talks. On December 13, the Israel Knesset (parliament) held a special session to discuss the policy statement on the resumption of peace talks with Syria by Barak. He said Israel has to pay the price for reaching a peace deal with Syria. He urged the public to support the Israeli-Syrian negotiations, even though they will necessitate territorial concessions in the Golan Heights. "If an agreement is reached with the Syrians, it is a historical time. Our generations will pay the price for the future and for future generations, for the end of conflict and for peace." Barak called upon the Israeli people, particularly the residents at the Golan Heights, to support the government's policy on the resumption of peace talks with Syria. The Syrian Foreign Minister Shareh pointed out that the Middle East is reaching a critical turning point. Peace means Israel "returns the land it occupies". Only in this way, can the terror among Israeli people be elimi-

Syria is a country exerting great influence in the Arabic world. The solution to the Israeli-Syrian conflict will pave the road for the full resumption of peace in the Middle East. As the deadlock between Israel and Syria has been broken off, the peace negotiations between Israel and Lebanon will also be resumed. Meanwhile, the relationship between Israel and other Arabic countries will see an improvement. People around the world are looking forward to solving the present differences in line with the principle of "land-for-peace" as agreed in the Madrid Peace Conference and relevant resolutions of the United Nations. They hope the Israeli-Arabic conflicts will be settled by the turn of the century so that a fair, comprehensive and lasting peace will be achieved in the Middle East.

Foreign Ministry News Briefings

t the regular ministry news briefings on December 14 and 16, Chinese Foreign Ministry Spokeswoman Zhang Qiyue answered reporters' questions about whether the international conventions now used in Macao will be continuously effective and the US compensation for the property losses caused by the US bombing the Chinese Embassy in Yugoslavia.

Q: Will the international conventions which are now applicable to Macao be continuously applied in the Macao Special Administrative Region after Macao returns to the motherland?

A: Recently the Chinese Government has presented notes to the relevant institutions which preserve the international conventions on the issue of international conventions applied by the Macao Special Administrative Region as from December 20, 1999. The Chinese Government will comprehensively expound the principles and course of action of the conventions to be applied by the Macao Special Administrative Region to the international community through the UN secretary-general in recent days.

Through the above moves, the majority of international conventions which are now applicable to Macao will continuously be applied by the Macao Special Administrative Region starting from December 20. These conventions involve civil aviation, customs, economy, finance, education, science and technology, culture, environmental protection, sanitation, intellectual property rights, human rights, workers' rights, international crime, maritime affairs, private international laws, road and communications, postal service and telecommunications and the establishment of international organizations. There are about 120 of these conventions, of which 57 China has not yet joined.

The above moves are to carry out the "one country, two systems" and the relevant regulations of the Basic Law of the Macao Special Administrative Region. Those moves are significant in realizing the smooth transition of Macao and maintaining long-term stability and development.

Q: What is the significance of Russian President Boris Yeltsin's recent visit to China?

A: The Chinese side highly comments on President Yeltsin's recent visit to China. The two sides extensively exchanged in-depth views on promoting bilateral cooperation in various fields and reached many identical views. We consider that his visit to China will promote further and deep development of the strategic cooperative relations.

Q: What is China's reaction toward the formal arrest of scientist Wen Ho Lee?

A: Some people in the United States stubbornly stick to the mentality of the Cold War and fabricated the so-called China's theft of US nuclear technology with ulterior motives, attempting to defame China and damage Sino-US relations. Numerous facts have proved that their sinister plot will not succeed.

Q: Do you think that the world of today is multipolar or unipolar?



PI DAWEI

Spokeswoman Zhang Qiyue.

A: The Chinese side considers that the world is developing into the direction of multipolarization. From the development of the international situation in recent years, such a tendency has been further developing, and such a development is conducive to the peace and stability of the world.

Q: Did the Albanian president discuss the issue of Kosovo with the Chinese leaders during his stay in Beijing?

A: Albanian President Rexhep Meidani's visit to China will play an extremely important role in developing Sino-Albanian friendly and cooperative ties. In the meetings and talks with the Chinese leaders the two sides also discussed the issue of Kosovo. The Chinese leaders said that China, Albania and Yugoslavia are very friendly countries. Regarding the issue of Kosovo, we hope that the issue will be properly resolved under the sponsorship of the United Nations. We also hope that peace and stability in the Balkan region will be soon resumed and the economy in this region will rapidly develop.

We consider it is natural to have different views on some concrete issues. The two sides consider that these differences are not an obstacle to develop a state-to-state relationship. On the contrary, the two sides frankly and sincerely put forward their respective views in order to further mutual understanding and comprehension.

Q: What significance does the return of Macao have for China's sovereignty and does it have any influence upon China's eventual reunification?

A: On December 20 Macao returns to the motherland. This is not only a cause for celebration by the Chinese people, but it is a very important one for the world. As for the Chinese people this is another major step toward the unification of the motherland. The smooth handover of Macao and return of Hong Kong once again prove that the concept of peaceful reunification and "one country, two systems" can realize the cause of China's reunification.

The smooth return of Hong Kong and the immediate return of Macao have realistic significance to a thorough settlement of the Taiwan issue and realization of the cause of China's reunification.

The return of Macao and Hong Kong plays an exemplary role in resolving state-to-state conflicts and also has an important significance for the settlement of the issues of international relations.

Q: What is your comment on the agreement reached by China and the United States on US compensation for property losses caused by US-led NATO's bombing of the Chinese Embassy in Yugoslavia?

: The Government of the People's Republic A: The Government of the United States of America reached an agreement on December 16 on US compensation for the property losses caused by the US bombing the Chinese Embassy in Yugoslavia. According to the agreement, the US Government will pay US\$ 28 million to the Chinese Government to compensate for the property losses caused by the US bombing of the Chinese Embassy in Yugoslavia. On July 30 the two sides reached an agreement on the human casualties caused by the US bombing of the Chinese Embassy in Yugoslavia. With the stern representations of the Chinese Government, the leaders of the United States and other NATO countries publicly apologized to the Chinese Government. people and the victims' families.

The US bombing of the Chinese Embassy in Yugoslavia was a serious illegal act, and the United States should share the state responsibility therefrom, including the rapid, full and effective compensations for all the losses suffered by the Chinese side. The US Government should make comprehensive and thorough investigation of the bombing, severely punish those responsible and provide a satisfactory explanation to the Chinese Government and people at the earliest opportunity. The US side said that it will conduct further investigations into this incident and inform China about the outcome of its findings.

Millennium Ceremony At Midnight

—Eyewitness Report on the Handover Ceremony in Macao

by Our Special Correspondent Wang Guozhen

'Do you know that 'Ma Kwok' is not my real name? I've left your swaddling clothes for too long, Mother! But what they have taken away is my flesh and you still have my soul. Mother whom I have never

Mother whom I have never forgotten day and night! Please call me by my infant name, call me 'Ao Men'! Mother! I want to come back, Mother!"

This is a part of the *Song of Seven Sons*, written by Wen Yiduo (Wen Ito), a famous Chinese scholar, in the 1930s. It tells how Macao yearned for a return.

On December 20, 1999, the Chinese Government resumed exercise of sovereignty over Macao. Finally, the former Portuguese colony returned to the embrace of the motherland.

History Is Made at Midnight

The world turned its eyes on the handover ceremony to be held at the midnight of December 19 in the Handover Ceremony Pavilion, the semi-transparent, 20-meter-high architecture with a construction area of 6,600 square meters. Its rectangular hall has 2,500 seats spreading out

like an arch facing the rostrum. Rinsed in drizzles, which had been going on for days and stopped only on December 19, the Handover Ceremony Pavilion looked completely clean, under complex lighting. I entered the Handover Ceremony Pavilion, which has the shape of a lotus flower, the symbol of the tiny city, 3.5 hours earlier as was required.

At 23:42, President Jiang Zemin, Premier Zhu Rongji, Vice-Premier Qian Qichen, Foreign Minister Tang Jiaxuan and Macao Special Administrative Region (MSAR) Chief Executive Edmund Ho Hau Wah entered the ceremony site and took their seats at the rostrum.

The same time saw Portuguese President Jorge Sampaio, Prime Minister Antonio Guterres, Foreign Minister Jaime Gama, outgoing Macao Governor Vasco Rocha Vieira and other Portuguese officials take their respective seats.

Chinese and Portuguese guards of honor conducted a salutation ceremony, followed by musical performances from bands of the two countries.

Portuguese President Sampaio was the first to speak at the ceremony. He said cooperation between the two sides enabled the necessary



TAN IIN

At 5 pm December 19, the national flag of Portugal is lowered from the pole of the Macao Governor's building. The last Portuguese Macao Governor Vasco Rocha Vieira leaves his former office building, holding the lowered national flag.

changes to occur, ensured the continuation of certain current practice and brought the centuries-old relationship into a new era. Finishing his speech, he went over to Chinese President Jiang for a handshake.

The Portuguese flag and the flag of Leal Senado, the Urban Council of Macao, were lowered at 23:58 as the national anthem of Portugal was played.

At this point of time, the whole hall waited for the historic moment in silence. At zero hour sharp, the Chinese flag and the MSAR flag were raised in 46 seconds as the national anthem of the People's Republic of China was played.

The Chinese and Portuguese governments thus completed their smooth transfer of power over Macao. People present on the occasion burst into thunderous applause.

At 0:4 on the morning of December 20, Chinese President Jiang delivered a speech, which was frequently interrupted by waves of enthusiastic applause. President Jiang shook hands with Portuguese President Sampaio after the speech.

The handover ceremony concluded 17 minutes after midnight.

Some one hour after the handover ceremony, another ceremony was held in the Forum building, which is several hundred meters away from the handover ceremony site. The building was totally refurbished with a cost of more than 30 million Macao Patacas earmarked by the Central Government.

Inside the hall were hung flags of the PRC and the MSAR.

When the ceremony began at 1:45 on the morning of December 20, the PLA band played the national anthem of the PRC, then President Jiang declared the establishment of the Macao Special Administrative Region. At 1:47, the newly established MSAR Government was sworn in.

A grand celebration marking the founding of the MSAR was held at 10:00. Both President Jiang and MSAR Chief Executive Edmund Ho Hau Wah made important speeches.



At 12:00, the PLA Macao Garrison troops entered Macao. A grand parade of celebration was held through the streets, accompanied by dragon and lion dances, cultural performances, folk dances, motorcycles, and vintage car presentation.

At 14:45, the Macao Commissioner's Office of the PRC Ministry of Foreign Affairs opened.

For three days running (December 20, 21 and 22), performances were staged under the title "We Love Macao, We Love China".

End of the Humiliating History

While the Chinese, Macao people included, celebrated the return of Macao with excitement, the Portuguese officials in Macao were making final preparations for leaving China. But they did their best to leave in style.

At 16:00 on December 19, the Portuguese side threw in a 90-minute cultural show in a large temporary theater. Portuguese President Jorge Sampaio and outgoing Macao



At zero hour sharp on December 20, 1999, the national flag of the PRC and the MSAR

flag are hoisted at the Handover Ceremony Pavilion in Macao.

Governor Vasco Rocha Vieira spoke at the end of the party before a full hall of audience dressed decently. Fireworks were scheduled to soar up at 20:00 after the show from barges offshore. But the plan was obviously canceled as the wind was too strong for fireworks according to the local standard. At about 23:00 on December 20, however, the plan was still implemented.

Earlier, at 16:35 of the day, Vasco Rocha Vieira, the last Portuguese Macao Governor, and his family stepped out of their official residence where they had been living for eight years and eight months.

At 17:00, Vasco Rocha Vieira and other outgoing Portuguese officials stood silently in the wind in front of the Macao Portuguese Governor's Office building. Governor Vasco Rocha Vieira was dressed in dark Western suites, his face filled with seriousness. One minute and seven seconds later, the Portuguese national flag was lowered from the pole. Hot tears rolled down many Portuguese faces. When the guards of honor presented the Portuguese national flag to

Vasco Rocha Vieira, he took it over and pressed it against his chest. Then he bowed to spectators present on that occasion. When all done, he got on his car, which slid away immediately.

At 1:30 on the early morning of December 20 after the handover ceremony, Portuguese President Jorge Sampaio and other Portuguese officials left the Macao Airport for home. That's all for the Portuguese administration of the Chinese territory Macao!

"Macao was lost to foreigners earlier than Hong Kong, but is the last to come back home," said Tou Nam, the 85-year-old President of the Hou Kong Middle School of Macao.

"We have been waiting for 50 years. Now, we are back.

"The victory is hard-earned however. Had there not been cooperation between the Chinese and Portuguese governments, the success is impossible."

A middle-aged scholar, named Chin, said, "Portugal forced the declining Qing Government to sign an unequal treaty for official occupation of Macao, and the Qing Government did it.

"In 1919, the Guangzhou military regime negotiated with the Portuguese Government on the Chinese sovereignty over Macao, but failed in this regard. Discouraged by this failure, the Chinese officials realized that this could be done only when China matches the Western powers in strength.

"Now, China is strong enough to refuse any attempt to take even one inch of Chinese territory from it. I am glad Macao has come back to China. The humiliating history of China has finally been brought to an end."

What Chin said turns out to be the common understanding of Macao people. Many of them voiced similar views during my interview with them. Given this understanding, Macao people cherish Macao's return dearly. They celebrated their homecoming millennium party with lotus flowers, lantern show, theatrical performances, colored streamers, neon



LIU JIANGUO

Zhuo Lin (second left), Deng Xiaopong's widow, and HKSAR Chief Executive Tung Chee Hwa (left) attend the handover ceremony.

lights, and in other forms.

While the handover ceremony was going on December 19, many sitting in bars watched live TV broadcast with cups in hands, and many others watched the ceremony on street TVs. When the Chinese red flag was hoisted at the zero hour of December 20, they hurrahed, and toasted one another.

There were even people who waited by the road the PLA Macao Garrison troops were to take. When it was already midnight, they still showed unusual interest in waiting, and refused to leave until they were officially told the PLA troops were set to enter in about 12 hours.

Beginning of a Better Tomorrow

"How do you feel about Macao's return home?"

I asked dozens of people this question, and none of them said they object the return or shunned to answer simply I came here from Beijing. All of them gave identical answer, holding that the former Portuguese Macao authorities failed to do a good job in economic development and social order. They all believed Macao's return will do Macao good, and Macao will not be hurt in the least.

According to them, Macao's

economy experienced fluctuations of "initial prosperity—recession—picking up—standstill—slow development".

From 1963 to 1992, Macao's GDP registered a healthy gain of 29 percent. Its 1982-90 GDP growth reached 8 percent, making it No.5 in Asia in terms of economic growth.

However, Macao's GDP growth decreased for four years running, to 5.2 percent in 1993, 4.6 percent in 1994, 3.8 percent in 1995, and -0.8 percent in 1996.

Tourism and Casino business used to contribute 40-50 percent to local GDP. However, there are a decreasing number of people who come here for visit, and the Casino business volume went down by 8-10 percent in 1999.

These people alerted me to the worsening social order in Macao, which they said was threatening their lives. "We are fed up with this," many said indignantly.

In a street park, I came across with a young man who was reading newspaper intently. I managed to talk to him, and he turned out to be a talkative person.

The young man told me he works in the Casino circle, and has the conviction that Macao's return will help with social order.

According to the young man, there were about 10 gangsters groups in Macao, staffed with thousands of people, in the early 1950s; and the number of gangsters group increased to more than 20, composed of 14,000 people, in 1995. They did everything possible to undermine the social order.

The Portuguese Macao Government made some efforts to control the situation. In April 1997, it launched its first campa gn against Mafia. On May 1, 1998, the Macao police arrested ringleaders of a major



Beijing Review correspondent (right) interviewing Tou Nam (center), President of the Hou Kong Middle School.

COVER STORY



The first batch of the PLA Macao Garrison troops receiving a rapturous welcome as they enter Macao.

XINHUA



The Hou Kong Middle School.

WANG GUOZHEN

Mafia group titled "14 K". However, 23 major violent criminal cases were perpetrated in the city from January to July, causing a toll of 24 lives.

"Macao people count on the Central Government to improve the situation," the young man said, adding, "We are glad to hear that President Jiang Zemin announced on July 1, 1998 that the Central Government will not sit on folded arms in the face of rampant Mafia activities in Hong Kong and Macao. Macao Chief Executive Edmund Ho also declared at the meeting marking the founding of the MSAR that he would fight Mafia from a political perspective.

"Personally, I think the return gives Macao a chance to develop." ■

A Nation Rejoices

by Xiao Tang

acao's return to the motherland is a perfect finishing touch for the end of the millennium in China. Time seems to stand still at this historic moment, but history has turned over a new page. Enveloped in immense rapture, the nation witnessed various celebrations.

Sleepless at Tian'anmen Square

Gao Yumei, a 16-year-old girl of the Yi ethnic group from south China's Yunnan Province, has never dreamed the goddess of luck would smile on her: her first trip out of the village where she has grown up is to go to Beijing and dance a dragon performance at the Tian'anmen Square for Macao's return to the motherland, a national event which would go down in the Chinese history for ever.

But it's real. On the night of December 19, Gao joined the exultant crowd at the Tian'anmen Square, which was permeated with an atmosphere of jubilation. Even braving a bone-chilling temperature of minus 16 degrees Celsius, she couldn't help showing her excitement. At 23:15, traditionally costumed Gao and her teammates commenced their dance to snake in lines across the vast square, holding high a multi-colored dragon tens of meters long.

At this time, gathered at the square were 200 color dragons and 100 lions from 12 provinces and municipalities across China. Their dances performed to the tune of the song "Flying Dragon" stirred cheers and applause time and again from the audience of 30,000, who defied the freezing weather for the grand gala.

In front of the giant countdown board to the east of the square, a big



PI DAWEI

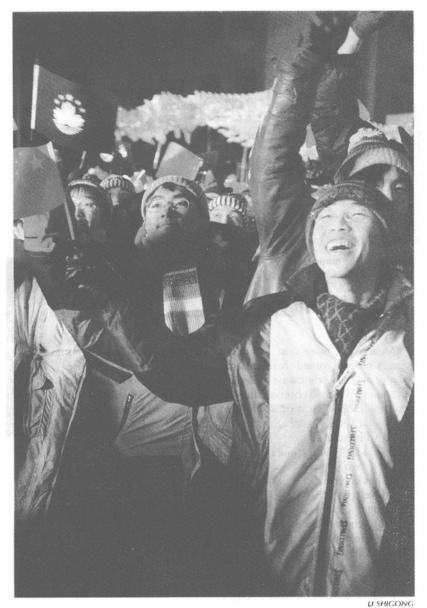
Once in a lifetime. Celebrations in front of the countdown clock.

song-and-dance show started at 23:30 on a stage with a giant pink lotus, the emblem of the new Macao Special Administrative Region, serving as the centerpiece. Meanwhile, showers of fireworks were set off, flags and streamers held high. The 440,000-square-meter square was illuminated by floodlights, while the dark winter sky was emblazoned with brilliant displays of fireworks.

Six huge neon-lit boxes were positioned at the center of the square, flashing the Chinese characters which read "Celebrating Macao's Return to the Motherland".

Counting down in time with a giant digital clock, which has been ticking off the minutes in front of the Museum of the Chinese Revolution and the Museum of Chinese History for 594 days, the 30,000 people yelled out the seconds to the handover and erupted with applause and screams when it hit zero.

With Macao officially back in the fold of the motherland, the Chinese national anthem boomed out over the



"Welcome home, Macao."

square. Two large-screen TV sets at the two sides of the main stage aired the ceremonies from Macao live, causing some people to turn misty-eyed at the sight of the five-star red national flag and the flag of the Macao Special Administrative Region rising at the venue of the handover ceremony in Macao.

Fireworks filled the sky as the joyful people were dancing and singing.

"Now, I can tell people that I am a Chinese," said Miss Ma from Macao,

a postgraduate of China's prestigious Peking University. "December 20, 1999, is the proudest day of my life," she said.

He Feng, 8, is the youngest performer of 50 students from the Primary School Attached to Chinese Academy of Agriculture, who participated in the evening celebration. She said she had written to friends in Macao, and her classmates have drawn a lot of paintings with the theme of Macao's home-coming. "Teachers tell us Macao is a lost child

of our motherland. When it is back, our big family is reunited," she said.

The 70-year-old Zhang Daquan, a Dongcheng District resident, said he had never imagined he could live to see the country's humiliation was washed off. "I never forget the days when foreign powers played the tyrant in northeast China.... All in all, national strength makes a difference."

Ilichev Alexander works for Russian Public TV. When busy helping filming the fireworks, he said he felt happy for the Chinese people, because it is a historic event in the Chinese history which put an end to the foreign colonial rule in China at the dawn of a new millennium.

"I am also fully confident in the future of Macao under the Chinese rule," he said.

Besides echoing the same sentiment with Ilichev, Meng Lei, a teacher with the China University of Geology who celebrated the return of Hong Kong right here two years ago, said at this very moment, he whole-heartedly admired the late Chinese leader Deng Xiaoping.

"Deng's brainchild, the 'one country, two systems' policy, has worked pretty well in the Hong Kong Special Administrative Region, which fills us full of confidence in Macao's future. Now we are waiting for Taiwan to complete China's full reunification, and I hope I will be right here at that moment."

Wrapped in layers of sweaters, Meng and his students snapped pictures of each other in front of the giant countdown clock.

Wen Lipeng is the son of the late writer Wen Yiduo, author of the well-known poem *Song of Seven Sons*. "The return of Macao is a joyous occasion for both the country and our family. I'm very happy that my father's long-cherished dream has at last come true. I hope my father would realize this and share our happiness in Heaven," said Wen with mixed feelings.

In his poem, Wen Yiduo compared Macao, Hong Kong and five other Chinese cities occupied by



Dancing to the music.

Sing, sing a song.

Western powers to sons compelled to leave their mother.

As people were reluctantly leaving the square in the small hours, a policeman surnamed Hou had already stood steadfast at the East Tian'anmen Subway Stop for over four hours. At zero hour, when cheers and applause spread to the subway, he consoled himself, "Anyway, I can 'hear' the historic moment." Being a policeman, Hou seldom spent holidays with his family.

"Well, finally, a big family reunion this Spring Festival."

"For you?"

"I refer to Macao." Pleasure was written all over his face.

Happiness Spread Across The Whole Nation

Elsewhere in China, cities and municipalities staged various celebrations. Evening parties and theatrical performances were held at a square by the Bund in Shanghai, along the Haihe River in Tianjin and Jialing River in Chongqing, in Dr. Sun Yat-sen's Memorial Hall Square in Guangzhou and the other cities.

The city of Zhuhai, which borders Macao, hosted a grand performance to honor Macao's return to the embrace of the motherland. The ruins of St. Paul's Cathedral, a landmark of Macao, and the statue of a fishing girl standing by the sea, a symbol of Zhuhai, characterizing the close relationship between the two cities, were projected as a setting at the backdrop

of a stage.

Meanwhile, more than 100 overseas Chinese joined residents of Guang'an in southwest China's Sichuan Province to observe Macao's return at the former residence of the late leader Deng Xiaoping.

A Chinese-American surnamed Yuan said, "The formula of 'one country, two systems' set forth by Deng has contributed to world peace and development. I come to Deng's hometown on the day of Macao's return to cherish the memory of this remarkable man."

East China's Fujian Province, the principal ancestral home of the people in Macao, has seen a flurry of celebration activities in major cities which were bedecked with flowers, national flags and colorful lights.

Liu Zhenze, a man of Taiwan origin, said, "I came to Xiamen with my parents at the age of seven, but I didn't return to Taiwan to meet my loved ones until 1993. Hong Kong and Macao have now returned to the embrace of the motherland. As a senior citizen, I feel all more bitterness for being far away from home, and thirst for the day when the whole of China is reunited."

The first Chief Executive of the Macao Special Administrative Region (SAR), Edmund Ho Hau Wah, said he is confident that Macao will become a place China can be proud of after its return.

Noting that "what Hong Kong has done over the past two and a half years proves that the concept of 'one country, two systems' is correct,"

Tung Chee Hwa, Chief Executive of the Hong Kong SAR, said that there are reasons to believe that governing Macao by the people of Macao will surely be crowned with a complete success.

Welcome to Macao, PLA Macao Troops

At 11:00 December 20, approximately 150,000 volunteers in Zhuhai, the interior city nearest Macao, joined in a warm sendoff for officers and other ranks of the People's Liberation Army (PLA) to be stationed in Macao.

On the other side of the Gongbei Customs at the same time, more than 30,000 of Macao's 430,000 residents lined the sun-lit 10-km route from Gongbei Customs to the Macao garrison, waving the red five-star national flags of China, the SAR flags, balloons and flowers while chanting, "Welcome".

The 500 officers and enlisted men, led by Commander Major General Liu Yuejun and Political Commissar Major General He Xianshu, are the first troops to be sent into the region by the Chinese Government in more than a century.

Officers and soldiers responded to

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COVER STORY

the enthusiasm from their trucks and vans, and their professional solemn expressions gave way to timid smiles.

A ceremony to present a gilded inscribed board and a brocade banner to the PLA Macao Garrison was held at a circular site in downtown Macao. Ma Man Kei, Vice-Chairman of the National Committee of the Chinese People's Political Consultative Conference and President of the Macao Chamber of Commerce, presented the gifts to the PLA Macao Garrison troops who had just arrived.

Moment of jubilation.

The board bears the legend: "A Mighty and Civilized Force" and the brocade banner bears the words: "A Mighty Force, a Civilized Army." Liu Yuejun and He Xianshu accepted the gifts on behalf of the garrison troops. In acknowledgment of the gifts, He said the garrison would fulfill its sacred mission by carrying out Macao's defense duties in accordance with the law.

Some MSAR residents hope the PLA would play a more active role in the region. Teresa Dias, a Macanese who joined her husband in welcoming the troops, said the couple hopes the garrison will bring a more peaceful society to the SAR.

Solid Governmental Pledges

The warm and hospitable feeling continued through the first day of Macao's return to the motherland. On the night, a cultural extravaganza, Sun and Moon Brighter Over the Chinese Land, was held at the Capital Stadium. Enthusiasm despite the

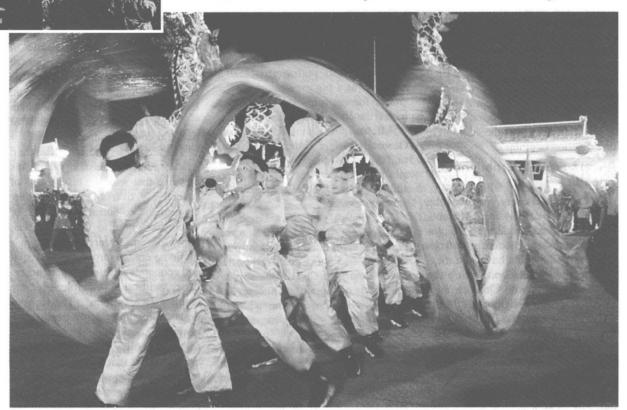
freezing temperature accompanied a crystal-clear December night.

President Jiang Zemin, who had just returned from Macao a few hours prior to the show, told celebrants that the smooth return of Hong Kong and Macao indicated the "one country, two systems" policy is the best way to address the Taiwan issue.

Hailing the establishment of the Macao Special Administrative Region as "another great event for the Chinese nation following the return of Hong Kong," Jiang said the event has become "another important milestone in our march toward complete national reunification".

The Chinese Central Government will do everything possible to support the government of the Macao Special Administrative Region, Premier Zhu Rongji also said when delivering a speech at a grand State Council reception to mark Macao's return held in the afternoon at the Great Hall of the People.

As it embraces the great mother-



Wild with joy.



WANG YUGUO

Time to celebrate in Macao.

land, Macao will implement the policies of "one country, two systems" and "Macao people administering Macao" and will enjoy a high degree of autonomy, the Premier told an audience of more than 4.000.

The MSAR, directly under the authority of the Central Government and ruled by the MSAR Basic Law, will be vested with independent executive, legislative and independent judicial power, including that of final adjudication, he said. He re-emphasized that the return of Macao will "facilitate a final solution of the Taiwan issue, and the complete reunification of China".

Cheers From International Friends

As people in every corner of the country are celebrating Macao's return to China, leaders and diplomatic envoys of countries from Canada to Cambodia have sent messages of congratulation, sharing the exciting moment with China.

In a message delivered to his Chinese counterpart Jiang Zemin, Russian President Boris Yeltsin hailed Macao's return as the end of foreign rule in the Chinese territory.

"The successful practice of the 'one country, two system' policy initiated by Deng Xiaoping will be sure to promote Macao's stability and allround development in the future, and help strengthen Macao's traditional function as the bridge between Western and Eastern cultures," said Yeltsin.

Stressing that Taiwan also is an inalienable part of China, Cambodian King Norodom Sihanouk sent a letter to say he hopes China completely reunifies.

Party and government leaders of Viet Nam also portrayed Macao's handover as a big event marking the end of foreign rule over Macao and with it the end of colonialism in Asia.

Michael Klosson, US Consul General to Hong Kong and Macao, said the United States wants to maintain relations between the American and Macanese peoples, especially in expanding trade.

The consul general of France in Hong Kong and Macao, Jerome Pasquier, underlined investment possibilities, and the Canadian special envoy Raymond Chan made similar statements of support in Ottawa.

V.K. Nambiar, Ambassador of India to China, said in a message of congratulations that the return of Macao to China is an event of historic significance. It marks the end of the era of colonialism in this part of the world. The MSAR joins the HKSAR as a part of the People's Republic of China under the "one

country, two systems" formula and serves as an important pointer of the wisdom and success of this principle.

Macao, a reminiscence of history of changes, where East and West met through the trade and exchanges amongst the peoples, will take the path of history that belongs to itself, noted Jocelyn Henriquez, Ambassador of Venezuela. Portugal and China are demonstrating to the world that peaceful negotiations can overcome historical differences and that the policy of "one country, two system" is valid, he said.

Moustapha Saphariny, Ambassador of the State of Palestine and Chairman of the Arabic Publicity and Culture Commission, hailed the "one country, two systems" as a brand-new step on the road of national reunification, and believed it provided a model for peaceful resolution of some international conflicts. He also expressed full confidence in the day when China celebrates its full reunification.

Message from Mihaly Bayer, Ambassador Extraordinary and Plenipotentiary of the Republic of Hungary, said, "On the occasion of the return of Macao I congratulate the people of China and its government. Let me praise this achievement which has been reached through means of peaceful consultations."

H.E. Mr Riazh Khokhar, Ambassador of Pakistan, said in his message that with the resumption of sovereignty over Macao by China, the remnant colonization of a part of China has come to an end forever. Now, Macao is geared to usher in a glorious era of broad-based social and economic development, in accordance with the principle of "one country, two systems". The international community has already witnessed the enviable success of this sagacious policy in Hong Kong. We are confident that the day is not far off when Taiwan would also return to the warm embrace of its motherland, China, to which it has always belonged.

SPEECH BY PRESIDENT JIANG ZEMIN OF THE PEOPLE'S REPUBLIC OF CHINA AT THE CEREMONY FOR THE TRANSFER OF GOVERNMENT OF MACAO HELD BY THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF THE REPUBLIC OF PORTUGAL

December 20, 1999

President Jorge Sampaio, Honored Guests, Ladies and Gentlemen,

At this refreshing moon-lit night and by the mirrorlike water, the Government of China and the Government of Portugal are holding a solemn ceremony here to mark the transfer of government of Macao and to announce the Chinese Government's resumption of the exercise of sovereignty over Macao. This important event, which is a focus of world attention, will be remembered forever in history.

Beginning from this moment, Macao has entered on a brand-new era in its development. I would like to extend, on behalf of the Central Government and the people of all nationalities in China, our cordial greetings and good wishes to the Macao compatriots who are returning to the embrace of the motherland.

Beginning from this moment, the friendship between the two peoples and the amicable cooperation between the two countries will develop from a new starting point. Our two sides have worked together in conformity with the historical trend of the times and brought about the smooth transition and transfer of government of Macao. I wish to sincerely thank all those who have made contribution to the settlement of the question of Macao and the people across the world who care for and support the return of Macao.

The Chinese Government has, in accordance with the great concept of "one country, two systems" initiated by Deng Xiaoping, successfully resolved the questions of Hong Kong and Macao. This marks a significant progress made by the Chinese people in accomplishing the great task of national reunification. The implementation of the concept of "one country, two systems" in Hong Kong and Macao has played and will continue to play an important exemplary role for our eventual settlement of the Taiwan question. The Chinese Government and people are confident and capable of an early settlement of the Taiwan question and the complete national reunification.

After the return of Macao, the Chinese Government will unswervingly implement the policies of "one country, two systems", "Macao people administering Macao" and a high degree of autonomy. The Macao



Special Administrative Region will, in accordance with the law, be vested with executive, legislative and independent judicial power, including that of final adjudication. Macao residents, irrespective of race or belief, will all be masters of this land, enjoying, as equals, the rights and freedoms guaranteed by law.

After the return of Macao, the economic interests of all countries and regions in Macao will be protected in accordance with the law. I hope that the countries and regions with investment and trade interests in Macao will continue to work for the stability and development of Macao.

Our Macao compatriots have a glorious tradition of patriotism, and they have always been related by blood and mutual affinity with the people of the rest of the country. It is our firm belief that, with the support of the Central Government and the people of all nationalities in China, the Macao Special Administrative Region Government and Macao compatriots will do a good job in the administration, building-up and development of Macao. Macao, now back in the embrace of the motherland, will surely have an even brighter tomorrow.

Thank you.

SPEECH BY PREMIER ZHU RONGJI AT THE CEREMONY FOR THE ESTABLISHMENT OF THE MACAO SPECIAL ADMINISTRATIVE REGION

December 20, 1999

Honored Guests, Ladies and Gentlemen,

On this grand and historic occasion, I would like to extend, on behalf of the Central People's Government of the People's Republic of China, our warm congratulations on the establishment of the Government of the Macao Special Administrative Region (MSAR). I wish to express

our deep appreciation to the Macao people from all walks of life who have cared for, supported and contributed to the return of Macao.

As of today, the MSAR Basic Law of the People's Republic of China takes effect, and the MSAR Government starts to exercise its functions and powers. Just now, the first MSAR Chief Executive, the principal officials of the MSAR Government, and the President of the Legislative Council, the President of the Court of Final Appeal, the Procurator-General, members of the Executive Council, members of the Legislative Council, judges and procurators of the MSAR have been sworn into office. The Central People's Government will give full

INAUGURAL SPEECH BY MSAR CHIEF EXECUTIVE EDMUND HO HAU WAH

December 20, 1999

President Jiang Zemin, Premier Zhu Rongji, Distinguished guests, Fellow compatriots and friends,

At long last, on this historic day: the 20th of December 1999, Macao has returned to her motherland. Macao's return to the motherland opens a new page in history. Now, together with the Chinese people of all nationalities, and sharing the same national flag as the People's Republic of China, we are greeting the arrival of the new millennium.

Amidst this celebration, we must remember that, in the past hundred years or so, the Chinese people have striven relentlessly to safeguard our nation's territorial integrity and its dignity. Over the past 50 years, under the guidance of three generations of leaders headed by Mao Zedong, Deng Xiaoping and Jiang Zemin, the Chinese people have gone from strength to strength, playing an

increasingly important role in the world. This in turn has paved the way for the smooth resolution of the question of Macao. With wisdom and foresight, Mr Deng Xiaoping put forward the great concept of "one country, two systems" and solved a historical problem in a peaceful way. All of this has laid a solid foundation for a smooth transition and continued stability and prosperity in Macao after its reunification with the motherland.

China's resumption of the exercise of sovereignty over Macao under the principle of "one country, two systems" embodies a concept of ingenious political foresight. It is the basis for Macao's future development. First of all, we must have a clear notion of "one country": This means one sovereign state. Then comes the concept of "two systems" coexisting and prospering together within this one sovereign state. The Basic Law of the Macao Special

Administrative Region specifies and elucidates the content of the "one country, two systems" principle. To implement this principle, it is necessary to adhere firmly to the Basic Law.

Unification has always been the main focus throughout China's history, and national unity, well-being and prosperity have always constituted goals to which the Chinese people have aspired tirelessly. Macao's return to China is an important step in the process of, and great progress towards, the ultimate reunification of our motherland.

In the same hours this morning, when the Macao Special Administrative Region (MSAR) was established, it was a deeply moving and immensely inspiring experience to see the MSAR regional flag hoisted together with the national flag of the People's Republic of China, set to the solemn strains of our national

SPECIAL REPORT

support to you, the Chief Executive Mr Ho Hau Wah, and to the work of the MSAR Government under your leadership.

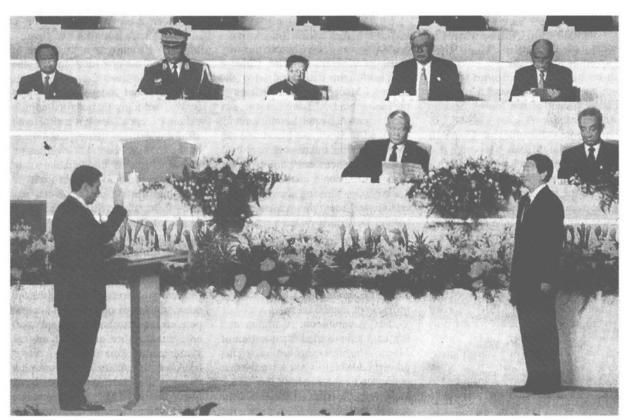
It is hoped that all of you will carry forward the Macao compatriots' glorious tradition of loving China and loving Macao, implement the MSAR Basic Law to the letter, conscientiously fulfill your duties and make due contributions to the maintenance of the long-term stability and development of Macao, so as to live up to the ardent expectations of your fellow countrymen and the Macao residents

and be worthy of the great trust placed in you by history.

Macao's return to China and the of establishment the **MSAR** Government mark the beginning of a new era for Macao in which "the Macao people administer Macao" and Macao enjoys a high degree of autonomy in accordance with the Basic Law of the MSAR under the guidance of the great concept of "one country, two systems" initiated by Mr Deng Xiaoping. This is another historic achievement the Chinese people have attained in the lofty cause of complete reunification of the motherland, and all the Chinese, both at home and overseas, are elated at it.

At the dawn of the 21st century, Macao has opened a new chapter in the annals of its history. I am sure that our Macao compatriots, who are now the masters of their own affairs in the big family of the motherland and have their destiny in their own hands, will create brilliant achievements with their hard work and wisdom. Macao will have an even more splendid future.

Thank you all.



MSAR Chief Executive Edmund Ho Hau Wah takes the oath of office in front of Premier Zhu Rongji.

LIU YU

anthem.

In hailing this new era for Macao, we also join with all the peoples of the world in greeting the arrival of the new century. This is a joyous, proud and glorious moment. We are filled with hopes for a brighter and better future and imbued with a lofty and sacred sense of mission and responsibility. As the chief executive,

chosen by the people of Macao for the first time, I wish once more to extend my heartfelt thanks to the Central Government for the trust placed in me, and to the people of Macao for their support. In the years to come, I will work tirelessly and resolutely to uphold and implement the principle of "one country, two systems" in accordance with the Basic Law, and to lead Macao's 400,000-odd citizens toward a bright and prosperous future. This shall be my greatest honor and responsibility.

I firmly believe that, as a special administrative region of the People's Republic of China, Macao will become more stable, more progressive and prosperous.

SPEECH BY PRESIDENT JIANG ZEMIN AT THE CEREMONY IN CELEBRATION OF THE ESTABLISHMENT OF THE MACAO SPECIAL ADMINISTRATIVE REGION

December 20, 1999

Ladies and Gentlemen, Fellow Compatriots,

Today is a day of nationwide celebration for the people of all nationalities in China, including our compatriots in Macao. The Governments of China and Portugal have held the ceremony for the transfer of government of Macao. The Chinese Government has solemnly declared its resumption of the exercise of sovereignty over Macao and the official establishment of the Macao Special Administrative Region (MSAR) of the People's Republic of China. It signifies that Macao has entered a new era in its development and that henceforth our Macao compatriots will be the masters of this land. This great event of the Chinese nation will shine forever in the annals of history.

At this solemn historical moment, I would like to extend, on behalf of the Central People's Government and the people of all nationalities in China, warm congratulations on the establishment of the MSAR, cordial greetings to our Macao compatriots who are now back in the big family of the motherland, and sincere gratitude to all our compatriots at home and overseas who have contributed to the return of Macao. I would also like to express, on behalf of the Chinese Government, appreciation to all the foreign friends who care for and support Macao's return. I wish to extend our warm welcome to the honored guests and friends from various countries who are present at this ceremo-

At this solemn historical moment, we deeply cherish the memory of Mr Deng Xiaoping. It was he who initiated the principle of "one country, two systems" with great political vision and extraordinary wisdom,

pointing out the right road for the settlement of the questions of Hong Kong, Macao and Taiwan. The successful return of Macao is yet another historic monument built by the Chinese people on the road to national reunification following the return of Hong Kong.

Macao has been Chinese territory since ancient times. The Chinese people fought dauntlessly for the return of Macao, a sacred territory of the motherland. Although Macao was long separated from the motherland, the bond of flesh and blood and the overall national interests have always linked our Macao compatriots closely with the people of the rest of the country. Our thriving socialist motherland has been the primary force behind the epoch-making change in Macao's status. Macao's return is also a great victory in the cause of world peace and justice. It proves once again that no force on earth will stop the historical trend to the progress of mankind.

The governments of China and Portugal have settled the question of Macao through negotiations. This political decision is a wise move that conforms to the needs of the times. Here I would like to thank all the people both in and out of the Portuguese Government who have made efforts for the settlement of the Macao question. The successful settlement of the Macao question has provided a new historical starting point from where the friendship between the Chinese and Portuguese peoples will grow further in the 21st century.

After the Chinese Government resumes the exercise of sovereignty over Macao, the existing capitalist system in Macao will continue to be practiced, the current social and economic systems will remain unchanged, and so will the life-style. The laws will remain basically unchanged and the right of private ownership will be protected by law. As a special administrative region of the People's Republic of China, Macao will enjoy a high degree of autonomy as provided for in the MSAR Basic Law, such as executive, legislative and independent judicial power, including that of final adjudication, except in foreign and defense affairs which are the responsibilities of the Central People's Government: The interests of the inhabitants of Portuguese descent in Macao will be protected by law, and their customs and cultural traditions will be respected. There are many foreigners living in Macao. MSAR will continue to be their home where they can live and work in peace and contentment. In tomorrow's Macao, all the resident, irrespective of their race and color, will have opportunities to compete as equals, and everyone will enjoy the rights and freedoms as guaranteed by law.

After the Chinese Government resumes the exercise of sovereignty over Macao, the MSAR will remain a free port and a separate customs territory. Using the name of "Macao, China", it may on its own maintain and develop economic relations with states and regions and relevant international organizations. The MSAR will continue to have independent finances and practice an independent taxation system. The Central Government will not levy taxes on Macao. The MSAR will on its own decide policies, in accordance with the law, in the fields such as the economy, trade, finance and money, edu-



cation, medical and health services, science and technology, culture and religion, and also decide policies on tourism and recreation in the light of its local overall interests. The economic and trade activities and the inuestment interests of states and regions in Macao will be protected in accordance with the law.

The Central Government's policies and principles regarding Macao and all the provisions of the Basic Law of the MSAR fully conform to the fundamental interests of the counincluding Macao, benefit investors of all countries and are the basic guarantee for Macao's longterm stable development. This Basic Law is a law of constitutional nature for Macao and also a law for the whole nation. Not only Macao should observe the law, but the whole nation should observe it as well. The departments of the Central Government and the local authorities across the country will not, and will not be allowed to, interfere in the affairs which should be administered by the MSAR on its own as provided for by the Basic Law.

I wish to offer my heartfelt congratulations to Mr Ho Hau Wah, the first MSAR Chief Executive, who has been sworn into office today. The Central Government is fully confident in and gives all-out support to the Chief Executive and the MSAR Government under his leadership.

Our Macao compatriots have played an important role both in the struggles waged by the Chinese people for national liberation and in China's modernization drive. They have been actively involved in affairs in the transitional period and made valuable contributions to the smooth return of Macao to the motherland. We firmly believe that they will carry forward the glorious tradition of loving the country and loving Macao and make even greater contributions to maintaining long-term stability and development of Macao and safeguarding the fundamental interests of the country and the nation.

The great motherland will forever be a strong force behind Macao. Since the founding of New China, the people on the mainland have always cared for and supported the stability and development of Macao. The ties between Macao and the mainland have been growing ever closer. After its return, Macao will continue to strengthen its role as an important bridge linking China and other countries and regions and as a window open to the outside world. A stable social environment is a primary condition for economic growth and a happy life for the people. The Central Government will resolutely support all the necessary measures the MSAR Government adopts for the maintenance of social stability in Macao. I am confident that with the support of the Central Government and the 1.2 billion people in China, the people in Macao under the leadership of the MSAR Government will work harder in a pioneering spirit and go on making progress so as to build a better future for Macao.

The first rays of the 21st century are on the horizon. The Chinese Government and people will continue with their efforts to accomplish the great cause of the reunification of the motherland in line with the policies of "peaceful reunification" and "one country, two systems". The successful implementation of "one country, two systems" in Hong Kong and Macao will give a positive push to the early settlement of the Taiwan question. The Chinese people of all nationalities and all patriots who support national reunification and care for China's reconstruction will work in concerted efforts and contribute to turning China into a strong, prosperous, democratic and culturally advanced modern country and bringing about the great reunification of the Chinese nation. The world of tomorrow should be one of lasting peace and common progress and prosperity of all countries. The Chinese people are ready to work unremittingly with the people of other countries for a beautiful future of the world.

Thank you.

SPEECH BY PRESIDENT JIANG ZEMIN AT THE PUBLIC GATHERING IN BEIJING IN CELEBRATION OF MACAO'S RETURN TO CHINA

December 20, 1999

Comrades and Friends,

Today, with the hoisting of the sacred Five-Star Red Flag and the Regional Flag of the Macao Special Administrative Region in Macao, the Government of China has resumed the exercise of sovereignty over Macao, and the Macao Special Administrative Region of the People's Republic of China is officially established. This is another great event for the Chinese nation following the return of Hong Kong and another important milestone in our march toward the national reunification. The return of Macao is a result of the protracted tenacious struggle and hard work, a glory and pride of the socialist motherland and the entire Chinese nation and also a great victory of the world cause for justice and progress.

At this exciting moment, we can not but think of comrades Mao Zedong, Deng Xiaoping and other proletariat revolutionaries of the elder generation. It has also revived our profound memory of all martyrs and other revolutionaries who had bravely devoted all their lives to the emancipation of the nation, well-being of the people and the reunification and prosperity of the motherland. We will forever remember what they have done for the country and the people.

The return of Macao opens up a new era in the history of Macao. From today on, our compatriots in Macao will truly become the masters of that land. The ever-thriving modernization drive on the mainland is bound to inject new vitality into Macao's development continuously. And the people on the mainland will forever be the strong backing behind the Macao compatriots on their way.

Macao's separation from and

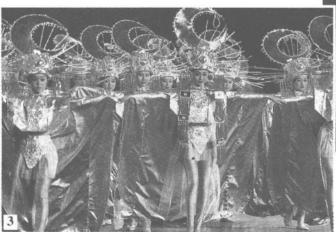
reunion with the motherland epitomize the modern history of the Chinese nation. In old days, Macao gradually fell prey to Portuguese colonial rule against the background of an old China entrenched in poverty and weakness and bullied by imperialists. Today, Macao has victoriously returned to China as the New China is confidently marching toward prosperity and strength. This historic change fully testifies to the great strength of the present-day China and its people.

The great concept of "one country, two systems" proposed by Comrade Deng Xiaoping is the sole correct guideline for solutions to the questions of Hong Kong, Macao and Taiwan, and hence for achieving the complete reunification of the motherland. The successful implementation of the concept in Hong Kong has provided valuable practical experience for Macao. The Central Government will unswervingly implement the policies of "one country, two systems", "the Macao people administering Macao" and a high degree of autonomy. The Macao Special Administrative Region will retain its current social system, economic structure, way of life and the bulk of its existing laws. We will firmly support the Chief Executive and the Government of the Macao Special Administrative Region in their efforts to administer Macao according to law. And we will do all we can to fully protect the rights and freedoms of the Macao residents bestowed on them by the Basic Law. The interests of foreign investors in Macao will be lawfully protected. We are confident that compatriots and other people from various circles in Macao will, with their talents and wisdom, be able to create an even better future for Macao.

This particular moment reminds me of a famous poem by the Tang poet Wang Wei, the second half of which goes like this, "I know my brothers would, with dogwood spray in hand, climb up the mountain and miss me so far away." On this joyous occasion of celebrating the return of Macao, a great event for the Chinese nation, I am sure that our compatriots in Taiwan will share the joyful sentiments of the people in the mainland, Hong Kong and Macao. All patriotic compatriots at home and abroad and all farsighted people in the world have seen, from the smooth return of Hong Kong and Macao, that the "one country, two systems" policy is most appropriate and correct and is the best approach to solving the Taiwan question. To achieve a complete national reunification in accordance with the "one China" principle is the shared aspiration of all the Chinese people including the Taiwan compatriots, and an inevitable historical trend which no force on earth can ever resist. It is our hope that the Taiwan authorities will not go against the tide of history, erect obstacles to the development of the cross-Straits ties or act against the fundamental interests of the Taiwan compatriots and the entire Chinese nation. The Chinese Government and people will never tolerate any attempt to split China. We have both the determination and the ability to resolve the Taiwan question at an early date and accomplish the great cause of reunifying our motherland in accordance with the principles of "peaceful reunification" and "one country, two systems".

Since New China emerged from the horizon in the East like a rising sun, earthshaking changes have taken







- 1. Celebration party in Beijing.
- 2. Song of Seven Sons sung by two Macao kids.
- 3. Song and dance drama, Sun and Moon Brighter Over the Chinese Land.

Photos by PI DAWEI

place against all the vicissitudes. The Chinese people with their destiny in their own hands have worked hard under the leadership of the Communist Party of China. embarked on the broad road of building socialism with Chinese characteristics and are building brilliant prospects for an all-round rejuvenation of the Chinese nation.

History tells us that in order to stand firm on our own among all nations of the world, we Chinese nation must adopt a global perspective, adhere to the principle of advancing with the times, selfreliance and hard work, and brace up for progress and prosperity, so as to

constantly build on China's economic strength, national defense and cohesiveness. In face of intense competition in the contemporary world, there is either progress or retrogress. We must assess the trends in the world and envisage the future of our country with Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory in particular, never deviate from the reality of China, unswervingly keep to our own road and carry the socialist reform and socialist modernization through to the end so as to constantly open up new vistas for China's development and prosperity.

The bell is ringing for the advent

of the 21st century. Political multipolarity and economic globalization are the two major trends in the future world. We are faced with not only grim challenges, but also rare development opportunities. Both challenges and opportunities are testing our wits and strength. The Chinese people of all nationalities should rally around the Communist Party of China more closely and work in unison and in a pioneering spirit so as to build China into a modern socialist state with a high degree of prosperity, democracy and civilization and to make new and greater contributions to the noble cause of peace and progress for mankind!

Support and Eagerly Await

n the eve of Macao's return to the embrace of the motherland on December 20, 1999, Beijing Review special correspondent Wang Guozhen, who went to Macao to cover the event, interviewed Wong Fong Wa, Vice-President of the Macao Hou Kong Middle School. The school is famous because it was the first in Macao to hoist the national flag of the People's Republic of China when it was founded on October 1, 1949.

The 65-year-old Wong is the director of the Macao China Education Association and a member of the National Committee of the Chinese People's Political Consultative Conference.

QUESTION: What do Macao residents think about Macao's return?

ANSWER: My laconic answer is "support" and "eagerly await".

Macao is part of Chinese territory. For a prolonged period of time, however, it has remained under foreign rule. People in Macao are fed up with this.

Enormous changes have taken place in the motherland over the past 50 years since the founding of the People's Republic. China grows in strength, and the Chinese people enjoy a far better standard of living today.

Macao suffers from two problems related to social order and economic development. All Macao residents vearn to return home. When the Chinese and Portuguese Governments issued their Joint Declaration announcing that Macao is to return to China on December 20. 1999, Macao people voiced their support for it. Our teaching staff and students met to discuss its significance, and expressed the wish to see the advent of December 20 at an earlier date.

Q: Could you please explain this in a comparatively detailed way?

A: Just as I have mentioned, Macao suffers from problems related to social order. This jeopardizes the normal life of the citizens. Crimes that happen everyday fill the citizens with fear and worry. Such social disorder undermines economic development. Macao people strongly believe that

Macao will benefit from the motherland, and our problems will be solved comparatively easily.

Q: Since the present social system will remain in force in Macao in the future, how can social order be improved after the return?

A: When Macao returns home, the Chinese People's Liberation Army will have

troops stationed in Macao. This not only embodies the motherland's exercise of sovereignty over Macao, but will also help improve social order in the city. I am convinced that the mere presence of the PLA Macao Garrison troops will scare the Mafia gangs.

Macao people are eagerly awaiting the arrival of the PLA Macao Garrison troops. They have nothing to fear from the troops mainly because the PLA has already stationed troops in Hong Kong, which abide by State and Hong Kong laws.

Macao people will volunteer to welcome the arrival of the PLA Macao Garrison troops. Some 2,000 teachers and students from our school will go.

Q: Are you sure problems related to social order and economic development in Macao will be solved?

A: Macao will be blessed with a leadership headed by Edmund Ho Han Wah. The Macao people elected Ho because his campaign speech was flawless. He cherishes a good aspiration for the future, and is a very responsible person. With support from the Central Government, and with Ho in charge, social and economic problems facing Macao today will be solved without a hitch.

Q: How do your students feel about the hinterland?

A: When the People's Republic China was founded on October 1. 1949. our school was the first in Macao to hoist the five-star red flag. We have since been conducting education in patriotism among the stu-

> dents. Our work pays off dearly, and our students cherish a profound love

Wang Fong Wa, Vice-President of the Macao Hou Kong Middle School.

for the motherland.

When some areas drained by the Yangtze River and the Nenjiang River were flooded in 1998, our staff members and students raised more than HK\$200,000 in aid of the people there. We always did the same before whenever a natural disaster occurred in China.

On National Day (October 1) in 1999, the teaching staff and students with our high-school section watched live coverage of the military parade in Tian'anmen Square in Beijing, and were very impressed by the military might the motherland now boasts. Encouraged by the progress China has made over the past 50 years, our students feel proud to be Chinese.

CHINESE STAR ENTERPRISE

Shanghai-GM Automobiles: A Success Story

he 1999 Fortune Global Forum, recently held in Shanghai, yielded fruitful results. At the forum, Shanghai-GM, a joint venture between General Motors (GM) of the United States, top of the Fortune 500, and the Shanghai Auto Group, one of China's largest car manufacturers and sales companies, became the focus of attention. As GM's No.1 global strategic project and Shanghai's '98 top program, it has set new records: completing overall construction within 23 months; meeting the designed capacity with the highest daily single-shift output topping 200 cars in less than five months after it went into formal operation; seeing the 10,000th Shanghai Buick roll down from the assembly line in late September; and increasing its Buick production volume for this year to 20,000 units. The burgeoning of the Shanghai-GM marks that China's car industry has entered into a brand-new stage of development that parallels with the progress of the global auto

To upgrade the technology, product quality and service of China's auto industry to the international level meets the needs of the times. As a pillar industry in China with decades of development, the auto sector must aim at the world-level technology, product quality and service.

Valuing this perspective and seizing the opportunity of China's reform and opening up, the two auto heavyweights of China and the United States joined hands together. Through the introduction of world latest auto techniques, crafts, management expertise and quality services, this world-standard upper and medium official and business car is tailored especially to the Chinese

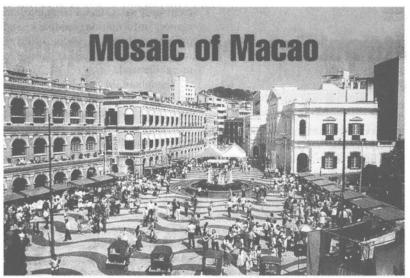
market. The Shanghai Buick, based on GM Buick '98 design, made over 600 improvements according to the Chinese road conditions and regulations. Recently, Shanghai-GM announced that its seven- or eightseat wagon will be put into production next year to meet the domestic market demand. The technologyintensive Buick, with advanced equipment at an affordable price, will warrant more users' trust and ownership desire. In less than 100 days after Buick was put on the market last May, orders surpassed 15,000, providing a positive impact on the domestic auto industry. More than 2,000 companies across China have bid to become Buick's authorized retail agents and establish authorized after-sales service centers. So far, over 50 have opened business.

ideas Brand-new fill the Shanghai-GM's warranty and marketing systems. The "customer-oriented" operation and marketing concept not only meets Chinese consumers' demand on product and service, but also conforms to international practice. The company, therefore, leads the country in adopting the world's most advanced singlelevel pull operation and marketing system which is characterized by the minimum sales links to customer through authorized single-level regional retail network that strengthens the overall control and management over sales, and a computerized market information feedback and problem-solving system offering rapid and highly efficient response to users' demand.

Shanghai-GM has also introduced the "integrated management" model to enhance management expertise. The non-key business, such as the management of chemicals and tools, is all subcontracted to special companies, which has not only lowered cost, but also benefited the technological upgrading and the practice of professional management.

The possession of international advanced technology, management, quality and marketing systems has laid a solid foundation for the company's future development. While working for the localization of 60 percent of Buick sedan and 40 percent of wagon, the company also devotes efforts to developing new products. The Pan-Asia Technology Automotive Center Co. Ltd., the first of its kind in China jointly founded by Shanghai's auto industry and GM, provides a powerful backing for self-development Shanghai-GM. The Shanghai-GM IT System, backed by an investment of nearly US\$20 million, is connected to GM's global computer network, which, with its extensive coverage and advanced technology, enables Shanghai-GM to stand at the same starting line of the GM. Shanghai-GM, gearing to the 21st century, is quickening the pace to turn itself into a leading auto company in China capable of competing with international auto manufacturers advancing further development of China's auto industry.





Leal Senado Square, a good starting point for a walking tour.

WU MING

Acao is famous for a blend of Chinese and Western cultures. Bordering the Zhuhai Special Economical Zone, Guangdong Province, Macao is one of the heavenly places for a cozy winter. Covering an area of 23.5 square km, Macao consists of the Macao Peninsula, Taipa Island and Coloane Island. The south of Macao is centered around the Praia Grade Bay with reclaimed land to the east and the Nam Van Lakes to the west.

The architectural structures in Macao range from old Chinese style residential compounds and temples of Ming and Qing dynasties (1368-1911) to Western buildings, old European style cathedrals and modern mansions. The blending of diverse architectural styles, both Chinese and Western, both traditional and modern, adds to the unique appeal of this port city. There are a great deal of sites to be seen in Macao, all of which attest to Macao's eclectic culture mix of Chinese, Portuguese and local Cantonese with its resultant Macanese blend in varying degrees.

Nothing serves as the reminder of Macao's past better than the churches, dedicated to the Mother of God and named after popular saints, built by the Jesuits and monastic orders.

The style was predominantly European baroque, but oriental and tropical features were incorporated and can still be seen in roofs of Chinese tiles, panels of terra-cotta and Eastern motifs carved on some facades. Over the centuries' fire and storms have devastated Macao's churches, but almost all have been restored or rebuilt.

Hailed as the symbol of Macao, what remains of St. Paul's, once the greatest of Macao's churches, is its magnificent stone facade and grand staircase. The church was built in 1602 adjoining the Jesuit College of St. Paul's, the first Western college in the Far East where missionaries studied Chinese before serving at the Court Beijing in astronomers and mathematicians. The church, made of taipa and wood, was brilliantly decorated and furnished, according to early travelers. The facade of carved stone was built by Japanese Christian exiles and local craftsmen. After the expulsion of the Jesuits, the college was used as an army barracks, and in 1835 a fire started in the kitchen destroyed the college and the body of the church. Rising in four colonnaded tiers, the surviving facade is strewn with carvings and statues that eloquently illustrate the early days of the church in Asia. There are the statues of the Virgin and saints, symbols of the Garden of Eden, the Crucifixion, angels and Satan, a Chinese dragon, a Japanese chrysanthemum, a Portuguese sailing ship and pious warnings inscribed in Chinese. Here you may also climb the Monte Fort where you can enjoy a bird's eye view of Macao.

Another church worth a visit is St. Augustine's, originally built by Spanish Augustinian friars in 1586. The present building dates from 1814 and has a spacious interior with three aisles separated by colonnades. The marble-clad high altar contains a statue of Christ carrying the cross.

Side by side with the Catholic churches and chapels are 40 to 50 Chinese style temples of various sizes in Macao. An important part of Macao's landscape, they stand as witnesses to the evolution of Macao's history. Among them are the most famous ones like the A-Ma Temple and Puji Temple.

With a history of over 500 years, the A-Ma Temple is the oldest temple in Macao. Located at the western tip of the Macao Peninsula, the temple stands against the hill and overlooks the sea. It is made up of the central hall, prayer halls and pavilions. The temple is dedicated to A-Ma, who is worshipped as the guardian of fishermen. The temple is crowded with worshippers on the 23rd day of the third month every year on the lunar calendar, the supposed birthday of A-Ma. Among the relics in the temple are a couple of stone lions carved 300 years ago, a 400-year-old stone tablet with carving of foreign ship and many stone inscriptions of verses of literary figures.

Popularly known as the Temple of the Goddess of Mercy, the imposing Puji Temple was built 370 years ago. Lining the main prayer hall are the statues of the 18 Buddhist arhats. There are many valuable Buddhist scripts and Chinese paintings in the temple.

Along with the remains and ruins

of the past are museums recording the life and people from the first settlement to the present day. The Museum of Macao seeks to present a full picture of the city whereas other museums focus on special aspects of the city. It contains no objects of great monetary value but rather a vast collection of historical and social memorabilia. Some exhibits are originals, some reproductions, but all are part of the essence of

Macao. Modern equipment, such as computers, is commonly adopted in the museums, so a gentle tap on its screen will give you access to almost everything about Macao. One example will suffice. In the Macao Maritime Museum there is a map of the routes of the seven martial expeditions made by Zhen He of the Ming Dynasty. You simply press the ordinal number, and the red bulbs indicating the accordingly route light up in turn, offering a direct approach to the historical events.

Among all the museums in Macao, the Grand Prix Museum and the Wine Museum are two must-seen places. The former was set up in 1993 in commemoration of the 40th anniversary of the Grand Prix Race in Macao. It has a great variety of famous racing autos together with the background information of the drivers. Unlike the thrilling Grand Prix Museum, the

Wine Museum is immersed in an exotic and serene aroma. The wine-brewing, wine-collection and wine-exhibition sections tell you all about wines. As you walk through the museum, you may also savor a glass of wine made by professionals.

Other historical and cultural sites include the Sun Yat-sen Municipal Memorial Park, the Border Gate, the Guia Lighthouse and the Camoes Garden and Grotto. Sun Yat-sen, a forerunner of the Chinese revolution, once practiced medicine and carried out revolutionary activities in Macao. A full size bronze statue of Dr Sun stands at the gate of the Sun Yat-sen Municipal Memorial Park. There are pavilions, a lake, bridges, a swimming pool and recreational amenities for children in the park.

Beside the modern, busy border



The A-Ma Temple.

point between Macao and China's hinterland is the Border Gate, a park featuring the old stone gate, erected in 1870, and tile murals of old paintings and maps of Macao.

Set in a 17th century fort on the highest hill of Macao, the Guia Lighthouse was the first of its kind on China's Coast when it opened in 1865. The Camoes Garden and Grottos were once the private estate

of the chairman of the British East India Co., named after Portugal's national poet Camoes who is thought to have spent some months here.

The small size of Macao makes walking tours possible and indeed enjoyable. Any hotel can be a convenient starting point, but the best one is Loyal Senate Square on San Ma Lo, officially named Avenida de Almeida Ribeiro. The Loyal Senate,

once Macao's de facto government and now the mayor's office, is housed in a fine example of colonial architecture. It contains a walled garden, a library, a municipal council chamber and an art gallery. The Senate Square, paved with mosaic tiles, features a spherical fountain well-restored old buildings. Cross the street to Rua Central and passing shops selling antiques to reach Loyal Senate, back on the streets are arcades packed with news agents and jewelers. Continue along San Ma Lo to the Inner Harbor, or turn left on Travessa do Aterro Novo to Rua da Felicidade. At the end of the street is the waterfront. Opposite is the Floating Casino. Along Rua Dos Mercadores comes Hotel Central, and side streets lead to Sao Domingos produce market.

Today, the place that best illustrates Macao's present must be the eyecatching Hotel Lisboa and

Casino, a complex of catering, accommodation and recreation. Besides sampling the array of wonderful cuisine or having a flutter of fun at the ever-popular casinos, Macao is a beautiful city just to stroll around. Observe the colorful colonial buildings in contrast with the rising skyscrapers that are becoming more predominant, but without stealing Macao's relaxed air.

Shanghai: An Int'l Shipping Center by 2010

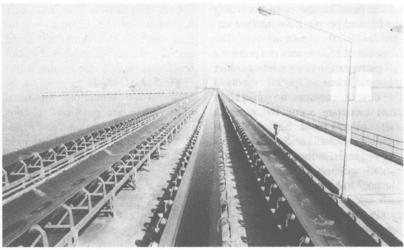
Shanghai has set a target of turning itself into an international shipping center by 2010.

Shanghai Harbor has opened a total of 146 international container routes, with nearly 50 shipping companies engaged in the business.

There are 16 special berths for containers at the Shanghai Harbor, with combined capacity reaching 3.07 million TEUs in 1998, pushing the port into the ranks of the top 10 container ports in the world. The amount handled this year is estimated to jump to 4 million TEUs.

While stepping up the renovation of the Waigaoqiao Port Area, Shanghai will take the following measures to fulfill the target for 2010:

- Improving the construction of deep-water harbor for the all-weather entry and exit and anchoring of the fifth- and sixth-generation international container ships.
- Completing the soft environment as an international shipping



The Shanghai Luojing Coal Port.

XU YIGEN

center. The formulation of maritime laws and regulations and construction of the international shipping information system will be reinforced.

● Enhancing the technological level of the ship-building industry related to international maritime affairs. The Waigaoqiao Ship-Building Base, the largest modern shipyard equipped with state-of-the-

art technologies in China, has started construction at State approval. The first phase will complete two extralarge 300,000-tonnage building docks with the annual ship-building capacity of 1.05 million tons. It will mainly build 250,000-tonnage super-large oil tankers and over 150,000-tonnage large vessels. The second phase will increase the base's ship-building capacity to 1.8 nallion tons.

Oil Reserves in Bohai Exceeds 300 M Tons

China discovered two oil fields in the Bohai Bay this year with reserves surpassing 300 million tons.

The discovered reserves in the area this year have been the highest in history, according to officials at the Bohai Oilfield in north China.

This year, the China National Offshore Oil Corp. urged various subsidiaries to intensify exploration with their own efforts. At the same time, they are required to strengthen cooperation with foreign partners.

In the first half of this year, the US Phillips Oil Co. discovered offshore oil reserves estimated at about 300 million tons in the southern part of the Bohai Bay. This is the first pool with more than 100 million tons found in Bohai in the past two decades.

Depending on itself, China discovered a pool in the central part of the Bohai Bay, which has pumped high-yield industrial oil and gas stream. Geologists predicted the pool has a promising prospect for development.

Experts said China has intensified research into the geological structure of the Bohai Bay with greater investment this year. At the same time, Chinese geologists claimed that they have made a breakthrough in the study of oil formation in shallow geological structures and have made bold steps in exploration.

Qingdao Port To Be No.1 Oil Importer

ingdao Port is expected to import 7 million tons of crude oil or more by the end of 1999, maintaining its No.1 ranking among the coastal ports on the mainland.

Benefiting from its geographical location, the port has intensified analysis and study on the supply of goods and seized the opportunity of a brisk international crude oil market to increase imports.

It has also accelerated the construction of oil tankers. The fifthphase of the construction of oil tank zone-A is under way. After it goes into operation in June 2000, the port's crude oil storage capacity will increase to 2 million cubic meters.

Numbers That Count In 1999

—The past year in China has been dubbed as a "year of fortune hunting". Look at what has happened: the rise of the IT industry; more payment for public servants; world giants gathering at the Fortune Global Forum... Statistics may help provide a better picture to these valuable events.

7.8 Percent: More Stories Behind

In defiance of the Asian financial crisis and domestic fierce flooding, the GDP in 1998 registered an increase of 7.8 percent. When Premier Zhu Rongji announced the data in his government work report in March, deputies burst into prolonged applause, because they knew what it meant for China.

The fiscal year 1998-99 has been a special time since the People's Republic was founded 50 years ago. After Thailand, the Republic of Korea, Indonesia and Japan lost their battles to the Asian financial crisis which erupted in the fall of 1997, the Chinese Government, amid slipping exports and sluggish domestic demand, maintained the value of the RMB. A stalwart guardian of the Asian financial order, it rose to meet the challenge by adopting active financial policies to stimulate domestic demand. For example, it issued additional 100-billion-yuan of treasury bonds for infrastructure construction.

When still recovering from the financial crisis, the Chinese Government had to deal with more: the floods which plagued a dozen provinces caused damage costing more than 100 billion yuan.

Though the 7.8 percent increase rate fell short of the expected target, 8 percent, it told the world more stories about caliber and willpower.

2.74 Million: Laid-Off Local Officials

During mid-last year, the Central Government held meetings on local government institutional restructuring. Its aim: cutting half of the 5.48 million local official positions.

The streamlining reduced about 55 governmental institutions to 40 in major cities across China, 37 to 30 in medium-sized ones, and 24 to 22 in small ones.

1 Million Yuan: for a Jump

On June 20, a businessman named Liu Xiaoping bet 1 million yuan on a farmer, Zhu Chaohui, from Jixian County of Shanxi Province. Zhu successfully flew on a motorcycle over the 30-meter-wide Hukou Waterfall of the Yellow River, believed to be the "mother river" of China.

Money flowed into Jixian County as a result of the jump. The county's tourism industry reaped more than 10 million yuan during the event, and 55-million-yuan investment was hammered later.

The event became a hot topic in the latter half of 1999. Many people believe they sensed brave and adventurous characteristics in the jump, which the Chinese have lacked over the past century.

338 Million: Fewer Babies Born

According to a primary school teacher in Beijing, first-grade students are becoming fewer and fewer, and seven or eight classes of first grade are a rare sight in primary schools nowadays.

 Calculated by the birth rate in the 1970s, 338 million more people should have been born in China over the past 30 years since it initiated the family planning policy. Thanks to the fact, the 1.1-billionpeople day in China was delayed four years, the 3-billion-people day in Asia three years, and four years for the world 6billion-people day.

Though the numbers of students are shrinking, the input in education suggests otherwise in Beijing. In Shanghai, one of four municipalities of China, while the downtown population has decreased, their annual income and living standards have dramatically improved.

However, when China is trying its best to slow down its population growth, the world's population is dramatically increasing. Statistics provided by the United Nations show that the period for the addition of every 1 billion people to the world is shortening.

5 Million Yuan: Prize for the Wise

On August 9, Xu Guanhua, Vice-Minister of Science and Technology, announced in Beijing the establishment of a stunning high prize in China for scientific and technological achievements. Guess how much?—5 million yuan, 500,000 yuan of which is for personal reward and 4.5 million yuan for the research program of the prize-winner's own choice. Guess again how many candidates for the prize every year? Two at the most.

28 Yuan: Declaration of War on Piracy

On October 21, Kingsoft Co., the renowned software manufacturer in China, broke a piece of news which caused much stir in the entire IT industry: Its two fist products, power word and instant translator, would be reduced from the true price of 128 to 28 yuan. This is the largest "war" declared on piracy in 1999. Kingsoft said it meant to start a "red storm".

Plagued for a long time by pirated software, Kingsoft explained later, its retail products sold less than 80,000, while the power word users have approached 5 million.

The war ended with Kingsoft's retail sales topping more than 700,000 sets, and the pirated versions suffered a great loss.

72 Hours: Surviving With Internet

How do you think you would do stuck in a hotel room, with a roll of toilet paper, a bare bed, some water and your PC and Internet connection, for 72 hours? You've got 1,500 yuan, and a credit card with another 1,500 yuan to buy absolutely anything you want—if you can!

That was an experiment carried out from September 3 to 6 to test how much the Internet will affect the views of society. when it is still relatively unknown and utilized even less in China. Twelve finalists were selected based on the equal distribution of sex and city of origin-Beijing. Shanghai and Guangdong, and also on their Internet experience-zero-three months, three months-one year, one-three years, three or more years. In three days, the guinea pigs spent a total of 6,919.05 yuan in cash and 1,854.34 yuan of electronic money. Over 60 percent of the time and money went to purchase of food and water, which indicated that the Internet and E-commerce in China are still in its infancy.

The experiment attracted intense attention from the media and Internet users. One of them seemed to get the point the experiment missed—how to make a living on the Internet, for in reality, nobody would give you a penny for nothing.

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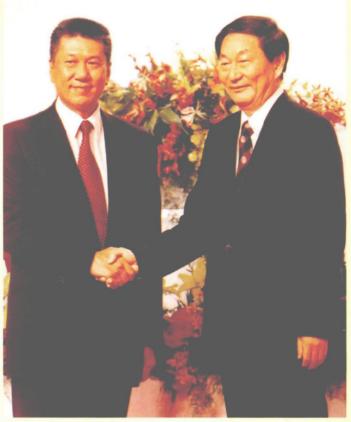
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Ceremony Held for Establishment of Macao Special Administrative Region

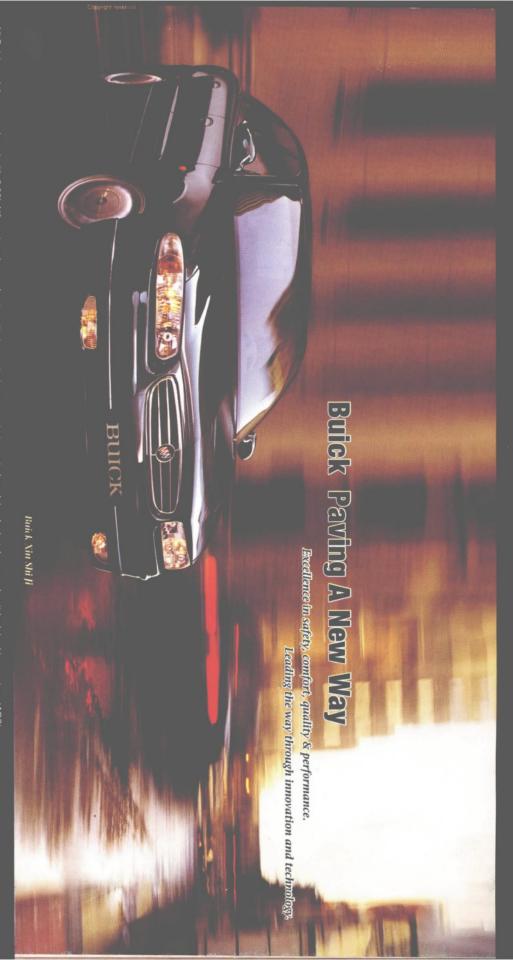


Premier Zhu Rongji congratulates Edmund Ho Hau Wah, Chief Executive of the Macao Special Administrative Region (MSAR), after the swearing-in, which was held in the small hours of December 20.



Swearing-in of major MSAR officials led by Florinda da Rosa Silva Chan, Secretary for Administration and Justice.





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