

CHINADAILY

中国日报

EDITORIAL

## Price full cost of water

**THE THREE-TIRED WATER PRICING REFORM** that Beijing is set to introduce is a badly-needed first step to deal with the looming water shortage the city faces.

To quench its growing thirst, however, the city must quickly raise water prices to cover at least the cost of water supply.

The two plans that the Beijing Water Authority released on Wednesday to solicit public opinion on progressively raising water prices all suggest a rise of about 1 yuan (16 US cents) for the first-tier water price that applies to 85 to 90 percent of households in the city.

This would mean a 25-percent rise in the water bills of most local families, which undoubtedly represents an effort to encourage water conservancy. But it hardly amounts to an adequate response to the Chinese capital's challenge of avoiding a looming crisis in water supply.

As one of the most thirsty cities in the world, Beijing's water resources are less than 300 cubic meters per capita, only one-eighth of the national rate and one-thirtieth of the world average.

Worse, the rapid growth of its population and economy, as well as disruptive climate change, have only increasingly widened the gap between Beijing's water usage and the available local water resources.

By adding no more than 20 yuan per month to the water bills of 90 percent of local families, it is doubtful if the two plans that the Beijing municipal government has come up with will really help build much momentum in water conservation practices.

On one hand, prices for water will remain relatively cheap. Most residential consumers in Beijing will pay 5 yuan (81 US cents) per cubic meter of water, compared with a global average of \$2 per cubic meter.

On the other hand, the hiked prices would still not cover the total cost of water resources, supply and treatment. It is shocking to know that in such a thirsty city as Beijing, local residents are subsidized by about 2 yuan per cubic meter for their use of water.

The local authority's concern over the impact of water price hikes, especially on low-income families, is understandable. But the need of targeted subsidies for a few is no replacement for a clear price signal to inform the majority of consumers about the need for efforts to conserve precious water supplies.

All Chinese cities have been required to charge tiered prices for household water by the end of 2015. Beijing should not only start early, it should also seek to achieve more in conserving water.

## Violation of international laws

**T**he Philippines should fully recognize how sensitive and complicated the South China Sea issue is, and return to the right track of resolving the dispute through consultations and negotiations.

The Philippines has attempted to unilaterally force arbitration on its South China Sea dispute with China, but China stands on a solid legal ground in refusing to accept or participate in the arbitration, says a Xinhua commentary.

The Philippines' filing for arbitration is an abuse of law procedures. As is clearly stipulated by the United Nations Convention on the Law of the Sea, the precondition for the application of arbitration procedures is the principle of consent, a basic principle of international law.

In 2006, China submitted a written statement to the United Nations Secretariat, clearly declaring that, on issues of territorial sovereignty, marine demarcation and military activities, it refuses to accept any jurisdiction of international justice or arbitration.

No matter what kind of package it has made, the arbitration raised by the Philippines is in essence a dispute concerning the sovereignty over the islands and reefs and demarcation over certain waters in the South China Sea.

Therefore, by ignoring China's 2006 declaration and taking the South China Sea disputes related to the sovereignty of islands and reefs and maritime demarcation to international arbitration, the Philippines has made the arbitration procedure illegal from the start.

Also, in 2002, the nations involved, including the Philippines, pledged to solve their South China Sea disputes through negotiations in the Declaration on the Code of Conduct on the South China Sea, and that declaration excludes the application of any other procedures, including arbitration.

So clearly any arbitration by a third party goes against international laws and the DOC.

Both the UN Charter and UNCLOS encourage nations to first solve their disputes through negotiations. And with the larger picture of China-Philippines relations and interests of regional peace and stability in mind, China has consistently insisted on solving the issues of territorial sovereignty and maritime demarcation through bilateral negotiations.

However, the Philippines has turned a blind eye to China's goodwill and restraint, and is reaching for a yard after taking an inch.

### CONTACT US

#### China Daily

15 Huxin Dongjie Chaoyang, Beijing 100029

News: +86 (0) 10 6491-8366; editor@chinadaily.com.cn

Subscription: +86 400-699-0203; sub@chinadaily.com.cn

Advertisement: +86 (0) 10 6491-8631; ads@chinadaily.com.cn

Phone app: chinadaily.com.cn/iphone

#### China Daily USA

1500 Broadway, Suite 2800, New York, NY 10036 +1 212 537 8888

editor@chinadailyusa.com

#### China Daily Hong Kong (Asia)

Room 1818, Hing Wai Centre 7 Tin Wan Praya Road Aberdeen, Hong Kong

+852 2518 5111

editor@chinadailyhk.com

editor@chinadailyasia.com

#### China Daily Africa

P.O.Box 27281-00100, Nairobi, Kenya

+254 (0) 20 522 3498 (Nairobi)

editor@chinadailyafrica.com

enquiries@chinadailyafrica.com

subscription@chinadailyafrica.com

#### China Daily UK

90 Cannon Street London EC4N 6HA

+44 (0) 207 398 8270

editor@chinadailyuk.com

CHINA FORUM | ROBERT LAWRENCE KUHN

# Strategic ties that stabilize the world

## China and Saudi Arabia have realized close collaboration will help to secure each country's core interests

**R**arely in the history of diplomacy does a new bilateral relationship change the existing order. But one was symbolized recently in Beijing by the meeting between Chinese President Xi Jinping and Saudi Arabian Crown Prince and Defense Minister Salman bin Abdulaziz Al Saud. Xi hailed Saudi Arabia as China's good friend, brother and partner. The crown prince said his visit aimed to enhance the Kingdom of Saudi Arabia's strategic partnership with China.

Though there are obvious cultural, religious and historical differences between the kingdom and China, and their policies on sensitive issues such as Syria and Iran may differ, both recognize that to secure each country's "core interests", close collaboration is needed.

Putting principles into practice, a Saudi China Investment Forum was held in Beijing during the crown prince's visit. I was privileged to participate.

The forum was organized by the Saudi Arabian General Investment Authority, the vision of its governor, Abdullatif Al-Othman. "China is a natural strategic partner for Saudi Arabia," Al-Othman said. "Our complementarities should enhance business and stimulate entrepreneurs." Saudi Ambassador to China

Yahya Al-Zaid stressed that the cornerstone of bilateral relations is co-investment from private companies as well as national enterprises.

We began the forum with three premises: mutual dependency on crude oil (Saudi Arabia is China's largest supplier and China is Saudi Arabia's largest customer); economic development as a mutual necessity to create jobs and raise standards of living; and the public commitment of both national leaders to strengthen and broaden economic relations.

The kingdom has the world's largest oil reserves; it is the world's 19th largest economy. Politically, Saudi Arabia claims commitment to stability and modernity. Socially, to education, science and technology, and public services. Economically, to diversifying away from energy and restructuring toward knowledge-based industry.

Demographically, Saudi Arabia's population is almost 30 million, with 50 percent younger than 25 and 35 percent younger than 15. Geographically, the country sits at the crossroads of Asia, Africa and Europe. Culturally and religiously, the kingdom, with the holy cities of Mecca and Medina, is the center and most respected country of the Islamic world.

High-growth industries include energy, downstream petrochemicals, alternative energy, construc-

tion and infrastructure, manufacturing, science and technology, healthcare and medical. Business is facilitated by low-cost inputs (energy and land) and soft government loans (50 to 75 percent of investment). SAGIA Governor Al-Othman stressed the "ease of doing business", the "level playing field", and that "no partner is needed and no minimum capital is required". Affirmative financial programs support small and medium-sized businesses.

For prospective investors, SAGIA facilitates the commercial assessment and investment process. Operated like a business, SAGIA radiates an entrepreneurial spirit — Al-Othman was a businessman (CFO of Saudi Aramco). The kingdom's two major corporations, Saudi Aramco, the world's largest oil company, and SABIC, a leading petrochemical company, have innovative programs to assist local businesses. Aramco Executive Director Ahmed Al Subaey highlighted local content in procurements, such as signing long-term contracts and setting favorable pricings. Aramco may even consider minority investments, Al Subaey said. In addition, the Council of Saudi Chambers, can introduce local businesses and professionals.

Saudi Minister of Commerce Dr Tawfiq Al-Rabiah highlighted the

increased annual trade between China and Saudi Arabia, from under \$300 million in 1990 to \$73 billion in 2012, and how the kingdom's industrial plans resonate with Chinese interests. The president of King Abdulaziz City for Science and Technology, Dr. Mohammed Al-Suwayel (who speaks Chinese), arrayed a long list of high-tech research in the kingdom, including water desalination and a just-signed aerospace agreement with China, through which Chinese rockets will carry Saudi satellites into orbit.

Question: "Why is Saudi Arabia, with its huge amounts of capital, seeking foreign investment?" Money alone cannot create value, the Saudis explained; technology, knowhow, markets and management enable the kingdom's essential economic transformation.

One Chinese company complained that by Saudi Arabia using Western standards to set technical specifications, the Chinese were disadvantaged, even if they offer lower prices. Also noted were Chinese losses in a large, fixed-price railway construction project. That real-world issues were discussed openly and candidly reflected the seriousness of the forum.

I stressed that companies should focus on commercial criteria, not on political directives, though the support of both governments could help reduce the risk of investments and thus improve the risk/return ratio.

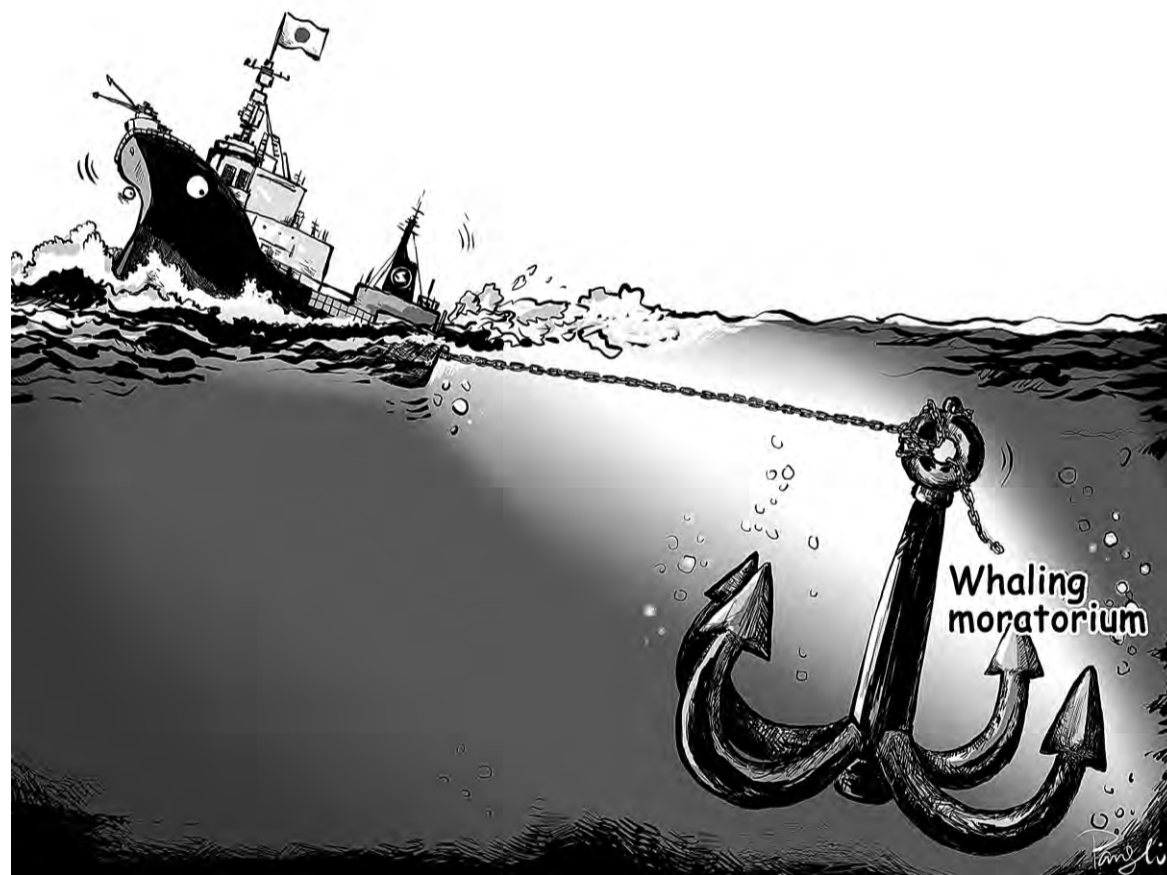
One question thrown at me was whether closer collaboration between Saudi Arabia and China would "threaten" any other country (meaning, with a wispy thin veil, the US). I replied that the US welcomes enhanced international stability and encourages China and Saudi Arabia to assume more of the burden of responsibility in world affairs.

Sulaiman Ababtain, president of Aramco Asia, said "we look forward to deepening our participation in China's society as well as in China's economy". Quoting Aramco CEO Khalid Al-Falih, Sulaiman said: "We do not just sell oil to China, but we are long-term strategic partners with China."

Disclosure: I facilitate business between China and Saudi Arabia. Sure, I see commercial opportunities, but more than that I support the strategic relationship — for the prosperity of both countries and for the stability of the world.

*The author, an international corporate strategist and investment banker, is the author of How China's Leaders Think and the biography of former Chinese president Jiang Zemin. He is a commentator on BBC, CNN, CCTV, Bloomberg and other media.*

PANG LI



ZHU CHENGSHAN

## Number of victims in Nanjing Massacre irrefutable

**W**hen delivering a speech in Berlin on March 28, President Xi Jinping recalled the atrocities the Japanese military committed when it occupied what was then the Chinese capital Nanjing in 1937, saying that the Nanjing Massacre of more than 300,000 people is still fresh in the memory of all Chinese people.

Tokyo lodged a protest with the Chinese government a day later, and Japan's Chief Cabinet Secretary Yoshihide Suga expressed regret calling it "extremely unproductive" for the Chinese leader to comment on Japanese history in a third country. He also said that Tokyo did not deny members of the Japanese military had been involved in the killing and looting, but he disputed the number of victims mentioned by the Chinese side because views on the matter vary.

It is a shame that regarding the number of victims in the Nanjing Massacre, some Japanese politicians have repeatedly quoted the opinions of right-wing scholars to whitewash Japan's war crimes. No matter how desperately they have tried to deny

it, evidence of the Nanjing Massacre is iron-clad, and the international community has for decades had a definite conclusion on the number of deaths in the massacre.

The number of victims in the Nanjing Massacre is indirectly substantiated by the judgment of the International Military Tribunal for the Far East in 1948, which estimated over 200,000 civilians and war prisoners were murdered in Nanjing during the first six weeks of the Japanese occupation and approximately 20,000 cases of rape occurred in the city during the first month of invasion. While as the verdict stated, the estimate of 200,000 deaths did not include the bodies burned or thrown into the Yangtze River. As Hisao Ohata, a middle-ranking officer of the Japanese army, confessed, the number of such bodies stood at around 150,000. Given that, it is fair to say the death toll in the massacre exceeded 300,000.

The verdict of the Nanjing War Crimes Tribunal in 1947, too, put the number of victims in excess of 300,000. According to the verdict, more than 190,000 Chinese civil-

ians and soldiers were gunned down by the Japanese army in mass executions, and their bodies were burned to destroy the evidence in various parts of the city. This, added to the bodies of around 150,000 victims that were collected and buried by charity groups, brings the death toll estimate to more than 300,000.

The Japanese military in Nanjing burned, buried or otherwise disposed of hundreds of thousands of bodies to destroy evidence of the atrocities it committed. The records of those operations and testimonies of some of those involved are irrefutable evidence for the number of people that died during the savage brutality inflicted on those in the city. According to such records, charity groups buried around 185,000 bodies and individuals about 35,000 out of humanitarian concerns. The puppet government buried about 6,000 to cover up the barbaric acts of the Japanese army and also to prevent plague, while around 150,000 bodies were disposed of by the Japanese military to destroy evidence of their crimes. Taking all these into account there

can be no doubt that more than 300,000 people were slaughtered in the infamous massacre.

It is also noteworthy that in Article 11 of the San Francisco Peace Treaty, signed in September 1951, Japan accepted the judgments of the International Military Tribunal for the Far East and of other Allied War Crimes Courts both within and outside Japan. This suggests that Tokyo also accepted the verdicts on the Nanjing Massacre including the fact that more than 300,000 Chinese people were brutally killed by the invading troops.

Japan inflicted untold calamities on the Chinese nation, and a sincere apology to the millions of Chinese victims of Japanese aggression is long overdue. However, instead of self-reflection, some senior government officials in Japan are relentlessly denying the country's war crimes; such an irresponsible attitude will only jeopardize the country's future.

*This article is based on a Nanjing Daily interview with Zhu Chengshan, curator of the Nanjing Memorial Hall for Massacre Victims.*