

cially for heavy loading and high-speed runs. Minister Han said China's policy was to combine independent development of its own new technology with import of advanced foreign technology.

Recovery from China's 'dark ages'

In the 1950s, China built 10,000 km of rail, especially in the southwest, but under most difficult conditions. The outbreak of the Cultural Revolution in the 1960s and 1970s, brought rail construction, along with every other aspect of the economy, grinding to a halt. Over the 1980s, construction began again, with one great achievement being building rail lines into China's vast western interior, especially the 4,700-km Chinese stretch of the "Transcontinental Eurasian Land-Bridge," which opened rail transport from the Pacific coast to Europe in 1992.

In autumn 1992, the Chinese Ministry of Railways announced that the country would be investing 120 billion yuan (\$22 billion) in rail construction by 1995. The national government determined that completing the Beijing-Kowloon line in record time, was a project of "strategic" importance for China's economy, both to relieve the total congestion on the other rail lines, and to create an economic boom in the areas, including some very impoverished ones, through which the railroad passes. The ministry set up a special office to oversee this "unprecedented" project.

In January 1993, the Ministry of Railways announced that increased rail construction was essential to keeping China's economic development going. This was part of a national commitment to focus the rapidly growing economy on basic infrastructure and "intensive," rather than "extensive," growth, including determination, from the highest government levels, to protect China from the massive financial speculation plaguing the world economy.

The new rail program called for building almost 7,000 km of track in two years, with focus on two national priorities: to speed up completion of the Beijing-Kowloon line, and to double-track the Lanzhou-Urumqi section of the Transcontinental Land-Bridge, by two full years. The Beijing line, already then ahead of schedule, was allocated an extra 2 billion yuan (\$267 million).

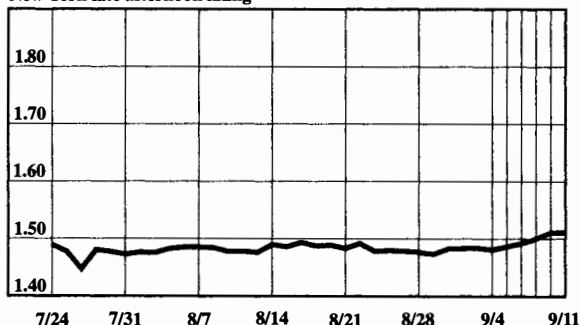
Next, 1994 was another record in rail history, with 3,346 kilometers of new track and double track laid. Among achievements was the opening of the Guangzhou-Shenzhen "quasi-high-speed" (160 kph) line, which, although covering only a short distance, was designed and constructed entirely by Chinese.

Even more important, discussion began in earnest on construction of the high-speed Beijing-Shanghai line, which would cut travel time between the two cities from 17 hours to 7. Chinese officials visiting Germany that year said they hoped to make this a project which would involve all three nations that already operate high-speed rail, Germany, France, and Japan.

Currency Rates

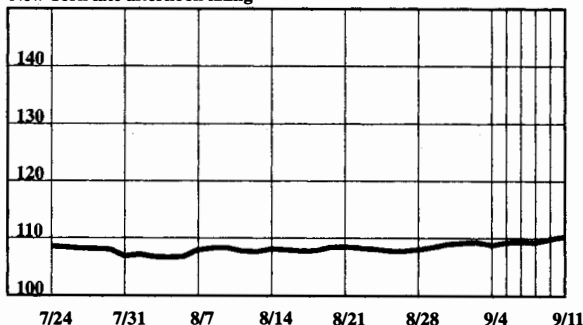
The dollar in deutschemarks

New York late afternoon fixing



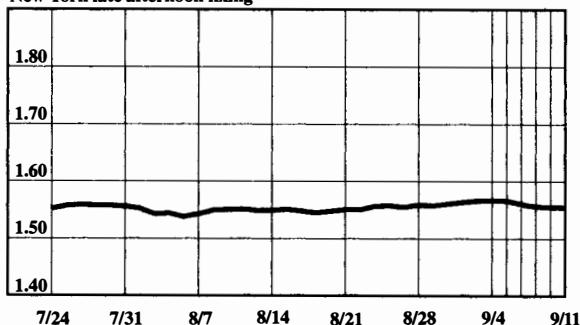
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

